Public School Finance

Policy 8100

July 2024

TITLE 126
LEGISLATIVE RULE
BOARD OF EDUCATION

SERIES 200
PUBLIC SCHOOL FINANCE (8100)

§126-200-1. General.

1.1. Scope. -- This legislative rule describes the finance function of county boards of education (boards), educational service cooperatives (ESCs), and multi-county vocational centers (MCVCs), and details fiscal management, disbursement of funds, payroll activities, receipt of revenues, and other processes essential to public school finance.

1.2. Authority. -- W. Va. Constitution, Article XII, §2; W. Va. Code §§18-9-1 et seq., 18-9A-1 et seq., 18-9B-1 et seq., 18A-2-1 et seq., and 18A-4-1 et seq.

1.3. Filing Date. -- July 8, 2024.

1.4. Effective Date. -- August 7, 2024.

1.5. Repeal of Former Rule. -- This rule repeals and replaces W. Va. §126CSR200, Policy 8100, Public School Finance, filed June 1, 1990, and effective July 16, 1990.

§126-200-2. Incorporation by Reference.

2.1. The Handbook for School Finance in West Virginia is attached to this policy and incorporated by reference. Copies may be obtained from the Office of the Secretary of State and from the West Virginia Department of Education (WVDE) Office of School Finance.

2.2. Summary of rules and regulations. This policy and associated handbook have been prepared to provide boards, ESCs, and MCVCs with basic information covering revenue, budget, expenditures, payroll, fiscal management, and auditing. Sample forms and other useful information are found in the appendices.

§126-200-3. Severability.

3.1. If any provision of this policy and associated handbook or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this policy and associated handbook.

Policy 8100, Public School Finance
Handbook for School Finance in West Virginia

Foreword

W. Va. 126CSR200, Policy 8100, Public School Finance, and associated Handbook for School Finance in West Virginia (Policy 8100), established by the West Virginia Board of Education (WVBE), provides county boards of education (boards), educational service cooperatives (ESCs), and multi-county vocational centers (MCVCs) with basic information covering revenue, budget, expenditures, payroll, fiscal management, and auditing.

The policy is being updated to incorporate numerous changes in public school finance including but not limited to: payroll and disbursement evolution and modernization and various statutory and WVBE policy revisions and implementation that impact school finance. The revised policy thoroughly defines public school finance in West Virginia and incorporates real world experiences and practices from West Virginia School Business Officials.

The policy, including the handbook, was developed by the West Virginia Department of Education (WVDE) Office of School Finance in cooperation with the Accounting Procedures Committee comprised of representatives from board finance staff.

Policy 8100 and the associated handbook are available on the WVDE's website at http://wvde.state.wv.us under both the WVBE Policies section and under School Finance Data/Manuals. Printed copies can also be obtained from the WVDE Office of School Finance, Capitol Building 6, Suite 650, 1900 Kanawha Boulevard East, Charleston, West Virginia 25305, or by calling 304.558.6300.

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State Superintendent of Schools

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SECTION 1
FISCAL MANAGEMENT

1.1. FISCAL MANAGEMENT OVERVIEW

Fiscal management is the planning, monitoring, and directing of the financial activities of the board. Inherent in the governing process of the State of West Virginia, public officials and employees entrusted with public funds are expected to safeguard those funds and expend them in a manner that is efficient, economical, and effective to achieve the purpose for which they were provided. Officials and employees who handle such funds must provide full disclosure of their activities to the public and to other levels of government.

1.2. ORGANIZATION OF THE OFFICE

The county board of education members (CBEM) shall annually, upon recommendation of the county superintendent, appoint a treasurer for the board (treasurer) on or before the first Monday in May per W. Va. Code §18-9-6. The treasurer is the fiscal officer of the board, or the employee commonly designated as the person in charge of the financial affairs of the board. The treasurer must also be designated as the chief school business official (CSBO). An exception may be granted by the State Superintendent of Schools (State Superintendent) such as in cases where there is an interim treasurer due to a vacancy in the CSBO position. Exceptions will be granted by the State Superintendent on a case-by-case basis.

The treasurer is required to obtain professional licensure through the WVDE in accordance with W. Va. 126CSR136, Policy 5202, Minimum Requirements for the Licensure of Professional/Paraprofessional Personnel and Advanced Salary Classification (Policy 5202).

The treasurer is a key administrator who organizationally should report directly to the superintendent. The duties and responsibilities of the treasurer may range from those of a top-level executive to those of a clerk. The duties and expectations of the business office can vary widely depending on the size and organizational structure of the board. The treasurer is responsible for providing monthly financial reports to the CBEM, superintendent, and other management staff, including program administrators and cost center managers.

The treasurer must be involved, directly or indirectly, with all aspects of board operations. Areas of emphasis include budgeting, financial planning, payroll, accounts payable, accounting, and financial reporting. Other areas in which the treasurer must also be involved are cash management, risk management, purchasing, personnel, food service, transportation, maintenance, construction, inventory control, data processing, staff development, individual school accounting, and school/community relations.

The treasurer must be knowledgeable of ongoing activities in all areas of operation in order to facilitate the finance-related processes that must occur. Because of the financial implications, it is essential that the treasurer be involved with such areas as strategic planning, staffing, and the certified list of personnel.

1.3. BASIS OF ACCOUNTING

W. Va. Code §18-9B-5 and §18-9B-9 charges the State Superintendent with formulating and prescribing a uniform system of school district budgeting and accounting. Accounting transactions and financial reporting will be completed in conformity with accounting principles generally accepted in the United States of America. All West Virginia Local Education Agencies (LEAs) are required to maintain their financial records in accordance with Generally Accepted Accounting Principles (GAAP), as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is recognized as being the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

1.4. REQUIRED ACCOUNTING RECORDS

All boards, ESCs, and MCVCs shall use the uniform prescribed accounting system recommended by the WVBE for data collections and reporting to the WVDE.

1.5. INTERNAL CONTROL STRUCTURE

An integral part of any effective accounting system is a well-designed internal control structure. A board's control structure consists of the overall attitude, awareness, and actions of the CBEM, superintendent, treasurer, and other management personnel.

A good internal control structure is a key factor in the effective management of any organization. Internal controls encompass both accounting and administrative control procedures.

Internal control systems provide a means for safeguarding the board's assets, verifying the reliability of its accounting records, promoting operational efficiency, and encouraging adherence to prescribed accounting practices and procedures.

Some of the characteristics of a good internal control system include:

- proper authorization of transactions and activities;
- adequate segregation of duties;
- adequate documentation and records;
- adequate safeguards over use and access; and
- independent checks over performance.

1.6. SEGREGATION OF DUTIES

Identification and separation of incompatible functions is the fundamental method to accomplish adequate prevention of unauthorized or illegal transactions. Generally, the approval function, reconciling and accounting function, and the custody of assets function should be divided among separate employees. If these functions cannot be separated, a detailed supervisory review of all relevant activities is required on an on-going basis. Proper segregation of duties deters fraud by eliminating the ability of any one individual to complete enough steps in a transaction that they are able to both steal and conceal. Refer to Appendix A for examples of proper segregation of duties.

1.7. FUNDS

Fund accounting is used by non-profit and governmental entities and is a system that emphasizes accountability rather than profitability. In this system, a fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions, limitations, or reporting structure.

The *Local Educational Agencies Chart of Accounts* published by the WVDE Office of School Finance contains a list of allowable funds and the corresponding numbering sequence for each fund. The *Local Educational Agencies Chart of Accounts* can be obtained from the WVDE website.

The **General Current Expense Fund** is the operating fund of the LEA and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Current Expense Fund. In addition to the board's General Current Expense Fund, other general funds may be established as necessary for the MCVCs, material trust/agency agreements, or excess levy proceeds if separation is desired.

The **Special Revenue Fund** is an operating fund of the LEA and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that legally restrict expenditures for specific purposes.

The **Debt Service Fund** is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the LEA for the acquisition of capital assets. Expenditures for services are not to be paid from this fund. Taxes collected by the Sheriff for the retirement of debt are recorded here for payment to the West Virginia Municipal Bond Commission for bond retirement. A separate fund may be established for each separate bond issuance.

The **Bond Construction Fund** accounts for the financial resources used to acquire or construct major capital facilities financed as a result of issuing general obligation bonds. Proceeds from the sale of bonds are deposited into this fund and expenditures to contractors for the construction projects are made from this fund. This fund is not used to account for the payment of salaries to board employees.

The **Permanent Improvement Fund** was established under the authority of W. Va. Code §18-9B-14 to account for the portion of regular levy proceeds that are set aside for the support of various building and permanent improvement projects. This fund can also be used by boards to accumulate resources and subsequent expenditures for major construction activities.

- In accordance with W. Va. Code §18-9B-14, the proceeds of this fund must be used only for the support of building and capital improvement projects and cannot be transferred out. The fund may be accumulated from year to year, but money shall not be paid into the fund so as to increase the assets of the fund to a total amount in excess of 25 percent of the amount of the basic program allowance of the Public School Support Plan (PSSP) for that board for the same school year.
- Additional guidance for this fund can be found in W. Va. Code §§18-9B-14, 18-9B-14a, and 18-9B-15.

The **Capital Projects Fund** accounts for the financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project or, alternatively, separate projects may be established for each specific capital project within the main Capital Projects Fund.

Any capital project whose annual expenditures exceed three percent of the prior year's current expense fund expenditures must be accounted for in a bond construction, permanent improvement, or capital projects fund.

The **Federal Stimulus and Stabilization Fund** accounts for the financial resources received through the federal government which are restricted either legally or by the grantor.

1.8. LIMITATIONS OF LEAs

The authority and powers of LEAs are limited to those that are explicitly established in W. Va. Code and WVBE policy. Therefore, the LEA must have express authority in order to take action.

1.9. BANK ACCOUNTS

The board must open a bank account, or accounts, as required to adequately and properly transact business in a depository, or banks, within the county per W. Va. Code §18-9-6. At least one checking account must be established. If multiple accounts are established, then each checking account will be used only for the identified purpose.

The bank must provide bond which is 110 percent of the face or par value of the securities. Multiple funds may be maintained in one bank account. In order to select a depository, minimum bank services should be determined and a request for proposal distributed to all state and federally chartered banks within the county. Required bank services must include the following.

- The depository bank must provide, at its own expense, collateral acceptable under W. Va. Code §18-9-6, to cover the maximum amount to be deposited at any one time under the board's federal employer identification number.
- For each checking account, the bank must provide within a specified time a monthly bank statement as of the closing of the last business day of each month. The bank statement must clearly indicate the balance of the previous statement, itemization of all debits and credits supported by attached bank debit and credit memos, itemization of all deposits, itemization of all checks paid during the period, and the bank balance at the end of the statement period. The itemization of all paid checks must be supported by cancelled checks or other acceptable media, such as electronic imaging, which shows the front and the back of the cancelled check.
- The bank must have the ability to provide an electronic file compatible with the board's financial software to allow electronic reconciliation of the bank statement.
- The bank must be able to provide an Automated Clearing House (ACH) direct deposit process compatible with the board's financial software to allow board employees to have each pay electronically deposited to a designated bank of their choice.
- The bank must provide online banking services.

Some optional services the board may wish to consider include the provision of check stock, deposit tickets, endorsement stamps, messenger services, investment counseling, remote deposits, and automatic sweep accounts.

Fees to be charged, compensating balances, and interest rates paid on account balances must be weighed in conjunction with bank services provided in order to select a depository bank. A depository bank should be selected for a period of not less than one year in order to simplify accounting procedures. Counties should do a periodic review of banking services and the rates provided by the current institution. If, as a result of that review, the board warrants changing banks, an RFP must be completed. Changing banks is very disruptive to the board's financial operations, so any changes must be carefully weighed. A board member who has a pecuniary interest in a bank within the county shall not participate in the determination of a depository.

The safety of public funds should be the foremost objective in public fund management. Collateralization of public deposits through the pledging of appropriate securities or other instruments (i.e., surety bonds or letters of credit) by depositories is an important safeguard for such deposits. The amount of pledged collateral is determined by a governmental entity's deposit level and the policy or legally required collateral margin. Proof of collateralization must be provided by the bank and maintained for audit purposes.

The Federal Deposit Insurance Corporation (FDIC) provides deposit insurance guaranteeing the safety of a depositor's accounts in member banks up to $250,000 for each deposit ownership category in each insured bank.

The depositories, or banks, shall provide bonds to cover the maximum amount to be deposited at any one time. However, the board may, in lieu of such bond, accept as security for money, deposited letters of credit from a federal home loan bank, securities of the United States, or of a state, county, district or municipal corporation, or federal agency securities: Provided, that a banking institution is not required to provide a bond or security in lieu of bond if the deposits accepted are placed in certificates of deposit meeting the guidelines as specified in W. Va. Code §18-9-6. W. Va. Code §18-9-6 authorizes investments by the treasurer with the West Virginia Municipal Bond Commission, in guaranteed certificates of deposit issued by the depository or bank, or other guaranteed investments such as treasury bills, treasury notes, or certificates of deposit issued by either the United States government or a banking institution in which federal or state guarantees are applicable. If sufficient funds are on hand in any account at any one time, which may be more than are normally required for the payment of incurred expenses, the excess funds may be invested by the treasurer in a manner as described above. Interest earned in such investments is to be credited to the fund from which the monies were originally available.

As authorized by W. Va. Code §18-9-6a, funds may also be made available to the West Virginia Investment Management Board (WVIMB) for investment in accordance with the provisions of W. Va. Code §12-6-1, et seq., if the treasurer determines that the available interest rate offered by an acceptable depository in that county is less than the interest rate (net of administrative fees) offered through the WVIMB. The written approval of the board whose funds are involved is required. Any treasurer may enter into an agreement with any state agency from which they receive funds to allow such funds to be transferred to their investment account with the WVIMB.

1.10. SIGNATURES

The signature of the board president, the board superintendent acting as the secretary of the board, and treasurer are required on all checks issued. Per W. Va. Code §6-14-2, in order to eliminate the manual signing of checks, these authorized officers may execute or cause to be executed any instrument of payment with a facsimile signature in lieu of their manual signature after filing with the West Virginia Secretary of State their manual signature certified by them under oath. Additional signatory authorities and provisions are outlined in W. Va. Code §18-9-3 and §18-9-4. The affidavit used to establish a facsimile signature can be found at the West Virginia Secretary of State's website.

All checks issued prior to the first meeting in July when the board president is being selected for the upcoming two-year term should be issued with the signature of the board president in office during the prior fiscal year. In other words, the current president's signature is used until the CBEM takes action to elect a new president. The current president's signature cannot be used for checks when the official resigns or otherwise vacates the position, including death or the determination that the individual is incapacitated.

If the county requires an employee to be a government notary public, the county must comply with W. Va. Code §39-4-31 as interpreted by the West Virginia Secretary of State. The cost of application and all notary supplies for a government notary must be paid by the board.

1.11. BONDS

The treasurer is required by W. Va. Code §18-9-6 to execute a bond for the faithful performance of duty. The CBEM must approve the bond, and the premium on the bond shall be paid by the board. The board must also set the amount of the bond which must not exceed the amount of school funds which it is estimated the treasurer will handle within any period of two months but not less than the amounts according to the following schedule:

Total Expenditures – All Funds		**Minimum Bond**
$ 1,200,000	$ 10,000,000	$ 100,000
10,000,000	20,000,000	200,000
20,000,000	40,000,000	250,000
40,000,000	80,000,000	500,000
80,000,000	120,000,000	750,000
120,000,000	150,000,000	1,000,000
150,000,000	200,000,000	1,250,000
200,000,000	250,000,000	1,500,000
250,000,000	And Higher	2,000,000

Although the treasurer cannot delegate all responsibilities, the treasurer may delegate authority to others to perform some duties. Therefore, fidelity bonding of others performing delegated duties is necessary and should be set at reasonable levels.

A faithful performance bond is required under W. Va. Code §6-2-10 for the board superintendent in an amount not less than $10,000 and not more than $50,000. The same requirement of a faithful performance bond is required for the board president. The premium for these bonds must also be paid by the board. Boards may want to consider purchasing a blanket bond to cover all other board members and employees. Boards who purchase liability coverage through the West Virginia Board of Risk and Insurance Management (WVBRIM) have employee crime and dishonesty coverage under the policy.

According to W. Va. Code §6-2-12, every official bond shall be filed in the office of the county clerk and be recorded in a book kept by the county clerk for this purpose labeled Record of Bonds.

1.12. FISCAL AGENT RESPONSIBILITIES

W. Va. Code §18-5-13c(f) gives a board authority to serve as fiscal agent for an ESC. W. Va. Code §18-2B-2 gives the board authority to serve as fiscal agent for an MCVC. W. Va. 126CSR71, Policy 3232, Establishment Procedures and Operating Policy for Multi-County Career and Technical Education Centers, establishes procedures and operating policies for an MCVC.

The MCVC uses the federal employer identification number of the fiscal agent board but obtains a separate Unique Entity Identifier (UEI) number for identification. An ESC must obtain both a separate federal employer identification number and UEI number from the board. Boards can only serve as fiscal agents for organizations where statutory authority is expressly given.

1.13. RECORD RETENTION

The *Records Retention Schedule for the Financial Records of the Public Schools in the State of West Virginia* provides guidance as to the minimum period of time that financial, personnel, and various other business records maintained by boards, ESCs, MCVCs, and individual schools in the State of West Virginia must be retained. Guidance regarding student records is not included under this schedule.

This schedule authorizes, but does not require, the disposal of records after the expiration of the applicable retention period specified in the publication. Applicable entities may choose to retain records beyond the periods listed, or special circumstances may require such retention; therefore, nothing prevents an applicable entity from retaining records for longer periods of time than recommended.

Although the schedule includes an extensive listing of various business records that are required to be maintained, it should not be viewed as being all-inclusive. Applicable entities may be required to maintain other business records by state or federal statutes or regulations that are not listed. Guidance should be sought from legal counsel or the WVDE Office of School Finance regarding any records not listed. Any business records or work schedules that are not required to be created or maintained by any state or federal statute or regulation or are prepared for internal use only may be destroyed at the option of the applicable entity.

Copies of the *Records Retention Schedule for the Financial Records of the Public Schools in the State of West Virginia* can be obtained from the WVDE website.

1.14. PUBLIC INFORMATION/FREEDOM OF INFORMATION ACT (FOIA)

Individuals or organizations may request public information through FOIA request. A public record is defined as any writing containing information relating to the conduct of the public's business, prepared, owned, and retained by a public body.

The intent of the West Virginia Freedom of Information Act (Act) is to provide full and complete information to all people about the workings of government and the acts of those who represent them as public officials and employees. It applies to all state, county, and municipal officers, governing bodies, agencies, departments, LEAs, and commissions, and any other bodies created or primarily funded by state or local authority.

There is no statutory requirement that the request be in writing; however, a written request is advisable in order to avoid misunderstandings regarding the timing and scope of the request. The custodian of records must respond within five working days by either granting the request, providing a reasonable timeline of when the request will be granted, or giving written reasons for its denial.

The Act does provide for a number of exemptions. The exemptions are set forth in W. Va. Code §29B-1-4(a). There are various categories of exemptions. One exemption most applicable to public school systems states:

> "Information of a personal nature such as that kept in a personal, medical or similar file, if the public disclosure thereof would constitute an unreasonable invasion of privacy, unless the public interest by clear and convincing evidence requires disclosure in a particular instance: Provided, That nothing in this article shall be construed as precluding an individual from inspecting or copying his or her own personal, medical or similar file."

The West Virginia Supreme Court held that an individual's name and residential address are public in nature and therefore not normally exempt from disclosure under this provision as "personal" information. This exemption protects the release of information that constitutes an unreasonable invasion of privacy and bars information that may cause injury or embarrassment that can result from the unnecessary disclosure of personal information.

Every person has the right to inspect or copy any public record of the public body in this state, except as otherwise expressly provided by W. Va. Code §29B-1-4. The custodian shall furnish proper and reasonable opportunities for inspection and examination of the records in the custodian's office and reasonable facilities for making memoranda or abstracts therefrom, during the usual business hours. The public body may establish fees reasonably calculated to reimburse it for its actual cost in making reproductions of such records.

The penalty of any custodian of a public record who willfully violates the Act is guilty of a misdemeanor, and upon conviction may be fined from $200 to $1,000 or imprisoned in the county jail for up to 20 days or both.

Specific information regarding the Act can be located on the West Virginia Attorney General's website. W. Va. Code §29B-1-3a requires all public bodies to enter information about completed FOIA requests into the West Virginia Secretary of State's online database after completing a FOIA request.

SECTION 2
RECEIPTS/DEPOSITS

2.1. SOURCES OF REVENUE

There are several sources of revenue for LEAs – state, local, and federal sources.

2.1.a. STATE REVENUE

The primary source of state revenue is state aid funding through the PSSP.

In accordance with W. Va. Code §18-9A et seq., the PSSP is a basic foundation allowance program that provides funding to the local school districts for personnel salaries, employee benefit costs, transportation operating costs, general operating costs, substitute costs, and allowances for faculty senate, improvement of instructional programs, improvement of technology funding, teacher and leader induction, and advanced placement programs. Additional allowances are provided for alternative education programs, increased enrollment, and other programs.

In addition to state aid funding, districts also receive various state grants. Such grants are generally issued for a specific purpose. The state also makes payments on behalf of LEAs which are then recorded as revenue by the LEA.

2.1.b. LOCAL REVENUE

LEAs rely on revenue from various local sources to finance their share of the cost of education. Various sources of local revenue include the following.

Levies - Local taxes are levied on the assessed values of real and personal properties and public utility properties. Boards are the only LEAs in West Virginia granted the statutory authority to levy taxes.

- Regular Levies - Boards are considered to be local levying bodies, and as such, have the authority under state statute to levy taxes on the various classes of property specified in W. Va. Code §11-8-5. Regular levy rates are set by the West Virginia Legislature.
- Excess Levies - Pursuant to the provisions of W. Va. Code §11-8-16, boards may impose an excess levy in addition to the regular levy.
- Bond Levies - Boards are also authorized, pursuant to the provisions of W. Va. Code §13-1-1 et seq., to incur debt through the issuance of bonds.
- Permanent Improvement Levies - Boards are also authorized, pursuant to the provisions of W. Va. Code §18-9B-14, to establish a permanent improvement fund and to allocate a portion of their regular levy tax collections to such fund, or transfer funds from the general current expense fund.

Investment Revenue - Revenue may be earned through various types of investments. Refer to section 1.9 for details.

Tuition - LEAs may charge tuition in certain instances. Refer to section 2.2 for details.

Other - Other local revenues include but are not limited to: rent from school facilities, donations, miscellaneous revenue, federal indirect cost transfers, sale of property and equipment, and insurance recovery.

2.1.c. FEDERAL REVENUE

A portion of the funding for public education in West Virginia is provided by the federal government. Most federal monies come from categorical grants which are targeted for special populations or for specific purposes.

The United States Department of Education (USDE) issues general regulations to apply to direct grant and state administered programs. The Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200 Subpart E) provides general rules related to grants and sub grants.

2.2. TUITION

The LEA may charge tuition to students, their parents, welfare agencies, or other agencies for education provided in certain instances.

Summer school that is separate and apart from the full school term may be offered and tuition that will not exceed the cost of operation of the summer school may be charged. If, in the judgment of the LEA, a pupil's parents cannot pay the tuition, the pupil may attend summer school at a reduced or no cost.

W. Va. Code §18-5-19b authorizes LEAs to charge tuition for adult programs. W. Va. 126CSR2, Policy 1224.1, Accounting Procedures Manual for the Public Schools in the State of West Virginia (Policy 1224.1), requires the tuition funds for adult students in secondary vocational programs, adult students in adult vocational programs, and students in community education classes, be remitted to the board and credited to the adult education account. Schools are permitted to issue student tuition refunds and then invoice the county central business office for reimbursement of the refunds. Alternatively, schools may deduct any refunds issued to students from the next month's tuition remittance to the central business office. Tuition collected for adult students must be spent only on adult programs. The school must prepare a reconciliation that compares the tuition money receipted to the course registration listing. A copy of the course registration listing must be provided to the treasurer along with the tuition remittance.

LEAs must charge tuition to out-of-state students. Tuition costs for out-of-state students should be based upon the LEA's per capita cost per student. The LEA may deduct any cost not directly related to the education of such out-of-state students. See Appendix B for an example of the computation of cost per pupil.

2.3. RECEIPT PROCEDURES/INTERNAL CONTROLS

The preparation and issuance of a pre-numbered receipt, at the time funds are received, is a fundamental requirement of every transaction involving the receipt of any check, currency, credit card payment, wire transfer, or other revenue/income instrument.

An electronic receipt can be prepared using the current accounting system prescribed by the WVDE. A minimum of two copies of each receipt is to be printed, one copy given to the remitter, and one copy placed in a file system established for this purpose. Additional copies may be printed if needed. A physical exchange of currency requires a physical receipt. A paperless receipt system is acceptable for record-keeping purposes. All required information is to be posted to the receipt journal when the receipt is completed.

Every receipt issued must show the following information: the date, amount received, form of payment (cash, check, wire, credit card, other), name of the payer, purpose of the collection, and the fund and account for which the monies were received.

Receipts should normally be posted individually but may be posted in a batch if the funds are received from the same source and recorded on consecutively numbered receipts. The range of receipt numbers in a batch must be shown in the receipt journal and on a deposit document or slip.

Every receipt must contain a valid signature. The treasurer is responsible for the issuance of receipts but may delegate authority for the actual writing and signing of the receipts and is responsible for ensuring that appropriate segregation of duties is adhered to. The use of electronic signatures is acceptable but must be password protected. Signature stamps or pre-printed signatures are not valid. Receipts are not to be issued for deposits that result from the transfer of funds from savings or investment accounts or for the initial re-deposit of checks that have been returned by the bank for insufficient funds. There may be other limited instances where revenues are recorded through an adjusting journal entry, rather than the receipt process, at the discretion of the treasurer.

2.4. DEPOSIT PROCEDURES

Deposits must be made as frequently as necessary and possible. A bank deposit must be made whenever total collections on hand exceed $500 or before any extended school holiday. Bank deposits should be made at least weekly, regardless of the amount of collections. All funds are to be deposited intact, as received, into a bank depository account. Deposit slips and/or deposit listings are to be prepared in such a manner that a deposit can be trailed to a certain group of receipts, such as recording the deposit number and receipt number range on the deposit slip. The deposit slip and/or deposit listing is to be prepared in duplicate. It is recommended that bank deposits be made on a daily basis. The bank will provide a validated receipt indicating the date and amount of deposit that is to be attached to the deposit slip copy in the deposit book.

The endorsement of a check for deposit must include language similar to *For Deposit Only*, as well as the board name and account number. The depository bank may provide an endorsement stamp.

Checks which are returned by the bank because of insufficient funds or for other reasons should be charged back immediately to the debtor. If it is found that the reasons for non-payment have been eliminated, the returned check must be re-deposited without delay.

A redeposit of a returned check, a check that takes place of the original check, or currency that takes the place of the original check, must be handled separately from other deposits. The deposit slip and all ledger entries are to be clearly marked as *Redeposit*.

Any efforts relating to the collection of returned checks should be done in accordance with board procedure.

2.5. BANK STATEMENT RECONCILIATION

Bank statements must be reconciled monthly and as soon as possible after the bank statement is received, including any and all investment accounts. The treasurer must receive the bank statements unopened and inspect them for irregularities. In the absence of a physical bank statement the treasurer must be supplied with electronic access to such bank statement and ensure such security measures are taken to safeguard the electronic bank statement. The reconciled bank statement balance should agree to the general ledger balance. See Appendix B for a sample simplified bank statement reconciliation form.

The reconciliation of the bank statements should be performed by an employee who does not receipt or expend funds for the board. After the bank reconciliations are completed, the reconciliations must be signed and dated by both the preparer and the treasurer, either manually or electronically.

All bank statements are to be filed in chronological order. Canceled checks are to be filed either in numeric order with the monthly bank statements or in a separate canceled check file in numeric order by fiscal year. In situations where a bank is providing only an image of the canceled checks to the board with the bank statements rather than returning the actual canceled checks, the bank must be able to provide an image of both the front and back of every check upon request.

Voided checks are to be retained and filed in the correct numeric sequence with the canceled checks.

2.6. ELECTRONIC FUND TRANSFERS

Electronic Fund Transfers (EFTs) are transfers of funds initiated through an electronic terminal, telephone, or computer (including online banking) for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a consumer’s account. EFTs include, but are not limited to, direct deposits, ACH transactions, invoice payments, withdrawals of funds, and transfers among accounts. Boards are prohibited from using a system in which funds are automatically withdrawn. The treasurer must actively authorize the disbursement of funds. The use of EFTs by the board must be authorized in an agreement between the board and the depository bank being utilized. The agreement must include the name and identity information of the employees authorized to transfer funds electronically and must be in compliance with the policies and procedures required by the depository bank or institution and any applicable state laws. The board should designate at least two employees to perform EFTs and establish procedures to ensure that all EFT transactions are authorized and approved.

Additionally, supporting documentation must be available and maintained as to the amount of funds transferred, the date and time of the transfer, and the name of the individual initiating the transfer.

2.7. DRAWDOWN OF GRANT FUNDS

Grant revenue must be monitored regularly in order for all authorized funds to be requested and received prior to the grant expiration date. Reimbursement type grants require that the recipient must incur allowable costs prior to requesting drawdown of the funds from the grantor. Federal awards generally fall under this requirement.

It is recommended that funds be requested at least monthly. Federal funds may be requested from the WVDE only after they are expended. WVDE will consider drawdown requests for expenditures that will be incurred within three business days on a case-by-case basis. Some federal funds must be requested directly from the grantor (i.e., Head Start).

If banking situations change in the county, proper notification should be given to agencies who process drawdown requests.

2.8. FEDERAL INDIRECT COSTS

OMB 2 CFR Part 200 Subpart E governs indirect costs for LEAs. An indirect cost rate is a method for determining in a reasonable manner what proportion of general administrative expenses each grant or contract should bear. An indirect cost is similar to a processing cost. LEAs are required to have an approved indirect cost rate in order to recover any indirect costs related to federal grants and contracts. The indirect cost rate is used in all applications for federal grants during the fiscal year for which the rate has been established.

The advantage of an indirect cost rate is that it is a simplified means for determining a fair share for indirect costs chargeable to federal grants and contracts which are acceptable to federal grantor agencies. WVDE has developed indirect cost allocation plans to be used by LEAs in West Virginia in accordance with WVDE's approved delegation agreement from the USDE.

WVDE has developed a website for calculating each LEA's annual restricted and non-restricted indirect cost rate. The website contains pre-populated data from each LEA's financial data file, so it is essential that LEAs classify expenditures uniformly, consistently, and in accordance with the *Local Educational Agencies Chart of Accounts*.

SECTION 3
TRANSFERS/DISBURSEMENTS/EXPENDITURES

3.1. GENERAL GUIDELINES

It is the responsibility of those charged with the task of expending public funds to follow sound accounting procedures. All applicable state statutes, WVBE policies, and any local policies, must be followed.

Payment should be made to vendors promptly upon receipt of legitimate invoices. Funds shall be expended only for the purposes for which they were raised and allocated. The following practices are necessary for sound fiscal responsibility.

- A local fiscal body shall not expend money or incur obligations in an unauthorized manner, for an unauthorized purpose, in excess of the amount allocated to the fund in the levy order, and in excess of the funds available for current expenses.
- Purchase orders should be issued only after the availability of funds is determined by an authorized person.
- Payment of invoices must be supported by proper documentation.

3.2. BOARD APPROVAL OF EXPENDITURES

W. Va. Code §18-9-3 stipulates that the treasurer shall pay money only upon the order of the board. This means the payment of bills requires official action by the CBEM. Additionally, there must be a record of the approval in the board minutes or as a separate addendum to the minutes.

3.3. CHECK PROCESSING PROCEDURES/INTERNAL CONTROLS

In accordance with W. Va. Code §18-9-3, all checks must have the following information printed on them: the name of the entity, the entity address, the check number, and adequate blank spaces for signatures. Voided checks are to be retained and filed in the correct numeric sequence with the canceled checks. Check stock should be kept in a safe place to prevent access from unauthorized persons. Check stock should be kept separate from facsimile signature plates and check signing equipment and should be maintained in a secure location. All paid checks are to be retained in accordance with the document retention schedule referenced in section 1.13.

Additional check processing procedures/internal controls include, but are not limited to:

- either a hard copy or electronic copy of all check registers must be maintained in accordance with the board's document retention policy;
- all checks shall be serially numbered. It is acceptable to maintain multiple series of check numbers for different purposes;
- checks must contain all required signatures (see section 1.10);
- all checks are to be written in accordance with the requirements of the banking institution; and
- all checks must be imprinted with the legal name of the entity.

3.4. TRANSFERS OF CASH

Transfers of cash from one board cash account to another are necessary whenever more than one checking account is used. There are a variety of acceptable methods to accomplish transfers. Transfers of cash may be executed by written or electronic authorization, or by writing a check from one account to another.

A transfer of cash from one checking account to another within a fund is not recorded as a classified receipt or disbursement for monthly financial statement purposes but must be recorded as a transfer of cash.

3.5. ACCOUNTS PAYABLE

The procedure for expending and maintaining board funds should provide an accurate record of the significant details of the transaction. The action steps for accounts payable are:

- ensure that appropriate purchase orders are in place for authorized purchase requisition;
- review receiving notice to ensure goods received matches goods ordered;
- review the price on the invoice, verify mathematically, and compare to the applicable purchase order;
- ensure that discounts were appropriately accounted for, if applicable;
- check to see if payment already has been made to avoid duplication;
- ensure the invoice is properly coded;
- receive CBEM approval prior to release of payment;
- prepare and distribute check or electronic payment; and
- file transaction information.

3.6. REQUISITIONS AND PURCHASE ORDERS

W. Va. 126CSR202, Policy 8200, Purchasing Policies and Procedures Manual for Local Educational Agencies (Policy 8200), contains detailed information concerning the proper procurement procedures, including emergency procurement procedures.

3.7. ITEMIZED CLAIM

Boards are not permitted to expend any funds unless an itemized claim (invoice) for payment is filed by the claimant. If any claim is for services rendered, the invoice must identify the kind of service, the date performed, the person performing the service, address, phone number, and amount due. If the claim is for materials, equipment, or supplies, the invoice must identify in detail the vendor, address, phone number, the items provided, the quantity, the date provided, to whom provided, and the amount due. Payments cannot be made in advance of the materials being furnished or services rendered.

Boards are permitted to make *deposit* payments for items such as charter buses or destinations for field trips, etc. Payment of such deposits shall require a written document with the vendor indicating the amount of the required deposit and the terms for refunding the deposit.

All invoices must be verified for clerical and mathematical accuracy when received. Any errors noted should be brought to the vendor’s attention.

All payments must be approved by the treasurer or designee prior to the payment being made. Prior to the payment being made, the treasurer or designee must ascertain that documentation of receipt of goods or services has been submitted by the appropriate board employees. Documentation of receipt must be maintained by the board in some manner. Electronic indication of receipt of goods or services is acceptable.

Invoices should be indicated as paid at the time payment is made to prevent paying an invoice twice. Electronic indications are acceptable.

Invoices should be paid in a timely manner to remain in good credit standing with the vendor and to avoid late payment fees or interest.

In accordance with Internal Revenue Service (IRS) regulations, boards must maintain a completed W-9 form for all vendors. Blank W-9 forms can be obtained from the IRS website at www.irs.gov.

In accordance with statute and Policy 8200, release of final settlement forms must be obtained from the West Virginia State Tax Department, the West Virginia Insurance Commission, and Workforce West Virginia prior to issuing any contractor final payment for services to ensure vendors are in good standing with each of those entities.

3.8. CREDIT CARDS

Policy 8200 provides detailed guidance and requirements for credit card and purchasing card procurement and utilization.

3.9. CAPITAL ASSETS/INVENTORY FOR SUPPLIES

Boards must maintain an adequate inventory control system of all capital assets and equipment and safeguard the assets on hand to ensure that those that are placed into service or consumed have been used for an authorized purpose. The inventory of capital assets must be maintained on the electronic system mandated by WVDE.

In addition, boards must have procedures in place to safeguard disposable supplies.

Capital assets and inventory for supplies should be physically inspected and counted on a periodic basis in order to determine the accuracy of the records, to ascertain the condition of the supplies, and to determine if surpluses or shortages of supplies and equipment exist. Policy 8200 provides guidance on how to dispose of surplus or outdated equipment, materials, and supplies no longer needed or required.

The procedures manual issued by the Office of School Finance entitled *Procedures Manual: Capital Asset Management System for Local Educational Agencies in the State of West Virginia*, provides additional guidance for controlling capital assets, including proper treatment of donated assets. Each board is encouraged to supplement this manual with its own local operating procedures.

3.10. IN-LIEU OF TRANSPORTATION

When the board is unable to provide transportation to a student and the parent is able and willing to provide such transportation, the board may reimburse the parent for providing the transportation. Boards shall have a local procedure or established rate schedule for in-lieu of transportation payment amounts.

Boards must report to WVDE upon request the number of students paid in-lieu of transportation during the prior fiscal year and the rate at which those students were paid.

3.11. INSURANCE MANAGEMENT

The treasurer, in consultation with the superintendent or designee, should determine that the board has adequate coverage in property insurance, flood insurance, faithful performance bonds or public officials' bonds, liability insurance, data breach insurance, and above-ground storage insurance.

To implement and administer the school district's insurance coverage, the treasurer should:

- identify facilities, conditions, and situations conducive to potential exposure to loss including properties located in a flood plain;
- estimate the maximum potential loss from each exposure;
- prepare recommendations and aid in eliminating or minimizing losses;
- negotiate insurance coverage;
- establish and maintain a safety and loss prevention program;
- review and analyze changes in state and federal legislation and regulations as they apply to areas of insurance and liability and make sure that appropriate changes are made in coverage;
- write specifications for insurance coverage;
- if choosing a provider other than WVBRIM for property insurance, prepare a request for proposal and evaluate bids from insurance providers for needed insurance coverage;
- audit all coverage annually to ascertain if existing coverage meets current needs of the school district; and
- work with the insurance company or WVBRIM, agent, attorney, etc., in the defense and settlement of claims against the board.

W. Va. Code §29-12-5a(f) requires LEAs to provide notice of insurance coverage to each of its insureds at least annually. The notice should identify the coverages, monetary limits of insurance, and the duty of WVBRIM to defend covered occurrences.

3.11.a. PROPERTY INSURANCE

Coverage may be of the blanket multiple location type, including automatic inclusion for additional property. Property must be insured against damage or loss.

3.11.b. FLEET/AUTOMOBILE LIABILITY INSURANCE

WVBRIM provides fleet liability insurance as well as general liability insurance for all school districts. This insurance must be purchased from WVBRIM. An annual premium is paid by each board. Details of coverage are included on a Certification of Insurance which is sent to each board. It is recommended that all board vehicles, including buses, be furnished with copies of the Certificate of Insurance in some form for presentation as proof of insurance in the event of an accident.

3.11.c. FLOOD INSURANCE

W. Va. Code §18-5-47(a) requires boards to maintain flood insurance on each insurable building that it owns and that meets one or both of the following requirements.

(1) The building is within the identified special flood hazard area which is the area on a flood hazard boundary map or a flood insurance rate map that is identified as an *A zone*, a numbered *A zone* or an *AE zone* or regulatory 100 year floodplain and the building has a replacement value that is greater than $300,000; or

(2) The building has been damaged in a previous flood and flood insurance is required by the Federal Emergency Management Agency (FEMA).

Each board shall also maintain flood insurance on the contents of each insurable building that it owns and that meets one or both of the requirements set forth in this section. The buildings and the contents of those buildings required to be insured by this section shall be insured at the maximum amounts available through the National Flood Insurance Program or the estimated replacement value of the structure and contents, whichever is less.

3.12. STALE CHECKS/UNCLAIMED PROPERTY

Unclaimed property may be any type of personal property on a business' records that is a debt or obligation to someone else which has remained unclaimed for a specified abandonment period. Stale checks are a type of unclaimed property. W. Va. Code §36-8 et seq., also known as the Uniform Unclaimed Property Act (UUPA), gives the West Virginia State Treasurer the authority to administer and collect unclaimed property. UUPA requires that the holder of unclaimed property turn that property over to the State Treasurer's Office after exhaustion of efforts to put the unclaimed property into the hands of its rightful owner. The State Treasurer's Office has issued regulations setting forth the requirements and procedures necessary to meet the obligations of complying with the UUPA. These can be found on the State Treasurer's Office website. The State Treasurer requires use of electronic filing for reporting unclaimed property.

SECTION 4
Payroll/Reimbursements

4.1. GENERAL PAYROLL INFORMATION

Annual salaries of all board personnel are determined according to the regulations set forth in W. Va. Code §18A-4 et seq., which includes the state minimum salary plus any state or county supplements based on degree, classification, and prior experience. The board may establish schedules in excess of the state minimums that are uniform as to the classification, experience, and responsibility, with other salary allowances outlined in W. Va. Code §18A-4-5a and §18A-4-5b.

All payments for personnel services rendered, including those at the school level, are to be considered wages and are to be paid through the normal payroll process of the board unless it can be determined that the service provider qualifies as an independent contractor. Such payments may include but are not limited to: part-time or temporary help for office secretaries, library assistants, cafeteria helpers, concession stand workers, ticket takers, or other workers at athletic events, or other activities, regardless of whether or not the individual is a full-time employee of the board. Appendix C contains a checklist that may assist in making this determination. Also see Appendix C for a sample Temporary Part-Time Employment Agreement and Intern Employment Agreement.

Employees are classified as either exempt or non-exempt for payroll purposes. The *Guide to the Fair Labor Standards Act for School Districts*, which can be found on the WVDE website, should be reviewed to assist in determining payroll compliance.

All payments made through the payroll process must have prior CBEM approval. No checks are to be issued to employees whose employment has not been approved by the CBEM. Approval may be in the form of personnel actions, including but not limited to, new hires, terminations, transfers, etc., or as salary schedules that must be approved by the CBEM. Written employment contracts in accordance with W. Va. Code §18A-2-2, §18A-2-5, and §18A-2-6 must be on file for all employees. It is recommended that LEAs establish local policies to address payment and CBEM approval procedures related to overtime, ticket takers, student workers, extra duty pay, etc.

Salary schedules must be approved by the CBEM each year during the budget process or prior to the beginning of the applicable fiscal year. According to W. Va. Code §18A-4-5a and §18A-4-5b, the CBEM may not reduce the amount of local funds allotted for salary supplements being paid unless forced to do so by the defeat of an excess levy, loss in assessed property valuations, or events over which the board has no control. Any of these circumstances would require prior approval from the WVBE before implementing cuts.

According to W. Va. Code §21-5-3(a), the LEA is required to pay its employees at least twice every month with no more than 19 days between paydays. In addition, W. Va. Code §18A-4-9 grants the CBEM authority to determine the number of pays to be made during a school year. Employees that are contracted for less than 12 months may elect to have their paychecks annualized and paid over 24 pay periods if board policy permits. If employees elect to have their paychecks annualized, written notice of their election should be on file. All paychecks must be dated on or before June 30 of any fiscal year in which they are earned.

All boards, ESCs, and MCVCs must have documented internal controls over the employment process. The internal control process must include treasurer consultation to ensure that sufficient funds are available or that necessary budget adjustments are made. An internal communication device, such as a personnel action form, must be maintained for payroll purposes for all new hires and other changes in employment status. The form must, at a minimum, include documented CBEM approval.

Payroll checks must be based upon approved attendance/time sheets or time records. Attendance/time sheets or records showing days or hours per day worked by each non-exempt employee must be maintained. Time attendance/time records should be signed by the employee either manually or electronically and approved by the principal/supervisor. The utilization of a swipe card for attendance/time purposes is considered to be an electronic signature. Timesheets are not mandatory for exempt employees; however, timesheets may be required from exempt employees if the local policy dictates.

All payments due upon the termination of an employee must be made in accordance with the West Virginia Wage Payment and Collection Act contained in W. Va. Code §21-5 et seq. Paychecks may not be held at separation pending the return of LEA property.

4.2. SUPPLEMENTAL/EXTRA PAYMENTS

There are various reasons that supplemental/extra payments are made to employees, including but not limited to: stipends, excess pupil-teacher ratio, planning periods, degree upgrades, national board certification, early notification of retirement bonuses, personal leave incentive bonuses, three-step increase for math and special education teachers, and other extra-curricular activities that warrant extra payment for exempt employees. Overtime, stipends, educational bonuses, shift differential pay, split shift pay, pay addenda, early notification of retirement bonuses, personal leave incentive bonuses, "step-up" provisions, extra-curricular, supervisory, and extra duty payments may also be issued for non-exempt employees.

All extra payments must be included on the employee's regular paycheck, if possible, to meet applicable IRS regulations, and are subject to all normal payroll withholdings, including federal and state income taxes, Federal Insurance Contributions Act (FICA), and retirement. Retirement exceptions include the early notification of retirement bonus, local and state personal leave incentive bonuses, vacation payouts, donated leave, sick bank pay, and some grievance settlements. Grievance settlements must be included on a separate check, depending on the terms of the agreement.

Only bonuses explicitly included in statute are permissible. Payment of all other bonuses is illegal. Below is a listing of bonuses or additional payments allowable by statute at the time of this policy revision.

4.2.a. EXTRA STUDENT PAY

W. Va. Code §18-5-18a in conjunction with W. Va. 126CSR42, Policy 2510, Assuring the Quality of Education: Regulations for Education Programs, limits the maximum number of students that may be assigned to a teacher to 20 students for pre-kindergarten and kindergarten and 25 students for teachers in grades 1 through 6; however, three additional students may be assigned to kindergarten teachers and to teachers in grades 4, 5, and 6. No additional students may be assigned to teachers in grades pre-kindergarten, 1, 2, or 3. Any teacher who is assigned additional students above the maximum numbers stated is to be paid additional compensation based on the affected classroom teacher's average daily salary divided by the maximum number of students allowed for the class for every day that the students are enrolled in the teacher's classroom, including holidays, elections, and non-instructional days for which the teacher is normally paid. The statute also states that no provision of this section is intended to limit the number of pupils per teacher in classrooms for the instruction of choral, band, or orchestral music. In addition, more than 25 students may be assigned for purposes of instruction in physical education in grades 4, 5, and 6 in accordance with the class size restrictions for those grades. A teacher is entitled to the additional pay only for the amount of time during the school day that the teacher has the extra students in class, including planning periods.

Further, W. Va. Code §18-20-12 contains a provision stating that special education classrooms shall not have a student/instructor ratio that exceeds the limits established in the Individuals with Disabilities Education Act 2004 and W. Va. 126CSR16, Policy 2419, Regulations for the Education of Students with Exceptionalities, without the written consent of the special education instructor assuming other criteria established within the statute are met. If the instructor chooses to sign the waiver to exceed the limit, that instructor shall be entitled to the full amount of compensation as provided per county. The county may not allow more than three students over the limit.

4.2.b. PLANNING PERIOD WAIVERS

W. Va. Code §18A-4-14 allows for teachers to exchange their planning period for any compensation or benefit mutually agreed upon by the employee and the board superintendent or designee. The agreement may not be one that is different from those available to any other teacher granted the same rights to a planning period. The board must have a policy for any planning period waiver payment agreements.

4.2.c. CERTIFICATION CLASSIFICATION (DEGREE UPGRADES)

W. Va. Code §18A-3-2 requires any professional educator employed within the public school system of West Virginia to hold a valid teaching certificate licensing the individual to teach in the specializations and grade levels as shown on the certificate for the period of his or her employment. The effective date of all license upgrades shall be the date when the last requirement is met, provided that the application is received by the WVDE Office of Certification within three months of such date and is subsequently approved. The effective date shall be no more than three months prior to the date the application is received by the WVDE Office of Certification.

4.2.d. NATIONAL BOARD CERTIFICATION

W. Va. Code §18A-4-2a authorizes payment of $3,500 annually to each classroom teacher who holds a valid certificate issued by the National Board of Professional Teaching Standards (NBPTS) for the life of the certification, but in no event more than ten years for any one certification. The payments shall be in addition to the prescribed amounts in the state minimum salary schedule, paid in equal monthly installments, and be considered part of the state minimum salaries for teachers. In addition, W. Va. Code §18A-4-2b allows for salary supplementation in the amount of $2,500 for personnel with recognized national certification in speech-language pathology, audiology, school counseling, school psychology, or school nursing, which is to be made in monthly installments, to be considered a part of the state minimum salaries for teachers, and to continue for the life of the certification, or for ten years for any one certification, whichever expires first. The above certifications must be approved by WVDE prior to board payment.

For the initial year in which the supplement is awarded, the supplement should be pro-rated for the current school year with a daily supplement rate of $17.50 ($3,500/200 days) paid for the remaining employment dates of the school year after the effective date of the award. For teachers who are employed beyond 200 days, the daily rate of $17.50 should be paid for the extended employment days as well to maintain the same daily rate of pay.

4.2.e. NATIONAL TEACHER MENTOR

W. Va. Code §18A-4-2c authorizes payment of $2,000 annually to classroom teachers who hold a valid certificate issued by the NBPTS, who are employed at a school designated as a persistently low performing school by WVDE, and who serve in a mentoring capacity for other teachers at the school. The payments shall be in addition to the prescribed amounts in the state minimum salary schedule, paid in equal monthly installments, and be considered part of the state minimum salaries for teachers. Once eligible, a teacher remains eligible for five consecutive years of employment in the same school in the same assignment regardless of a subsequent change in the designation of the school as a persistently low performing school (assuming that the classroom teacher's certificate with NBPTS remains valid). During the same five-year period, the teacher may not receive the increment for mentoring teachers at a different school.

4.2.f. EARLY NOTIFICATION BONUS

W. Va. Code §18A-2-2(g) provides that classroom teachers who give written notice of their intent to retire at the conclusion of the school year to the board on or before March 1 of the school year of their retirement from employment with the board at the conclusion of the school year shall be paid $500. In addition, W. Va. Code §18A-2-5a states that the board is authorized to pay, entirely from local funds, $500 or less to any service employee, or to any professional employee who is not a classroom teacher, who gives written notice to the board on or before March 1 of the school year of retirement from employment with the board at the conclusion of the school year. Note that retirement deductions cannot be withheld from early notification bonuses.

4.2.g. PERSONAL LEAVE INCENTIVE BONUS (LOCAL)

W. Va. Code §18A-4-10a authorizes the board to pay its employees, for the purpose of reducing absenteeism, a bonus at the end of the employment term for each unused day of personal leave accumulated by the employee during that employment term. The board must adopt a policy for the personal leave incentive bonus and retirement cannot be withheld from this payment.

4.2.h. PERSONAL LEAVE INCENTIVE BONUS (STATE)

W. Va. Code §18A-4-10(c) authorizes that a classroom teacher who has not utilized more than four days of personal leave during the 200-day employment term shall receive a bonus of $500 at the end of the school year. This bonus may not be counted as part of the final average salary for the purpose of calculating retirement.

4.2.i. Three-Step Increase for Math and Special Education Teachers

In accordance with W. Va. Code §18A-4-2(d), each classroom teacher providing math instruction in the teacher's certified area of study for at least 60 percent of the time the teacher is providing instruction to students shall be considered to have three additional years of experience only for the purposes of the board salary schedule.

Additionally, W. Va. Code §18A-4-2(e) allows each classroom teacher certified in special education and employed as a full-time special education teacher shall be considered to have three additional years of experience only for the purposes of the board salary schedule.

There will be some rare instances when a math teacher is assigned to teach math solely to special education students. In those instances when the teacher meets the eligibility criteria for three-step increases, the individual will receive a six-step increase. Please note that this does not apply to a regular math classroom teacher who may have some students with an Individualized Education Program (IEP) in their class.

4.2.j. EXTRA-CURRICULAR PAY

Extra-curricular duties shall include, but not be limited to, any activities that occur at any time other than regularly scheduled working hours, such as coaching, instructing, chaperoning, escorting, and providing support for students, and which occur on a regularly scheduled basis. Compensation for extra-curricular duties should be outlined in an additional board-approved extra-curricular assignment agreement. The required components of an extra-curricular assignment agreement can be found in W. Va. Code §18A-4-16(2). An employee’s contract of employment shall be separate from the extra-curricular assignment agreement and shall not be conditioned upon the employee’s acceptance or continuance of any extra-curricular assignment.

4.2.k. SUPPLEMENTAL DUTY PAY

A supplemental duty is defined in W. Va. Code §18A-2A-1 as a duty other than a duty assigned under an employee's contract that is generally expected to be performed during an educational day and which may be governed by an agreement, other than the employee's contract, between the district and the employee. District calendars shall be adopted no later than the 15th day before the first day of the employment term of each school year to specify the days each classroom teacher, full-time counselor, and full-time librarian is expected to work. Any supplemental duty assigned beyond this established calendar shall be agreed upon by the employee and the board. The agreement shall establish compensation to be paid for completing the supplemental duty.

4.2.l. EXTRA DUTY PAY

An extra duty assignment is defined in W. Va. Code §18A-4-8b(f) as an irregular job that occurs periodically or occasionally, such as, but not limited to field trips, athletic events, proms, banquets, and band festival trips. According to W. Va. Code §18A-4-8a(k), for service personnel, extra duty compensation shall be no less than one-seventh of the employee’s daily total salary for each hour the employee is compensated. Any alternative rate of pay within a particular category of employment may be used provided it is approved by both the CBEM and by the affirmative vote of a two-thirds majority of the regular full-time employees within that classification. An extra duty assignment does not typically require an additional board-approved agreement.

4.2.m. OVERTIME PAY

The Fair Labor Standards Act (FLSA) is a federal law administered by the United States Department of Labor which establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in federal, state, and local governments. *The Guide to the Fair Labor Standards Act for West Virginia School Districts*, which can be found on the WVDE website, gives specific guidance to overtime pay issues, including West Virginia specific code requirements. Please refer to this manual for detailed information.

4.2.n. SERVICE PERSONNEL ADDENDA

In accordance with W. Va. Code §18A-4-8a, service personnel who hold a high school diploma, General Educational Development (GED), or Test Assessing Secondary Completion (TASC) will receive an additional $12 per month. Service personnel will also be paid an additional $11 per month with verification of each 12 hours of college credit or the vocational equivalent through 120 hours, an AB+15, MA+15, MA+30, and a MA+60 and $40 per month for holding an associate degree, bachelor's degree, master's degree, or doctorate degree. The additional pay is limited to $40 per degree level.

Verification of credit will be an official transcript from an accredited institution of higher education or a grade report of completed contact hours in a post-secondary program from an approved trade, vocational, technical, business, or similar institution. Each employee is responsible for obtaining and providing copies of the required records to the personnel office. As per W. Va. 126CSR146, Policy 5314, *Service Personnel Classification, Competency Testing, and Professional Learning*, 15 contact hours is equivalent to one semester hour of college credit. One quarter hour is equivalent to two thirds of a semester hour.

4.2.o. SERVICE PERSONNEL *STEP-UP* PROVISIONS

In accordance with W. Va. Code §18A-4-15, any regular service person employed in the same building or working station and the same classification category of employment of an absent employee shall be given the first opportunity to fill the position of the absent employee on a rotating seniority basis. An example of this provision is when a half-time regular employee steps-up into a full-time regular position during an employee's absence. The half-time employee is then entitled to a full day's pay and the same benefits of the absent employee. Another example may occur when a custodian steps-up into the head custodian position when the head custodian is absent. The same example is true for cook and cafeteria manager positions.

4.2.p. SHIFT DIFFERENTIAL PAY

In accordance with W. Va. Code §18A-4-8a(g), when any part of a school service person's daily shift of work is performed between the hours of 6:00 p.m. and 5:00 a.m. the following day, the employee is paid no less than an additional $10 per month and one half of the pay is paid with local funds.

4.2.q. SPLIT-SHIFT PAY

In accordance with W. Va. Code §18A-4-8(f), a custodian, aide, maintenance, office, and school lunch service person required to work a daily work schedule that is interrupted is paid additional compensation of at least one-eighth of the individual's total salary as provided by the state minimum pay scale and any board pay supplement.

4.2.r. SUPERVISORY PAY

In accordance with W. Va. Code §18A-5-8, any aide who agrees to stand in the place of the parent or guardian and exercise such authority and control over students as is required of a teacher is entitled to supervisory pay of not less than one pay grade above the highest pay grade held by the service person. W. Va. Code §18A-4-8a(m) outlines the various duties considered supervisory.

4.3. PAY ADJUSTMENTS

The scope of responsibility of the LEA to correct pay is generally dependent upon the facts of each situation. If the administration is aware of a circumstance (or should have been aware of the circumstance) that should result in a pay adjustment, but failed to provide the adjustment, the obligation to provide back pay extends to the point the administration was aware (or should have been aware) of the circumstance up to one year prior to filing a grievance or requesting the adjustment in accordance with W. Va. Code §6C-2-3(c). If it can be proven that the LEA acted in bad faith in concealing the facts giving rise to the claim for back pay, the limitation on back pay would increase to 18 months. If the administration was unaware of the circumstance and the employee failed to inform the administration of the circumstance, the obligation to adjust pay is limited to 15 workdays of the affected employee filing a grievance or requesting the adjustment. Any exceptions to this would require a policy approved by the CBEM.

Court orders granting back wages and benefits shall have retirement contributions withheld. If back wages and benefits are granted, the West Virginia Consolidated Public Retirement Board (CPRB) must have a fiscal year breakdown of wages and service credit awarded.

Settlements of a set dollar amount (not back wages) do not meet the definition of “gross salary” as required under W. Va. Code §18-7A-3 and are not eligible to have retirement deductions withheld.

4.4. SUBSTITUTE PAY

W. Va. Code §18A-4-7 establishes the pay for a substitute teacher to be not less than 80 percent of the daily rate of the state basic salary paid to teachers: Provided, that any substitute teacher who teaches in excess of ten consecutive days in the same position shall be paid at a rate not less than 80 percent of the daily rate of the state advanced salary based upon teaching experience: Provided, that any substitute teacher who teaches in excess of 30 days in the same position, be paid the daily rate of the advanced salary, set forth on the board’s salary tables.

Per W. Va. Code §18A-4-1, basic salary is defined as the state minimum basic scale salary (without the state supplement) paid to a teacher with zero years of experience and in accordance with his/her degree classification. Advanced salary is defined as the basic salary plus an experience increment based on allowable years of experience.

W. Va. Code §18A-4-15 establishes the pay for substitute service personnel to be based on the individual’s years of employment and in accordance with a daily rate based on the salary schedule of persons regularly employed in the same position with the board.

4.5. NEW HIRES

New hires must meet eligibility requirements to work in the United States. The United States Citizenship and Immigration Services (USCIS) Form I-9, Employment Eligibility Verification, must be completed and maintained. This form can be found on the USCIS website.

In addition, newly hired employees must be reported to a designated state new hire registry. Many states accept a copy of Form W-4 with employer information added. For more information, visit the West Virginia Department of Health and Human Resources, Bureau of Child Support Enforcement (BCSE) website.

4.6. CLINICAL TEACHER OF RECORD

A clinical teacher of record program is an intensively supervised and mentored program for prospective teachers during their senior year of college that refines their professional practice skills and helps them gain the teaching experience needed to demonstrate competence as a prerequisite to certification to teach in the West Virginia public schools as they are hired to serve as the teacher of record to fill a vacancy that was posted and no eligible candidate was employed. Clinical teacher of record programs require authorization of the WVBE pursuant to W. Va. Code §18A-3-1(e).

The authorization for the higher education institution and the board to implement a clinical teacher of record program is subject to WVBE approval. Refer to the WVDE certification office website or Policy 5100 for more information related to this program.

4.7. PAYROLL DEDUCTIONS

Various payroll deductions are applied to the employee’s gross pay to arrive at the employee’s net pay. There are statutory and voluntary payroll deductions.

Statutory payroll deductions include federal and state income tax withholdings, Social Security tax withholdings, and Medicare tax withholdings. Other statutory deductions include retirement and any court-mandated attachments, such as child support and wage attachment orders.

Voluntary payroll deductions are withheld from an employee’s paycheck if the employee has agreed to the deduction. No voluntary deduction is valid without a wage assignment form or other written approval by the employee on file.

4.7.a. STATUTORY PAYROLL DEDUCTIONS

- FEDERAL INCOME TAX WITHHOLDING

  Federal income tax withholding is determined using the withholding tables, filing status, number of allowances, and any additional amount to be withheld as provided on each Employee’s Withholding Allowance Certificate (IRS Form W-4). The uniform federal income tax withholding tables are found in IRS Publication 15 (Circular E). Employees may change or complete a new W-4 form at any time and the most current copy must be maintained on file for each employee. If the employee does not complete a W-4 form, the employer must withhold at the highest rate.

  The employer is responsible for making timely federal tax deposits. In addition, each quarter, employers who pay wages subject to income tax withholdings or social security and Medicare taxes must file Form 941, Employer's Quarterly Federal Tax Return. This form reconciles the amounts due for federal income tax withheld and for employee and employer Social Security and Medicare taxes that were actually deposited through the Electronic Federal Tax Payment System (EFTPS). The EFTPS is a free service provided by the United States Department of the Treasury that allows for federal tax payments.

Note that the liability for federal tax deposits occurs when the paychecks are released. If annualized checks are distributed prior to the scheduled summer pay date, a federal tax liability is incurred when the check is released.

- STATE INCOME TAX WITHHOLDING

State income tax withholding is determined using the West Virginia Employer's Withholding Tax Tables, along with the number of exemptions and any additional withholding amount provided on each Employee's Withholding Exemption Certificate (West Virginia Form IT - 104). Employees may change or complete a new West Virginia Form IT - 104 at any time. The most current copy must be maintained on file for each employee.

Employers who have an annual remittance of any single tax equal to or greater than $50,000 are required to electronically file returns and make payments using EFT. Employers may also use ACH Debit to make payments for state income tax withholdings. Additional information can be obtained from the West Virginia State Tax Department Revenue Division.

State income tax may also be withheld and remitted for other states in which employees reside in accordance with applicable regulations.

- SOCIAL SECURITY TAX/MEDICARE WITHHOLDING (FICA)

FICA consists of both Social Security and Medicare taxes. These taxes are paid by both the employee and the employer. Social Security and Medicare taxes have different rates and only the social security tax has a wage base limit. The wage base limit is the maximum wage subject to the tax for the year. These tax rates may be found in the IRS Publication 15 (Circular E).

Social Security and Medicare taxes are remitted with the federal tax withholdings through EFTPS.

- WAGE GARNISHMENT

The maximum amount of the after-tax paycheck that can be garnished in any workweek or pay period for ordinary garnishments (i.e., those not for support, bankruptcy, or any state or federal tax) may not exceed the lesser of: 1) 20 percent of the after-tax paycheck for that week; or 2) the amount by which the after-tax paycheck exceeds 30 times the federal minimum wage for that week (see W. Va. Code §46A-2-130 and Title III of the Consumer Credit Protection Act). Employees can request to exclude their wages from garnishment by filing a list of exempt property in a sworn affidavit that is filed with the clerk of the court where the judgment was entered (magistrate or circuit). According to W. Va. Code §46A-2-131, it is unlawful for employers to discharge or take any form of reprisal against an employee whose wages have been garnished.

Example: If an employee is paid $12/hour and works 40 hours per week, the total weekly paycheck would be $480. Assuming a total tax obligation of 22 percent and the minimum wage is $8.00, the employee is left with an after-tax paycheck of $374.40.

- Option 1 - $374.40 x 20 percent = $74.88
- Option 2 - $8.00 x 30 = $240.00; therefore, $374.40-$240.00 = $134.40

Therefore, the maximum amount of money subject to garnishment for this weekly paycheck would be $74.88 because it is lower than $134.40.

Note that the garnishment law allows up to 50 percent of a worker's disposable earnings to be garnished pursuant to court orders for child support or alimony if the worker is supporting another spouse or child. The garnishment law allows up to 60 percent for child support garnishment if the worker is not supporting another spouse or child.

- CHILD SUPPORT/ALIMONY WITHHOLDING

W. Va. Code §48-18-125 dictates the applicable rules for child support reporting and withholding.

All employers in West Virginia have four basic responsibilities in conjunction with the West Virginia Bureau for Child Support Enforcement (BCSE):

1. reporting new hires and responding to employment verification requests;
2. withholding income and premiums for medical insurance;
3. sending payments to the BCSE; and
4. reporting employment terminations when there are existing orders.

In addition, employers are also required to report to the BCSE when they contract with an independent contractor for services in West Virginia and the costs of these services exceed $2,500 or more. The payment must be reported within 14 days of the earlier of first making payments that together equal or exceed $2,500 in any year or making contracts with an independent contractor for payments that in the aggregate equal or exceed $2,500 in any year. These amounts are subject to change. Consult the BCSE website for the current amounts.

- RETIREMENT CONTRIBUTIONS

All eligible employees are required to participate in one of two statewide, cost sharing, multiple-employer retirement benefit plans: the Teachers' Defined Benefit Retirement System (TRS) or the Teachers' Defined Contribution Retirement System (TDC).

As per W. Va. Code §18-7A-3, retirement contributions shall not be withheld from lump sum payments for bonuses, early retirement incentives, severance pay, or any other fringe benefit. In addition, pay received due to donated leave days, personal leave bank days, and some grievance settlements are not subject to retirement.

WVDE annually provides a schedule of legislative appropriations for the employer share of retirement contributions for state-aid funded positions. In addition, WVDE annually allocates an amount for the state's appropriated contribution toward the past service unfunded liability. The LEA must record the appropriate amount of revenue and expenditure.

1) TEACHER'S DEFINED BENEFIT RETIREMENT SYSTEM (TRS)

The Teachers Retirement System (TRS Plan) is a defined benefit plan administered by the West Virginia Consolidated Public Retirement Board. It was established on July 1, 1941, for the purpose of providing retirement benefits for professional educators and school service personnel.

All employee contributions to the TRS are tax-deferred. Employees contribute six percent of their gross compensation, and the LEA contributes 15 percent of covered members' gross compensation to the plan, for a total of 21 percent annually for those who became members prior to July 1, 1991. Employees who became members after July 1, 2005, and Tier II employees who became members and were hired for the first time on or after July 1, 2015, contribute six percent of their gross compensation and the LEA contributes 7.5 percent of covered members' gross compensation to the plan, for a total of 13.5 percent annually.

Employee and employer contributions, along with the monthly reports, are due to the CPRB by the 15th of the following month. At the end of the fiscal year, the LEA is responsible for remitting a reconciled and certified Annual Retirement Report to the TRS.

2) TEACHER'S DEFINED CONTRIBUTION RETIREMENT SYSTEM (TDC)

The Teachers' Defined Contribution Retirement System (TDC Plan) is a multiple-employer governmental defined contribution money purchase pension plan, qualified under section 401(a) and made tax-deferred under section 414(h) of the Internal Revenue Code. The TDC Plan covered full-time employees of LEAs, WVDE, certain higher education employees, and the West Virginia Schools for the Deaf and the Blind who were hired between July 1, 1991, and June 30, 2005.

Effective July 1, 2005, the TDC plan was closed to new membership. All members hired after June 30, 2005, are members of the TRS plan. All employee contributions are tax-deferred. Employees contribute 4.5 percent of their gross salary, and the LEA contributes 7.5 percent of the covered members' gross compensation to the plan, for a total of 12 percent annually.

The TDC requires payment to be remitted within 15 days from the actual pay date and must be accompanied by the payment (check) and the data provided by the LEA's accounting system. At the end of the fiscal year, the LEA is responsible for remitting a reconciled and certified Annual Retirement Report to the TDC.

4.7.b. VOLUNTARY PAYROLL DEDUCTIONS

- WAGE ASSIGNMENT

In cases of overpayment to employees, LEAs may set up a wage assignment plan with the employee in order to recoup the overpayment. No assignment shall be valid for a period exceeding one year from the date of the assignment or order. W. Va. Code §21-5-3 addresses the details related to wage assignment.

A sample wage assignment form may be found on the West Virginia Division of Labor website.

- PUBLIC EMPLOYEE'S INSURANCE AGENCY (PEIA)

Personnel with regular full-time employee status as defined by W. Va. Code §18-1-1 and the Affordable Care Act are covered by PEIA. In addition, permanent employees who work at least an average of 20 hours per week are also eligible to participate in the state group medical insurance plan. Coverage is unlimited for health insurance. Basic life insurance coverage is automatically included for those enrolled. Members can apply to purchase additional life insurance coverage. These premiums are established by PEIA and are paid monthly.

The LEA must follow the processes and procedures required by PEIA and utilize their electronic system for reporting contributions.

WVDE distributes legislative appropriations for the employer share of PEIA premiums related to state aid-funded positions. This revenue must be recorded in the accounting system prescribed by WVDE.

West Virginia PEIA qualifies for favorable tax treatment under Section 125 of the Internal Revenue Code. Payroll deducted PEIA health and certain life insurance premiums are exempt from federal and state income taxes and FICA taxes. Appropriate deduction codes must reflect whether the deduction has been given tax-exempt status. The IRS only allows a portion of the life insurance premium to be pre-tax so deductions must be established to follow IRS rules.

- DENTAL/OPTICAL INSURANCE

Dental/optical insurance may be provided to employees. The plan can be underwritten by an independent insurance agency or can be self-funded by the board. Funding may be provided solely by the board, or partially or completely funded by employee premiums that are payroll deducted.

- 403B ANNUITY DEDUCTIONS/457 DEFERRED COMPENSATION

Per W. Va. Code §18A-4-12, all employees, with the exception of private contractors, trustees, CBEM, and student workers under the age of eighteen, are eligible to participate in a tax-deferred investment plan immediately upon employment if the board has adopted a plan. Employees make voluntary elective deferrals to the plan. Taxes on contributions and any earnings may be deferred until the participant withdraws their funds. The IRS limits the amounts participants may contribute annually to tax-advantaged retirement plans and imposes substantial penalties for violating contribution limits. A *Salary Reduction Agreement* that authorizes the employer to withhold contributions from the employee's pay and send those funds to the investment provider on the employee's behalf must be kept on file.

- OTHER DEDUCTIONS

  Other deductions, as long as they are available to all employees, may be offered according to board policies or procedures. These deductions include, but are not limited to: disability insurance, life insurance, cancer insurance, and other similar type policies, and credit unions.

4.8. NON-CASH FRINGE BENEFITS

IRS Publication 15 (Circular E) dictates the record keeping for fringe benefits. A fringe benefit is a form of pay for the performance of services. An example of a fringe benefit is when an employee is allowed to use a business vehicle to commute to and from work. The value of this benefit must be included in the employee’s W-2 form. Generally, the fair market value of such benefit is subject to income tax withholding, Social Security, and Medicare taxes. See the IRS publication for complete guidance.

4.9. TUITION REIMBURSEMENT

As per Policy 5202 and W. Va. Code §18A-3-3a, certain educators may qualify for state tuition reimbursement. Reimbursement requests are processed and approved by the WVDE Office of Certification. The board is responsible for reimbursing the approved employees and receives a grant award from WVDE in the amount of reimbursements that were made during the year.

If the tuition reimbursement request is denied by the WVDE Office of Certification because no state funds are available, applicants may seek tuition reimbursement from the board to be paid by federal or local sources. There must be a tuition reimbursement policy in place for the use of federal funds for tuition reimbursement beyond eligibility requirements. Refer to the WVDE Division of Federal Programs and Support for details.

The board must also have a local policy to address tuition reimbursement. IRS Publication 970 refers to educational assistance programs and should be referenced in the policy to determine tax consequences. The board may provide tuition reimbursements from other state, federal, or local funds as governed by the local policy.

4.10. UNEMPLOYMENT COMPENSATION

W. Va. Code §21A-1-1 authorizes unemployment compensation for employees. The LEA is invoiced the actual cost of benefits provided, plus one half of the amount of extended benefits paid on a quarterly basis per W. Va. Code §21A-5-3a. The LEA is exempt from the Federal Unemployment Tax Act (FUTA) per IRS Code §3306(c)(7) which excludes employees of states, political subdivisions, and their instrumentalities from the requirements.

A quarterly wage report must be submitted for use in determining unemployment eligibility and benefits. CBEM are not eligible for unemployment as elected officials and should be excluded from employment reports provided to WorkForce West Virginia. See W. Va. Code §21A-6-1 for detailed information regarding employee eligibility for unemployment compensation.

The LEA must review claims for benefits and make challenges when deemed necessary.

4.11. WORKERS' COMPENSATION

Pursuant to W. Va. Code §23-2-1 and W. Va. Code §23-2-1a, the LEA is required to provide Workers' Compensation coverage to employees. Premiums are based on employer gross payroll amounts.

The LEA must seek worker's compensation coverage from private providers. It is recommended that the LEA also develop a return-to-work policy to help reduce premiums.

4.12. SECTION 125 PLANS

An IRS Section 125 Plan allows an employee to select from a variety of eligible benefits that have premiums deducted from gross earnings before taxes are computed. The only time tax law regulations allow for changes in a Section 125 Plan is if there is an allowed election change event, such as change in marital status, change in number of dependents, change of employment status, etc. IRS regulations require that this plan be non-discriminatory to all employees.

Along with various insurance plans, such as disability income insurance, life insurance, and cancer insurance that may qualify, the Section 125 Plan also can include flexible spending accounts, health savings accounts, dependent day care accounts, and other benefit services as described by a Section 125 administrator. Because of the complexity of compliance, it is recommended that boards have a third-party administrator if they participate in a Section 125 Plan. Without a third-party administrator, the board may utilize the West Virginia PEIA plan for Section 125 benefits but cannot offer other plan benefits that are not supported by the PEIA plan. Boards can either use a third-party administrator or the West Virginia PEIA plan to administer Section 125 benefits.

4.13. DIRECT DEPOSIT

W. Va. Code §21-5-3 allows the LEA, upon the written request of the employee, to deposit the employee's compensation directly into demand or time accounts in a bank, credit union, or savings and loan institution. The written request shall specifically identify the employee, the financial institution, the type of account, and the account number.

W. Va. Code also allows alternative forms of payment of employee compensation by means of a payroll card, provided that there is an agreement in writing between both the LEA and the employee.

The LEA cannot require employees to utilize direct deposit.

4.14. TRAVEL REIMBURSEMENTS

W. Va. Code §18A-2-14 requires the board to reimburse any school personnel for each mile traveled when the employee is required to use a personal motor vehicle in the course of employment. The board shall reimburse at the same rate for all employees. The rate of reimbursement shall be at the least the lesser of, and not more than the greater of, the standard federal mileage rate and the rate authorized by the travel management rule of the West Virginia Department of Administration.

Policy 8200 states that all personnel are required to follow all travel authorization and reimbursement requirements and must submit a travel expense reimbursement request prior to the payment of the travel expenses by the board, either by direct payment to the issuer of a board credit card held by the employee or by reimbursement to the employee, even if all expenses incurred for the travel were charged to the card. The purpose of this is for the board to have on file a certification from the traveler that all travel-related expenses appearing on the statement were for an authorized purchase.

The CBEM shall adopt a local policy incorporating the requirements of W. Va. Code §18A-2-14 and Policy 8200. The federal reimbursement rate is determined by the IRS and is available on the IRS website. The WVDE Office of School Finance provides updates when the West Virginia Department of Administration updates its reimbursement rate. The policy should require that travel expenditures should be reasonable in nature and relevant to the duties of employment. Travel reimbursement must only be paid to employees of the board. Travel expenditures for contract service providers are not to be paid directly by the board. The agreement with the service provider should include the total being paid for any anticipated travel expenses incurred by the service provider.

Per Policy 1224.1, any travel expenses submitted to the board for reimbursement requires the signature of the principal to verify the reimbursement was not already made at the school level. Any travel by the principal must be approved at the central office level even if the travel expenses will be paid by the school.

4.15. UNIFORMS

W. Va. Code §18-5-13 authorizes the board to provide appropriate uniforms for school service personnel, providing uniforms allows the board to set standards for personal appearance without discrimination. The use of uniforms aids the public in identifying board employees. Together with the use of identification cards, uniforms enhance the security and safety of school facilities for the protection of staff and students. Boards electing to provide uniforms must establish policy surrounding the issuance. The policy should also address any applicable IRS regulations as uniforms are sometimes considered taxable fringe benefits.

SECTION 5
BUDGETING

5.1. BUDGET PROCESS

Each board and MCVC is required to prepare a proposed budget for the succeeding fiscal year for each fund that the agency intends to maintain during the year and submit it to the State Superintendent for approval as set forth in W. Va. Code §18-9B-6.

The treasurer must approve the proposed budgets of all the federal and state programs before they are submitted to WVDE for approval. All proposed budgets are to be prepared and submitted electronically to WVDE using the current WVDE prescribed accounting system. MCVCs are to provide the information to their fiscal agents so that the data can be entered electronically in the system under the appropriate fund. All items must be submitted in accordance with due dates set by WVDE.

The board must hold a public hearing on the proposed budget before the proposed budget document is adopted and submitted to WVDE for approval. The document is to be adopted by the CBEM pending approval by WVDE. The board meeting for conducting the public hearing and adopting the budget may be held on any date between the time the state aid final computation schedules are received, and the deadline stipulated by WVDE.

In accordance with W. Va. Code §18-5-4, the proposed budget must be made available for public inspection for at least ten days prior to the public hearing. There is no statutory requirement that the proposed budget document itself be published ten days prior to the budget hearing. Therefore, it can be made available for public inspection by a variety of other means other than publication, such as posting the document on the board's website, posting copies on various bulletin boards, or by providing access to a copy of the proposed budget in the business office during normal business hours.

W. Va. Code §18-5-4 requires the board to publish a notice of the budget hearing as a Class I legal advertisement at least ten days prior to the budget hearing. If the budget document is published ten days prior to the hearing, the notice of the hearing may be included in the same legal advertisement as the publication of the budget document.

General items needed to prepare the budget include, but are not limited to:
- goals established by the board;
- enrollment data;
- program information;
- personnel items such as assignments of staff, staffing requirements, salary information, and fringe benefit amounts;
- information regarding facilities, construction, utilities, etc.;
- property tax and levy amounts;
- any other items affecting revenues and expenditures; and
- state aid computations and related schedules (PEIA, Retirement, etc.) as per WVDE instructions.

All revenue and expenditure amounts must be budgeted at the full code dimension. This includes two digits for the fund, five digits for the project, five digits for the revenue source, program/function, or balance sheet accounts, and three digits for the object code. Budgeting to the location code level should take place when possible due to federal reporting requirements.

The proposed budget amounts for the new fiscal year should not include any amounts for encumbrances or obligations of the preceding fiscal year. Conversely, proposed budget amounts for the upcoming year must provide for all incurred obligations of the new fiscal year, regardless of whether the obligations are to be actually paid by year end.

All major construction and renovation projects, including those funded by the School Building Authority of West Virginia (SBA), must be budgeted and accounted for in a permanent improvement fund, bond construction fund (if bonds are issued), or a capital projects fund. A major construction project is defined as a construction project in which expenditures exceed three percent of a board's previous year's total expenditures. Counties may elect to budget projects in the general fund which are less than three percent.

All major federal programs are required to be included in the proposed budget in the special revenue fund. Include these awards in the proposed budget using the appropriate project and revenue source codes. If the amount of the actual grant award is not known at the time the proposed budget is submitted, a budget request revision may be completed after the beginning of the fiscal year to adjust the total amount of the project.

Every agency must include in its proposed budget the projected beginning fund balance for the year for every fund. Careful consideration should be given to ensure that the amounts are not overstated, but a projected beginning balance must be shown in the proposed budget for the upcoming year, either positive or negative. This also includes the projected ending cash balance at June 30 with the West Virginia Municipal Bond Commission for the boards that maintain a Debt Service Fund.

For those agencies that are projecting a deficit unassigned fund balance in the General Current Expense Fund at June 30 of the prior year, such deficit must be reflected as a negative beginning fund balance in the proposed budget.

To provide for unforeseen situations that may occur during the year, it is strongly recommended that all agencies budget between three percent and five percent of their total general fund projected revenues as a reserve for contingencies. The Government Finance Officers Association (GFOA) recommends that, at a minimum, governments maintain an unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

The budgeting process is continuous and should be long range, not just year to year. Completion of the budget document does not terminate the planning process. The process continues to be a means of providing an overall picture of consequences to decision makers.

5.2. BUDGET REVISION PROCESS

Rarely will actual revenues and expenditures equal budgeted revenues and expenditures for the year. To manage effectively, administrators need to be able to adjust budgeted amounts to the actual amounts received and expended each year. W. Va. Code §18-9B-10 specifies that the board may expend funds or incur obligations only in accordance with the approved budget and expenditure schedule and make transfers between items of appropriation or expenditure only with prior written approval of WVDE. In addition, 2 CFR Part 200 contains requirements that LEAs must follow in revising their approved budgets of federal programs.

Procedures and thresholds have been established that the board must follow in submitting budget revision requests to the State Superintendent, who has delegated that authority to appropriate WVDE staff. These instructions can be found via the website of the Office of School Finance. Each board must obtain CBEM approval prior to submission to WVDE.

5.2.a. UNRESTRICTED FUNDS, STEP 7, AND LOCAL PROJECTS

For unrestricted funds (including Step 7 projects) and local projects, the agency must submit proposed budget revisions to WVDE and receive prior approval from the board whenever any of the following changes are anticipated.

a) Any revision in which funds are being supplemented into, or removed from, the budget.

b) All transfers involving revenue or expenditure account codes in which the revision affects the first three digits of the program/function code element and/or the first two digits of the object code element.

c) Cumulative transfers among direct cost categories, or, if applicable among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget.

5.2.b. RESTRICTED FEDERAL AND STATE PROJECTS

For all restricted federal and state projects, other than the ones included in the paragraph above, LEAs must comply with the budget change requirements specified in 2 CFR Part 200 and obtain the prior approval of WVDE or awarding agency, when applicable.

5.2.c. REVIEW PROCESS

All budget transfers will be reviewed during scheduled consolidated federal monitoring reviews, including those budget revisions that do not require WVDE approval to ensure that all transfers are handled in accordance with federal expenditure allowances. In addition, auditors performing the annual audits of boards will include a review of each board's budget revision process in the scope of their audit.

5.3. LEGALLY ADOPTED BUDGET

The legally adopted budget is considered to be the approved budget for each fund maintained by the boards at the function level, as defined in the *Local Educational Agencies Chart of Accounts*. Actual expenditures are not to exceed the amounts reflected in the approved budget at the function level.

SECTION 6
AUDITING AND REPORTING

6.1. AUDITING AND REPORTING OVERVIEW

Audits provide independent assurance to all concerned that financial statements are presented fairly and in compliance with applicable laws and regulations. The State Auditor is the ex officio Chief Inspector and supervisor of all public offices. W. Va. Code §6-9-1 et seq., charges the West Virginia Chief Inspector Division with the responsibility of examining the financial affairs of every local governmental office or political subdivision within the state. W. Va. Code §6-9-7 allows the Chief Inspector to perform these duties or to specify a designee.

Per W. Va. Code §6-9-7, "an examination shall be made annually, if required, to comply with the Single Audit Act and when otherwise required by law or contract." When the Single Audit Act is not applicable, the examination should still be made at least once a year. The Chief Inspector provides the completed audits of all local government offices, political subdivisions, commissions, authorities, and agencies to the Legislature each year.

The Single Audit or program specific audit requirements of 2 CFR 200.501 must be followed. The purpose of a single audit is to provide a cost-effective audit for non-federal entities in that one audit is conducted instead of multiple audits of individual programs. Single audits must be submitted to the Federal Audit Clearinghouse, along with a data collection form (Form SF-SAC).

The requirements of the *State Compliance Supplement for Auditing County Boards of Education in the State of West Virginia* must also be followed. This guide can be found via the website of the WVDE Office of School Finance.

W. Va. Code §6-9-7(d) stipulates that the CBEM may elect, by May 1 of the fiscal year to be audited, to have the annual examination performed by a certified public accountant approved by the Chief Inspector. A copy of the order of the LEA making the election shall be filed with the Chief Inspector and the WVDE Office of School Finance. The LEA shall follow the audit bid procurement procedures established by the Chief Inspector. Once the audit is complete, a copy should be sent to the Chief Inspector and the WVDE Office of School Finance.

If findings are noted, the corrective action plan will be reviewed by the WVDE Office of School Finance, the prosecuting attorney's office, and any other applicable program offices to determine that the plan sufficiently corrects any issues. Additional information may need to be provided. All findings must be resolved within six months of receipt by WVDE. If any audit or examination discloses malfeasance, W. Va. Code §6-9-7(n) states that a certified copy will be published electronically by the Chief Inspector, with notice of the publishing sent to proper legal authorities.

6.2. EXAMINATIONS OF INDIVIDUAL SCHOOLS

Examinations of individual schools can be conducted by personnel employed by the board, a certified public accountant, or the West Virginia State Auditor's Office. Individual school examinations must be completed within nine months of the fiscal year end, except those boards that have 20 or more schools and conduct the examinations with their own personnel may have an additional three months in which to complete the exam. Such an examination should include all funds maintained by the school and should be completed in accordance with applicable federal, state, and local guidelines.

A report is to be issued for each school individually which presents the financial reports and all instances of noncompliance and other reportable conditions noted during the examination.

For further guidance regarding audits of individual schools, please refer to Policy 1224.1 which can be found on the WVDE website.

6.3. MONTHLY AND ANNUAL REPORTS

The treasurer must provide certain periodic reports that accurately describe the treasurer's activities as well as the condition and location of funds of the board. These reports include the following.

Monthly Reports

- Treasurer's signed monthly report to the CBEM which indicates by fund, the cash balance, year-to-date revenues, year-to-date expenditures, and current budget. A signed monthly report is also required by the MCVCs. See Appendix F for an example of the monthly treasurer's report.
- Treasurers should be prepared to provide additional information as requested by the board.
- A computer-generated data file as required by WVDE is to be submitted at the close of each month.
- A monthly report from the accounting system prescribed by WVDE must be provided by the Treasurer to budget managers, program directors, and project managers for monitoring of their budgets, as well as providing additional information regarding major deviations from the budget.

Annual Reports

- W. Va. Code §18-9-3a requires that, beginning with fiscal year end June 30, 2024, LEAs must prepare and publish annual financial statements within 90 days and 120 days respectively after the beginning of the subsequent fiscal year on forms prescribed by the State Superintendent and the State Auditor. Prior to the passage of Senate Bill 651 during the 2021 West Virginia Legislative Session, LEAs were required to publish financial statements within 90 days of the fiscal year end. The legislation also amended the type of publication required of LEAs. Beginning with fiscal year end June 30, 2024, the financial statements of a LEA shall be published either: 1) as a Class I-0 legal advertisement; or 2) on the LEA's website. LEAs who choose to publish the financial statements on the LEA's website must hold a public hearing at which interested persons may express their views on whether the LEA should publish the statement as a Class I-0 legal advertisement or on the LEA's website. Additionally, upon posting on the LEA's website for the first time, public notice of the availability of the website posting shall be published once a week in a qualified newspaper of general circulation for two successive weeks. Additional requirements for website publication can be found in W. Va. Code §18-9-3a.
- A copy of the published statement signed by the appropriate chief executive officers along with an electronic data file must be submitted to the WVDE Office of School Finance within 90 days of the subsequent fiscal year end. This copy shall include a complete set of financial statements as described below in the final bullet point of this subsection. The LEA is required to submit the audited financial statements to WVDE within nine months of the year end of the fiscal year in which the audit is being performed.
- MCVCs are required to prepare their annual financial statements and submit signed copies both to the WVDE Office of School Finance and to their fiscal agent no less than two weeks prior to the

deadline stipulated by WVDE. Statements must be prepared and submitted to the fiscal agent in time to be included as fiduciary funds.

- Financial statements are to be prepared in accordance with generally accepted accounting principles (GAAP). This includes completion of the government-wide statements, the fund basis statements, the reconciliation schedules, the fiduciary statements, the notes to the financial statements, management discussion and analysis, and required supplementary information.

6.4. OTHER REPORTS

LEAs may be required to provide other reports based on federal and state reporting requirements.

SECTION 7
EXCESS LEVIES, PUBLIC BONDED INDEBTEDNESS, AND OTHER FUNDING SOURCES

7.1. EXCESS AND BOND LEVY OVERVIEW

Excess levies and bond issuances can be considered as an additional source of revenue for boards. These levies must be authorized by a vote of the citizens of the county. The elections must be held in conjunction with any primary or general election. Prior to the passage of HB 4353 during the 2022 Legislative Session, a special election was allowable to be held for the sole purpose of determining the outcome of an excess levy or bond levy election. Effective June 10, 2022, special elections are allowable only for the purpose of presenting to the voters the question of synchronizing the levy with a future primary or general election.

All boards shall keep detailed records of all revenue and expenses derived from bond or levy issues. This information will be critical for financial statement preparation and accountability to the general public. Bond and excess levy elections often require months of planning prior to the actual election process. Inadequate development and planning of the levy or bond order can often result in poor decisions. The West Virginia Secretary of State recommends setting the election date 12-15 months in advance, in consultation with the county clerk. It is also recommended that the order calling for the election be submitted to the State Auditor and legal counsel for review prior to adoption by the governing body in order to eliminate any potential problems. These elections also have special ballot and advertisement requirements as prescribed by law. The West Virginia Secretary of State provides an election calendar which should be used to ensure that all required documentation is presented, and deadlines are met.

Board employees are prohibited from advocating for a levy or bond election during their daily work schedule. Boards may provide strictly factual information about the upcoming bond or excess levy. As quoted in the Special Levy and Bond Elections guide by the West Virginia Secretary of State, “Governing bodies should take particular care that groups advocating the passage of levies or bonds operate strictly within the law, and that the governing body and its employees not use public funds, time or materials to advocate the passage of the issue. Allegations of the violation of election laws surrounding campaigns for passage or defeat of levies and bonds create serious problems in the community.”

The excess levy and bond elections must be certified to the West Virginia State Auditor's Office in accordance with W. Va. Code §11-8-12. Check with the West Virginia State Auditor's Office for applicable deadlines.

For more regulations, instructions, and best practices please review the Special Levy and Bond Elections guide provided by the West Virginia Secretary of State. This guide may be downloaded at www.sos.wv.gov.

7.2. EXCESS LEVIES

Pursuant to the provisions of W. Va. Code §11-8-16, boards may impose an excess levy in addition to the regular levy, if approved by at least a majority of the voters who cast their ballots during the election. The election may not extend beyond five years. Future levies must be approved by another election.

7.2.a. PURPOSES FOR EXCESS LEVIES

Although there are no restrictions as to what purposes may be included in an excess levy call, other than they must be purposes for which the board has statutory authority to expend public funds, excess levies are generally imposed to provide additional operating revenues. These include such expenditures as the employment of additional personnel; payment of local salary supplements and other employment benefit costs, such as optical and dental coverage; purchase of textbooks and other instructional materials; operation and maintenance of facilities; and the support of community organizations, such as public libraries.

7.2.b. EXCESS LEVY ELECTION ORDER

In order to authorize the election, a board must enter into its record of proceedings an order setting forth: (1) the purpose for which additional funds are needed; (2) the amount for each purpose; (3) the total amount needed; (4) the separate and aggregate assessed valuation of each class of taxable property within its jurisdiction from the most recent certificate of valuation provided by the county assessor; (5) the proposed additional rate of levy in cents on each class of property; (6) the proposed number of years, not to exceed five, to which the additional levy applies; and (7) the fact that the local levying body will or will not issue bonds, as provided by W. Va. Code §11-8-16, upon approval of the excess levy.

The excess levy order should grant boards the authority to decrease the levy rates if the funds are not needed or to spend excess or shortfall collections at their discretion.

Boards may choose to include a reduced (rolled-back) levy rate provision in the order calling for the special excess levy to raise a particular, maximum dollar amount. In these cases, depending on the language used, the levy rates may be reduced if values increase. Refer to the West Virginia State Auditor's website at www.wvsao.gov for more information related to this.

Upon approval of an excess levy, a board may issue bonds in an amount not to exceed the amount of the increased levy plus the total interest thereon, but the term of the bonds may not extend beyond the period of the excess levy. Generally, boards do not elect to issue bonds for an excess levy.

7.2.c. EXCESS LEVY RATES

Excess levy rates, by which projected revenue is calculated, have maximum rates per class of property as established by the West Virginia Legislature. This authority is provided through W. Va. Code §11-8-16. Each board may elect to use any rate, which falls at or below the maximum rate per class.

7.3. BOND LEVIES

Boards are authorized, pursuant to the provisions of W. Va. Code §13-1-1 et seq., to incur debt through the issuance of bonds, if approved by at least a majority of the voters of a district who cast their ballots during the election.

7.3.a. PUBLIC BONDED INDEBTEDNESS

In accordance with the W. Va. Constitution, Article 10, §8 and §10, and W. Va. Code §13-1-4, boards may, with the consent of at least a simple majority of the voters, issue bonds for specified purposes. Per W. Va. Code §13-1-34, the amount of the bond shall not exceed the aggregate of five percent of the most recent value of taxable property in the county and the bond levy shall be in effect for a maximum of thirty-four years.

W. Va. Constitution, Article 10, §8 and W. Va. Code §13-1-20 require an annual levy and collection of a tax sufficient to pay the principal and interest on the bonds. W. Va. Constitution, Article 10, §8 also states that the tax levy required to pay the principal and interest on such bonds is ". . . separate and apart from and in addition to all other taxes for all other purposes. . .."

All bonds of the State of West Virginia are exempt from all taxation by the state or by any political subdivision.

7.3.b. PURPOSES FOR BOND ISSUANCE

According to W. Va. Code §13-1-2, debt may be incurred and bonds issued, ". . . for the purpose of acquiring, constructing and erecting, enlarging, extending, reconstructing or improving any building, work, utility or undertaking, or for furnishing, equipping, and acquiring or procuring the necessary apparatus for any building, work, improvement, or department . . .."

No bond shall be issued for the purpose of providing funds for general current expenses. Interest accrued during the construction shall be deemed a part of the cost of the improvement and shall not be deemed current expenses. Additionally, engineering and inspection costs, including a proper proportion of the compensation, salaries, and expenses of the engineering staff, or the estimated amount of such costs, shall be deemed a part of the cost of the improvement. All costs and estimated costs of the issuance of bonds shall be deemed a part of the cost of the work or improvement. The necessary land and rights-of-way needed to acquire or construct any building are also considered part of the cost of the building or improvement.

Bonds may be specified for either a single purpose or a general purpose. If the order specifies more than one purpose for which the bonds are to be issued, then the amount of the proceeds of the issue to be used for each purpose must also be specified. Additionally, per W. Va. Code §13-1-6, ". . . all expenditures, including but not limited to expenditures for the acquisition of sites, the construction, erection, equipping and furnishing of one or more buildings, structures, improvements or facilities, or group of buildings, structures, improvements or facilities, and the relocation, alteration, renovation or enlargement of any existing buildings, structures, improvements or facilities, or group of buildings, structures, improvements or facilities, for the same general purpose shall be construed to be a single purpose within the meaning of this section."

According to W. Va. Code §13-1-6a, if the order specifies several projects within the same general purpose, and if for any reason one or more of the projects cannot be constructed, carried out, or completed, then the amount of money specified for the particular project(s) may be allocated by the governing body to be expended for any one or more of the other projects specified in the order, if there is a provision in the order authorizing the governing body to do so. However, per W. Va. Code §13-1-22, "The proceeds derived from the sale of any bonds shall be used only for the purpose or purposes for which the bonds were issued as set out in the order or ordinance submitting the question to vote . . .."

7.3.c. BOND ELECTION ORDER

In order to hold a bond election, boards must issue a petition in writing requesting that bonds be issued. According to W. Va. Code §13-1-4, the petition must be signed by legal voters of the county equal to 20 percent of the votes cast in a county for CBEM elections. The petition must state the purpose and amount of the bonds. W. Va. Code §13-1-4 details what items must be included in the election order. Refer to Appendix D for a listing of these items.

7.3.d. BOND ELECTION

Per W. Va. Code §13-1-8, notice of a bond election must be published as a Class II-O legal advertisement in compliance with W. Va. Code §59-3-2. The notice must be published in the county where the election will be held once a week for the two consecutive weeks prior to the election date. The elections for bond issuances for counties, districts, and school districts will be held at the same voting precincts established for holding general elections. All the provisions of the general election laws of the State of West Virginia concerning general, primary, or special elections apply to bond elections.

There is a ballot form to be used for bond elections which is specified in W. Va. Code §13-1-12. See Appendix D for a sample ballot form.

Per W. Va. Code §13-1-13, "The authorities calling bond elections shall canvass the returns at the same time with reference to the election and in the same manner as is required of county commissions for general elections."

7.3.e. ISSUANCE AND TERMS OF BONDS

If the bond levy election results in a majority of votes in favor of issuing the bonds, then the board shall, by resolution, authorize the following according to W. Va. Code §13-1-14.

- Issue the bonds in an amount not to exceed the amount stated in the proposition.
- Establish the maximum rate or rates of interest which the bonds shall bear within the maximum rate stated in the proposition submitted to vote.
- Require that the bonds be made payable at the office of the West Virginia Municipal Bond Commission and at any other place or places as the body issuing the same designates.
- Provide for a sufficient levy to pay the annual interest on the bonds and the principal at maturity.
- Fix the times within the maximum period, as contained in the proposition submitted to vote, when the bonds shall become payable, which shall not exceed thirty-four years from the date thereof.
- Determine whether all or a portion of the bonds will be subject to redemption prior to the maturity thereof.
- Prescribe a form for executing the bonds authorized.

Bonds must be made payable in annual or semiannual installments with the payment date beginning not more than three years after the date of issuance. The amount payable must be fixed so that when the annual interest is added to the principal amount to be paid, the total amount payable in each year will be as equal as possible.

According to W. Va. Code §13-1-15a, "All or a portion of the bonds may be subject to redemption prior to the maturity thereof at the option of the body issuing the same as established by resolution of the governing body authorizing the bonds." If the bonds are redeemed prior to maturity, the board may not levy taxes in connection with the redemption of the bonds in excess of the taxes that would have been levied for the payment of principal and interest on the bonds in any year.

Per W. Va. Code §13-1-16, the resolution authorizing the bonds should contain the following statement: "It is certified that this bond is authorized by and is issued in conformity with the requirements of the Constitution and Statutes of the State of West Virginia."

All bonds issued by a board shall be signed by the president of the board and countersigned by the superintendent acting as secretary of the board. Additionally, W. Va. Code §13-1-19 stipulates that ". . . bonds issued by a board shall be signed by the president of the board and countersigned by the secretary thereof. The seal of the political division shall be affixed to the bonds."

7.3.f. ADVERTISEMENT AND SALE OF BONDS

Per W. Va. Code §13-1-21, the board issuing bonds pursuant to this article shall sell the same and collect the proceeds, which proceeds shall be deposited with its treasurer. The bonds must be advertised for sale, on sealed bids or electronic bids. The advertisement is to be published as a Class II legal advertisement in compliance with W. Va. Code §59-3-2. The first notice must be published at least 14 days prior to the date and time of the bid opening in the format described by the board. The advertisement may also be published in the *Bond Buyer* or similar publication and the advertisement may be published electronically. The board may reject any and all bids. If the bonds are not sold, the board may sell the bonds at a private sale within 120 days after the date of the advertisement. However, no private sale can be made unless the price is higher than the highest bid received. If the bonds are still not sold, the bonds can be re-advertised. In no event shall bonds be sold for less than their par value.

As soon as practical after the election results authorizing the issuance of bonds, a certified copy of all records related to the bond issue must be transmitted to the West Virginia Attorney General (Attorney General). Records include: orders, ordinances, proclamations, notices, advertisements, affidavits, and resolutions. Once the documentation is received, the Attorney General will either approve or disapprove the validity of the bond issue. The Attorney General will then notify the board which authorized the issuance of the bonds of the decision by mail and will also notify the people of the political division of the approval or disapproval of the bond issue, by publishing an advertisement as a Class II legal advertisement in compliance with W. Va. Code §59-3-2. If no interested party or taxpayer contests the Attorney General's approval or disapproval of the bond issue within ten days from the advertisement, then the action will be considered final and no other appeals will be allowed.

According to W. Va. Code §13-1-29, if the bond issue is approved, the cost of publishing the notice and the costs of certifying and copying all records, papers, and proceedings, and all necessary expenses incurred by the Attorney General in connection with the bond issue, must be paid out of the proceeds arising from the sale of the bonds. If the bond issue is not approved, the expenses must be paid out of the general fund of the board.

7.3.g. INVESTMENT OF BOND PROCEEDS

See Section 1.9 – Bank Accounts, for details related to bank account(s) for bond proceeds.

The transfer and investment of bond proceeds is addressed in W. Va. Code §18-9-6. According to this code section, the County Sheriff (Sheriff) will transfer to the board all funds held on behalf of the board. The balance as of June 30 will be transferred no later than August 1 of that same year and the Sheriff's office will issue a final settlement statement for the fiscal year ending on June 30. All balances in all board funds at the end of each month after June 30 shall be transferred by the Sheriff to the board no later than the tenth day of the following month.

W. Va. Code §18-9-6 also discusses alternative investment options for bonds and security for funds invested.

7.4. OTHER FUNDING SOURCES

7.4.a. SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA (SBA):

The SBA provides capital improvement grants for school construction projects. These grants include Construction Funds (Needs Grant awards), Major Improvement Funds - maximum $1,000,000, Emergency Funds to assist with natural disasters - maximum $2,000,000, and Reserve Grants for approved projects awaiting local financing approvals. According to the SBA's *Policy and Procedures Handbook*, the emergency situation must have been generated by an Act of God, i.e., fire, wind, flood, storm, earthquake, etc. The funds cannot be utilized for funding non-disaster needs or projects. Additionally, federal, state, and local funds for emergency repair/replacement must have been identified and exhausted in order for a district to be eligible for emergency funding. Prior to receiving the emergency funding, all insurance claims must have been filed and amount of settlements determined. Insurance should be at the cost of replacement level or at the highest level available. These grants must be used for the projects approved by the SBA and the SBA provides significant oversight throughout the project development, design, and construction.

W. Va. Code §18-9D-4d requires the SBA to maintain a reserve fund of at a minimum $600,000 for the purpose of making emergency grants to financially distressed boards to assist them in making repairs or performing urgent maintenance to facilities or facility related equipment or facility related equipment replacement necessary to maintain the serviceability or structural integrity of school facilities currently in use or necessary for educating the students of the board.

Once the grant funds are awarded, the SBA requires a requisition form (SBA Form 104-A) to accompany approved vendor invoices that are sent to the SBA office for review and approval. Boards should follow SBA policies and procedures for payment of invoices.

7.4.b. QUALIFIED ZONE ACADEMY BOND (QZAB):

The QZAB program provides income tax credits to the holders of bonds (often banks) that are issued by state or local governments.

The QZAB tax credit rate fluctuates daily and is set by the United States Treasury with the intent to provide a benefit to the bondholder that approximates market interest rates on taxable corporate bonds. Banks investing in QZABs receive a dollar-for-dollar income tax credit each year they hold the bonds based on the QZAB tax credit rate, with the credit amount being included in taxable income.

The limitation amount is allocated among the states (including the District of Columbia and United States possessions) based on each state's ". . . respective population of individuals below the poverty line (as defined by the Office of Management and Budget)." Each state then allocates its portion among eligible qualified zone academies within the state.

7.4.c. LEASE/PURCHASE:

Lease and lease purchase of equipment are methods by which a board may obtain equipment and make payments for the use of the equipment over a period of time.

A lease purchase agreement extending beyond the fiscal year must contain a non-funding cancellation clause where the contract can be terminated at the end of each fiscal year, at the board's discretion.

Specific guidelines can be found in Policy 8200 and W. Va. Code §11-8-26.

7.4.d. PERFORMANCE CONTRACT – ENERGY-SAVINGS CONTRACTS:

Energy-saving measures means goods or services, or both, to reduce energy consumption and operating costs of school facilities.

An *energy-savings contract* means a contract for the evaluation and recommendation of energy operations conservation measures and for implementation of one or more such measures.

The contract shall provide that payment, except obligations upon termination of the contract before its expiration, are to be made over time. A board may supplement these payments with federal, state, or local funds to reduce the annual cost or to lower the initial amount to be financed.

W. Va. Code §18-5-9a, provides specific reasons for the execution of an energy-savings contract, with whom a contract may be executed, and language that must be contained in the contract. Such contracts may be for no more than 15 years and the contract must contain language that allows the board to terminate the agreement during any year of the contract.

An energy-saving contract shall include the following:

(1) a guarantee of a specific minimum amount of money that the board will save in energy operating costs each year during the term of the contract; and
(2) a statement of all costs of energy-conservation measures, including the costs of design, engineering, installation, maintenance, repairs, and operations.

An energy-savings contract is performance-based and includes a guarantee of savings, and a comprehensive approach is subject to competitive bidding requirements.

SECTION 8
CONSTRUCTION

A construction project is defined in W. Va. Code §5-22-1 as "the act, trade, or process of building, erecting, constructing, adding, repairing, remodeling, rehabilitating, reconstructing, altering, converting, improving, expanding, or demolishing of a building, structure, facility, road, or highway." Temporary or emergency repairs are not considered construction. Construction can also include the acquisition and necessary site preparation of land, as well as the acquisition, installation, or substantial upgrading of existing equipment, machinery, furnishings, utilities, or other similar items.

All construction projects exceeding $25,000 in total cost must, except as provided in the W. Va. Code §5-22-1, solicit competitive bids. The contract shall be awarded to the lowest qualified, responsible bidder who furnishes a sufficient performance and payment bond. The board has the right to reject any or all bids and solicit new bids on the project. However, effective March 8, 2024, with an established sunset clause of December 31, 2029, W. Va. Code §5-22-4 establishes provisions that allow for the state and subsidiaries, which includes LEAs, to establish a maximum budgeted amount for a particular construction project. In the event that all bids received exceed the maximum budgeted amount, if established, LEAs may negotiate the cost of service with the lowest qualified bidder. If an LEA chooses to exercise this provision of statute, the LEA must maintain confidentiality of the maximum budgeted amount prior to awarding the contract. Additionally, this provision shall not be utilized if negotiations result in more than a ten percent change in scope or cost from the original bid. According to the West Virginia Division of Labor, all construction contracts in excess of $10,000 must be in writing. Refer to Policy 8200 for details related to the competitive bid process.

Per W. Va. Code §5G-1 et seq., the board must procure architectural or engineering services for projects costing more than $250,000, on the basis of demonstrated competence and qualifications for the type of professional services required. Boards must procure architectural and engineering services in accordance with W. Va. Code §5G-1 et seq. and the provisions of Policy 8200.

A Clerk-of-the-Works (CW) may be required by outside grantors of funds to oversee the day-to-day operations on the construction site. For major construction projects, it is advised that a CW be on site on a regular basis and during all major component installations. The role is primarily to represent the interests of the board by ensuring the quality of both materials and workmanship are in accordance with the design information, such as specification and engineering drawings, in addition to recognized quality standards. Additionally, depending on the size of the construction project, a Construction Manager or Construction Analyst may be required by the SBA on a project-by-project basis in lieu of a CW. Once the design team is selected, the lead architect/engineer will work with the board to determine the additional project team members required and the most prudent and resourceful project delivery method.

Depending on the specific nature of the relationship between the board and the CW, a decision will need to be made regarding whether to treat the CW as an employee or as an independent contractor. These determinations will need to be made and evaluated on a case-by-case basis. More detailed information regarding the duties of a CW can be found in the Policy and Procedures Handbook available on the SBA website.

Maintaining proper records is essential for all construction projects. Outside agencies, grantors, or the general public may seek detailed information related to the construction project. Documents retained and/or maintained should include:

- documentation of CBEM approval for the construction project;
- all documents relating to construction project funding;
- bidding records including, but not limited to: legal advertisements, pre-bid documentation, list of bidders, bid tabulation sheet and analysis, and documentation of CBEM approval of bids and contracts;
- documents relating to architect/engineer selection;
- correspondence with architects, contractors, sub-contractors, vendors, utility companies, etc.;
- minutes of progress meetings;
- detail of all expenditures (requisitions, purchase orders, invoices, etc.) relating to construction project;
- final inspection and punch-list documentation;
- certified payroll records if collection is deemed necessary by the board or if required under the Federal Davis Bacon Act; and
- as-built construction documents.

Treasurers should refer to the *Records Retention Schedule for the Financial Records of the Public Schools in the State of West Virginia* for guidance as to how long these records should be kept. This publication can be found on the WVDE website.

A capital project whose annual expenditures exceed three percent of the prior years' current expense fund expenditures must be accounted for in the Bond Construction Fund, Permanent Improvement Fund, or Capital Projects Fund. However, small construction projects paid for with board funds may be recorded in the General Current Expense Fund.

Bonds and deposits from vendors may be necessary to safeguard the board from undue risk. Bonds that may be required include bid, performance, surety, litigation, or maintenance bonds. The board may require the vendor to submit a certified check, certificate of deposit, bond, or any other security acceptable to the purchasing director, made payable to the board. Personal checks and/or company checks are not acceptable. The provisions for these requirements should be incorporated into the bid specification. Once written notification is received regarding satisfactory completion of the project, the board shall return the check or deposit to the vendor.

APPENDICES

APPENDIX

A.1 - SEGREGATION OF DUTIES

No one person should:

- initiate the transaction;
- approve the transaction;
- record the transaction;
- reconcile the transaction;
- handle the related asset; and
- review reports.

Segregation of duties is critical to effective internal control; it reduces the risk of both erroneous and inappropriate actions. In general, the approval function, the accounting/reconciling function, and the asset custody function should be separated among employees. When these functions cannot be separated, a detailed supervisory review of related activities is required as a compensating control activity. Proper segregation of duties deters fraud by eliminating the ability of any one individual to complete enough steps in a transaction that they are able to both steal and conceal.

Consider the following in assigning duties to people involved in handling a financial transaction process:

- the preferred number of people that should be involved in handling a financial process is three or more; and
- a person involved in more than one financial process should be assigned duties within the same duty category, such as asset handling, across the different processes. For example, a person with asset handling duties in the cash handling process should be assigned only asset handling duties in other financial processes.

Specific examples of segregation of duties include, but are not limited to, the following:

- the person who requisitions the purchase of goods or services should not be the person who approves the purchase;
- the person who approves the purchase of goods or services should not be the person who reconciles the monthly financial reports;
- the person who approves the purchase of goods or services should not have access to checks;
- the person who maintains and reconciles the accounting records should not have access to checks;
- the person who opens the mail and prepares a listing of checks received should not be the person who makes the deposit. Checks should be stamped *For Deposit Only* when received;
- the person who opens the mail and prepares a listing of checks received should not be the person who maintains the accounts receivable accounting records;
- the person who prepares the receipt should not be the person making the deposit.

In instances where smaller boards find it impractical to have meaningful segregation of duties due to limited staff among which duties can be assigned, it is necessary for the board to establish mitigating controls, which should be documented and adhered to. In these situations, direct management involvement can provide a strong deterrent to conflicting activities. Examples of such involvement include:

- rotation of duties among personnel;
- increased, hands-on supervision;
- enforced vacations;
- having an individual outside the finance office perform one aspect of the transaction (i.e., making the bank deposits, approving invoices, etc.…); and
- having an individual outside the finance office review financial data and reports (i.e., reconciliations, bank statements, etc.…).

APPENDIX

B.1 - Out of State Tuition Template

Out of State Tuition Calculation:

1) A county board of education is required to charge tuition to out-of-state students. In calculating the amount of tuition to be charged, a county board of education should start with the per pupil expenditures amount for their county.

2) In determining the cost which will be charged for these students, the county board of education is not required to charge the total county per pupil expenditure, but may in its discrection, exclude any cost(s) not directly related to the education of the out-of-state students.

3) The tuition cost should be based upon the county per capita cost per pupil rather than the individual school per capita cost.

*** The following components are provided as an example of one way that the out-of-state tuition could be calculated for a particular county. ***This is just an example format.*** Each county must make this determination based on factors that exist in their particular county.

County Per Pupil Expenditures		$ -
Less:		
Capital improvements	________	
Transportation expenses	________	
Adult education programs	________	
Federally funded food services	________	
Other costs not related to the education of the out-of-state student (List them below)		
______________________________	________	
______________________________	________	
______________________________	________	
Total excluded items:		$ -
Out-of-State Tuition to be Charged		$ -

OSF
Out of State Tuition Calculation Example

APPENDIX

B.2 - BANK RECONCILIATION

School ____________________ month of ____________

BALANCE PER BANK STATEMENT $ ____________

Deposits in Transit:

Deposit Date	Amount	Deposit Date	Amount

Total Deposits in Transit + 0.00

Outstanding Checks:

Check Number	Amount	Check Number	Amount

Total Outstanding Checks - 0.00

Bank Charges (Service Fees, etc.) + ____________

Adjustments (Bank Errors, etc) +/- ____________

BALANCE PER BOOKS = 0.00

Prepared by	Date	Approved by	Date

Appendix

C.1 – INDEPENDENT CONTRACTOR CHECKLIST

Name of Service Provider: ____

The purpose of this checklist is to assist in the determination of employee or independent contractor status. Federal and state law places the burden of proof on the employer to show that an independent contractor relationship exists.

Independent Contractor Checklist	YES	NO
Is the service provider an employee of the board or has the service provider been employed by the board within the past 12 months?		
Does the service provider perform the same type of work that is generally performed by regular board employees?		
Does the board determine the means and methods by which the results are accomplished?		
Does the board provide supplies, equipment, software, and/or tools necessary to perform the services?		
Will the board provide training, supervision, or instruction other than conveying the scope of the service or results desired?		
Does the board establish the individual's work schedule?		
Is the individual required to perform services on board property on a regular and continuing basis?		
Can the service provider be terminated by the board or quit work at any time without incurring liability?		

If one or more responses to the above questions is *Yes,* the worker may be considered an employee under IRS guidelines. If employee status is determined, contact Human Resources to establish the individual as an employee and arrange for payment of his or her services through board payroll. Additional guidance can be found below:

Control factors used to determine whether a worker is an employee or independent contractor include:

Behavioral Control:

- Instructions – If an individual receives instructions about when, where, and how to work, what tools or equipment to use, what assistants to hire to help with the work, or where to purchase supplies and services, it suggests that the individual is an employee. Even if no instructions are given, the control factor is present if the employee has the right to control how the work results are achieved.
- Training - Employees may be trained to work in a particular manner. Independent contractors ordinarily use their own methods and receive no training from the purchasers of their services.

Appendix

C.1 – INDEPENDENT CONTRACTOR CHECKLIST (cont.)

Financial Control:

- Significant Investment – If the individual has a significant investment in the work, it suggests that the individual is an independent contractor. While there is no precise dollar test, the investment must have substance.
- Expenses – If the individual is not reimbursed for some or all business expenses, then it suggests that the individual is an independent contractor.
- Opportunity for Profit or Loss – If the individual can realize a profit or incur a loss, it suggests that the individual is an independent contractor.

Relationship of the Parties:

- Employee Benefits – If the individual receives benefits such as insurance, pension, or paid leave, it suggests that the individual is an employee. If the individual does not receive benefits, however, the individual could be either an employee or an independent contractor.
- Written Contracts – A written contract may show what both the individual and the business intend. This may be significant if it is difficult to determine the status based on other facts.

Control Factors that Suggest Independent Contractor Status:

- Worker hires, supervises, and fires own assistants and subcontractors;
- Worker is paid on a job-by-job or commission basis;
- Worker invests in facilities used by the worker to perform services;
- Worker can realize a profit or loss based on performance of services;
- Worker provides services to more than one firm at a time;
- Worker makes services available to the general public.

Control Factors that Suggest Employee Status:

- Instructions are provided by the board;
- The board trains the worker;
- Services performed are vital to the operations of the board;
- Services must be rendered personally by the worker;
- Continuing relationship exists between workers and the board;
- Full-time status of worker is required;
- Order or sequence of tasks is set by the board;
- Regular or written reports are required to be provided by the worker to the board;
- The board pays business or travel expenses of the worker;
- The board provides tools, materials, or significant equipment for the worker’s use while providing services;
- The board has the right to discharge the worker;
- Worker has the right to end the relationship with the board at any time without liability;
- Work is completed on the board’s premises;
- Set hours of work are enforced by the board.

APPENDIX

C.2 - TEMPORARY PART-TIME EMPLOYMENT AGREEMENT

__________________COUNTY SCHOOLS

The above-named county board of education, upon the nomination and recommendation of the county superintendent of schools, herein enters into an agreement with:

Name: ____ Social Security Number ____________________

For the performance of the following tasks and duties:

1. Name of Assignment:

   ____

2. Place of Assignment:

   ____

3. Effective Period of Assignment:

   ____

4. Duties, Hours, Compensation and/or Other Considerations, and Other Conditions:

   ____

   ____

This agreement shall be subject to any and all existing state laws, West Virginia Board of Education policies, board policies, and such laws, regulations, and rules as may be in effect on the approval date indicated below and may not extend beyond 90 days or 720 hours. Furthermore, no temporary, part-time employee is entitled to receive retirement, health or life insurance, personal leave, or any other benefit afforded to regular employees.

_____________________________________ __________________________________
Superintendent Date

_____________________________________ __________________________________
Board President Date of Board Approval

_____________________________________ __________________________________
Employee Date

APPENDIX

C.3 - INTERN EMPLOYMENT AGREEMENT

__________________COUNTY BOARD OF EDUCATION

The above-named county board of education, upon the nomination and recommendation of the county(?) superintendent of schools, herein enters into an agreement with the following named individual for employment as a student intern:

Name: ____ Social Security Number ____________________

For performance of the following tasks and duties:

1. Name of Assignment:

   ____

2. Place of Assignment:

   ____

3. Effective Period of Assignment:

   ____

4. Duties, Hours, Compensation and/or Other Considerations, and Other Conditions:

   ____

   ____

This agreement shall be subject to any and all existing state laws, West Virginia Board of Education policies, board policies, and such laws, regulations, and rules as may be in effect on the approval date indicated below.

Furthermore, no individual employed as an intern is entitled to receive retirement, health or life insurance, personal leave, or any other benefit afforded to regular employees, with the exception of health care coverage, if such individual is determined to meet the eligibility requirements under the Affordable Care Act.

______________________________________ __________________________________
Superintendent Date

______________________________________ __________________________________
Board President Date of Board Approval

______________________________________ __________________________________
Employee Date

APPENDIX

D.1 - WHAT MUST BE INCLUDED IN BOND ELECTION ORDERS (W. Va. Code §13-1-4)

- The necessity for issuing the bonds or, if a petition has been filed as provided in statute, that the petition has been filed.
- If for the construction of a county-district road or bridge, a summary of the engineer's report provided for in W. Va. Code §13-1-5 setting forth the approximate extent and the estimated cost of the proposed improvement and the kind or class of work to be completed.
- Purpose or purposes for which the proceeds of bonds are to be expended.
- Valuation of the taxable property as shown by the last assessment thereof for state and county purposes.
- Indebtedness, bonded, or otherwise.
- Amount of the proposed bond issue.
- Maximum term of bonds,
- Maximum rate of interest.
- Date of election,
- That the levying body is authorized to lay a sufficient levy annually to provide funds for the payment of the interest upon the bonds and the principal at maturity and the approximate rate of levy necessary for this purpose.
- In the case of school bonds, that the bonds, together with all existing bonded indebtedness, will not exceed in the aggregate five percent of the value of the taxable property in the school district ascertained in accordance with the W. Va. Constitution, Article X, §8; and that the bonds will be payable from a direct annual tax levied and collected in each year on all taxable property in the school district sufficient to pay the principal and the interest maturing on the bonds in that year, together with any deficiencies for prior years, within, and not exceeding 34 years, which tax levies will be laid separate and apart and in addition to the maximum rates provided for tax levies by school districts on the several classes of property in the W. Va. Constitution, Article X, §1, but in the same proportions as the maximum rates are levied on the several classes of property; and the tax may be levied outside the limits fixed by the W. Va. Constitution, Article X, §1.

Any other provision which does not violate any provision of law, or transgresses any principle of public policy, may be incorporated in the order.

APPENDIX

D.2 – BOND ELECTION – SAMPLE BALLOT FORM

"Shall .... (name of political division) incur debt and issue bonds to the amount of $..........., to run not more than .... years from the date thereof, with interest not exceeding the rate of .... percent per annum, for the purpose of ...., and levy taxes sufficient to pay the interest on and the principal of such bonds.

☐ Yes.

☐ No.

NOTICE TO VOTERS: To vote in favor of the proposition submitted on this ballot, place an X mark in the square before the word *Yes*.

To vote against it, place a similar mark before the word *No*.

APPENDIX

E.1 - SCHOOL FINANCE DEFINITIONS

ADVANCED PLACEMENT: Students enrolled in programs offering classes that are advanced in terms of content and performance expectations as opposed to those normally available for the age/grade level of the student and which provide credit towards graduation and possible college credit. These can include programs recognized or offered by the College Board, postsecondary institutions and other recognized foundations, corporations, or institutions.

ALLOWANCE FOR INCREASED ENROLLMENT (W. Va. Code §18-9A-15): Allowance for the boards that experience an increase in net enrollment as compared to the similar net enrollment of the previous year. According to statute, the allocation must be distributed by no later than December 31 of that year. The State Superintendent may, at the request of a school district, before the actual increase in net enrollment is available, advance a partial distribution to the school district of up to 60 percent of its estimated share based on its projected increased enrollment subject to stipulations.

EDUCATIONAL SERVICES COOPERATIVES (ESCs): ESCs were established under the authority of W.Va. Code §18-5-13c to provide high quality, cost effective lifelong education programs and services to students, schools, school systems, and communities.

LOCAL EDUCATION AGENCIES (LEAs): A public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools. This includes all county boards of education, ESCs, MCVCs, and charter public schools.

LOCAL SHARE: A computation of each school district's projected regular levy property tax collections for the year. Local share for the year is computed by multiplying the taxable assessed valuation of all property in the district for the current fiscal year as certified by the county assessor by 85 percent of the regular levy rates for the year as set by the Legislature and then deducting four percent (4 percent) as an allowance for discounts, exonerations, delinquencies, with other allowances also deducted.

MULTI-COUNTY VOCATIONAL CENTERS (MCVCs) (W. Va. Code §18-2B-1): Area vocational education training centers established under the authority of W. Va. Code §18-2B-1 to provide vocational programs to students from two or more school districts.

NET ENROLLMENT: According to W. Va. Code §18-9A-2(i) *net enrollment* means the number of students enrolled in pre-kindergarten through grade twelve and special education programs in the public schools of a county, reported on a full-time equivalency (FTE) basis. Net enrollment also includes up to 2,500 FTE adults statewide enrolled in regular secondary vocational programs. For the purposes of determining the county's basic foundation program only, for any county whose net enrollment as determined under all other provisions of this definition is less than 1,400, the net enrollment of the county shall be increased by an amount to be determined in accordance with the following:

1. Divide the state's lowest county student population density by the county's actual student population density;

2. Multiply the amount derived from the calculation in W. Va. Code §18-9A-2(i)(5)(A) by the difference between 1,400 and the county's actual net enrollment;

3. Add the amount derived from the calculation in paragraph (B) of this subdivision to the county's actual net enrollment and increase that total amount by 10 percent; and

4. If the net enrollment as determined under this subdivision is greater than 1,400, the calculated net enrollment shall be reduced to 1,400.

PERSONNEL SALARIES:

- Professional Personnel: Legally mandated salaries of the professional educators are provided in W. Va. Code §18A-4-1. Salaries are defined as: a) *basic salaries,* which means the salaries paid to teachers with zero years of experience, and b) *advanced salaries* which means the basic salary plus an experience increment based on allowable years of experience. W. Va. Code §18A-4-2 provides a State Minimum Salary Schedule. Per W. Va. Code §18A-4-1(1), *Years of Experience* is defined as the number of years the teacher has been employed in the teaching profession.

- Service Personnel: Legally mandated salaries for service personnel are provided in W. Va. Code §18A-4-8a. W. Va. Code §18A-4-8a provides a State Minimum Pay Scale Pay Grade.

PROFESSIONAL EDUCATOR: Defined in W. Va. Code §18A-1-1 as having the same meaning as *teacher*. A professional educator is a *classroom teacher* who has a direct instructional or counseling relationship with students and who spends the majority of his or her time in this capacity. The term classroom teacher has been interpreted by various State Superintendent interpretations to include teachers, academic coaches, technology integration specialists, librarians, remedial specialists, counselors, speech language pathologists, and speech assistants.

PROFESSIONAL INSTRUCTIONAL PERSONNEL: Defined in W. Va. Code §18-9A-2(e) as a professional educator whose regular duty is that of a classroom teacher (including speech language pathologist), librarian, attendance director, or school psychologist.

PROFESSIONAL STUDENT SUPPORT PERSONNEL: Defined in W. Va. Code §18-9A-2(f) as a teacher who is assigned and serves on a regular full-time basis as a counselor or as a school nurse with a bachelor's degree who is licensed by the West Virginia Board of Examiners for Registered Professional Nurses. Professional student support personnel also include professional personnel providing direct social and emotional support services to students, as well as professional personnel addressing chronic absenteeism.

PUBLIC SCHOOL SUPPORT PLAN (PSSP): A plan of financial support for the public schools in the State of West Virginia that specifies statutorily the responsibilities of both the state and the 55 county school districts.

SALARY SUPPLEMENT (W. Va. Code §18A-4-5): Subject to available state appropriations, each teacher and school service personnel shall receive a supplement amount as specified in W. Va. Code §18A-4-2 and §18A-4-8a, respectively, in addition to the amount from the state minimum salary schedules provided in those sections.

SERVICE PERSONNEL: All personnel employed by a board under any of the class titles provided for in W. Va. Code §18A-4-8.

STATE MINIMUM SALARY: West Virginia legally mandated salaries for professional educators and service personnel as set forth in W. Va. Code §18A-4-1 et seq., including the state basic salary plus the state salary supplement.

Appendix F

EXAMPLE OF MONTHLY TREASURER'S REPORT

F.1 - MONTHLY TREASURER'S REPORT

SAMPLE COUNTY SCHOOLS

MONTHLY FINANCIAL REPORT

ON A CASH BASIS

AS OF AND FOR THE MONTH ENDED XXXXX 20XX

SAMPLE COUNTY SCHOOLS
SCHEDULE OF CASH & INVESTMENTS
ON A CASH BASIS - TOTAL ALL FUNDS
AS OF THE MONTH ENDED XXXXX 20XX

	General Current Expense (Fund 11)	Excess Levy (Fund 12)	Debt Service (Fund 21)	Bond Construction (Fund 31)	Permanent Improvement (Fund 41)	Capital Projects (Fund 51)	Special Revenue (Fund 61)	Total
Cash:								
Financial Institution:								
Account Name	-	-	-	-	-	-	-	-
Account Name	-	-	-	-	-	-	-	-
Financial Institution:								
Account Name	-	-	-	-	-	-	-	-
Account Name	-	-	-	-	-	-	-	-
Total Cash	-	-	-	-	-	-	-	-
Investments:								
Financial Institution:								
Account Name	-	-	-	-	-	-	-	-
Account Name	-	-	-	-	-	-	-	-
Financial Institution:								
Account Name	-	-	-	-	-	-	-	-
Account Name	-	-	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-	-	-
Total Cash & Investments	-	-	-	-	-	-	-	-

SAMPLE COUNTY SCHOOLS
SUMMARY SCHEDULE OF REVENUES
AND EXPENDITURES ON A CASH BASIS
FOR THE MONTH ENDED XXXXX 20XX

			Beginning	Current		Percent	Prior Year	
	MTD	YTD	Fund	Annual	Remaining	Revenues	YTD	Change
Revenues:	Revenues	Revenues	Balance	Budget	Balance	Received	Revenues	From Prior Yr.
Fund:								
General Current Expense - Fund 11	-	-	-	-	-	0.00%	-	-
Excess Levy - Fund 12	-	-	-	-	-	0.00%	-	-
Debt Service - Fund 21	-	-	-	-	-	0.00%	-	-
Bond Construction - Fund 31	-	-	-	-	-	0.00%	-	-
Permanent Improvement - Fund 41	-	-	-	-	-	0.00%	-	-
Capital Projects - Fund 51	-	-	-	-	-	0.00%	-	-
Special Revenue - Fund 61	-	-	-	-	-	0.00%	-	-
Total Revenues	-	-	-	-	-	0.00%	-	-

				Current		Percent	Prior Year	
	MTD	YTD		Annual	Remaining	Budget	YTD	Change
Expenditures:	Expenditures	Expenditures	Encumbrances	Budget	Balance	Obligated	Expenditures	From Prior Yr.
Fund:								
General Current Expense - Fund 11	-	-	-	-	-	0.00%	-	-
Excess Levy - Fund 12	-	-	-	-	-	0.00%	-	-
Debt Service - Fund 21	-	-	-	-	-	0.00%	-	-
Bond Construction - Fund 31	-	-	-	-	-	0.00%	-	-
Permanent Improvement - Fund 41	-	-	-	-	-	0.00%	-	-
Capital Projects - Fund 51	-	-	-	-	-	0.00%	-	-
Special Revenue - Fund 61	-	-	-	-	-	0.00%	-	-
Total Expenditures	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF REVENUES ON A CASH BASIS
GENERAL CURRENT EXPENSE FUND - FUND 11
FOR THE MONTH ENDED XXXXX 20XX

Revenues:	MTD Revenues	YTD Revenues	Beginning Fund Balance	Current Annual Budget	Remaining Balance	% of Revenue Received	Prior Year YTD Revenues	Prior Year Change From Prior Yr.
Beginning Fund Balance:	-	-	-	-	-	0.00%	-	-
Local Sources:								
Property taxes - current year	-	-		-	-	0.00%	-	-
Property taxes - All other collections	-	-		-	-	0.00%	-	-
Investment earnings	-	-		-	-	0.00%	-	-
Other local revenues	-	-		-	-	0.00%	-	-
Intermediate Sources:								
All revenues from intermediate sources	-	-		-	-	0.00%	-	-
State Sources:								
State aid to schools	-	-		-	-	0.00%	-	-
Other state sources	-	-		-	-	0.00%	-	-
Federal Sources:								
Medicaid	-	-		-	-	0.00%	-	-
Direct federal grants	-	-		-	-	0.00%	-	-
Federal thru state restricted	-	-		-	-	0.00%	-	-
Other federal sources	-	-		-	-	0.00%	-	-
Miscellaneous Sources:								
Fund transfers in	-	-		-	-	0.00%	-	-
Other miscellaneous sources	-	-		-	-	0.00%	-	-
Total Revenues	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES ON A CASH BASIS
GENERAL CURRENT EXPENSE FUND - FUND 11
FOR THE MONTH ENDED XXXXX 20XX

Expenditures:	MTD Expenditures	YTD Expenditures	Encumbrances	Current Annual Budget	Remaining Balance	% of Budget Obligated	Prior Year YTD Expenditures	Prior Year Change From Prior Yr.
Salaries:								
Professional personnel	-	-	-	-	-	0.00%	-	-
Service personnel	-	-	-	-	-	0.00%	-	-
Professional substitutes	-	-	-	-	-	0.00%	-	-
Service substitutes	-	-	-	-	-	0.00%	-	-
Temporary part time professional	-	-	-	-	-	0.00%	-	-
Temporary part time service	-	-	-	-	-	0.00%	-	-
Board members	-	-	-	-	-	0.00%	-	-
Students	-	-	-	-	-	0.00%	-	-
Total salaries	-	-	-	-	-	0.00%	-	-
Employee benefits:								
Group insurance	-	-	-	-	-	0.00%	-	-
Social security	-	-	-	-	-	0.00%	-	-
Retirement	-	-	-	-	-	0.00%	-	-
Tuition reimbursement	-	-	-	-	-	0.00%	-	-
Unemployment compensation	-	-	-	-	-	0.00%	-	-
Workers' compensation	-	-	-	-	-	0.00%	-	-
Other employee benefits	-	-	-	-	-	0.00%	-	-
Total employee benefits	-	-	-	-	-	0.00%	-	-
Total salaries and employee benefits paid	-	-	-	-	-	0.00%	-	-
Purchased professional & technical services:								
Administration	-	-	-	-	-	0.00%	-	-
Professional educators	-	-	-	-	-	0.00%	-	-
Employee training and development	-	-	-	-	-	0.00%	-	-
Other professional	-	-	-	-	-	0.00%	-	-
Technical	-	-	-	-	-	0.00%	-	-
Total purchased prof. & technical services	-	-	-	-	-	0.00%	-	-
Purchased services - Other:								
Utilities	-	-	-	-	-	0.00%	-	-
Cleaning	-	-	-	-	-	0.00%	-	-
Repair & maintenance	-	-	-	-	-	0.00%	-	-
Rentals	-	-	-	-	-	0.00%	-	-
Construction services	-	-	-	-	-	0.00%	-	-
Student transportation services	-	-	-	-	-	0.00%	-	-
Insurance	-	-	-	-	-	0.00%	-	-
Communications	-	-	-	-	-	0.00%	-	-

Advertising	-	-	-	-	-	0.00%	-	-
Printing/binding	-	-	-	-	-	0.00%	-	-
Tuition	-	-	-	-	-	0.00%	-	-
Food services management	-	-	-	-	-	0.00%	-	-
Travel	-	-	-	-	-	0.00%	-	-
Interagency purchased services	-	-	-	-	-	0.00%	-	-
Total purchased services - Other	-	-	-	-	-	0.00%	-	-
Supplies:								
General	-	-	-	-	-	0.00%	-	-
Energy	-	-	-	-	-	0.00%	-	-
Food	-	-	-	-	-	0.00%	-	-
Books, periodicals and software	-	-	-	-	-	0.00%	-	-
Technology supplies	-	-	-	-	-	0.00%	-	-
Vehicle supplies	-	-	-	-	-	0.00%	-	-
Control Level Equipment	-	-	-	-	-	0.00%	-	-
Total supplies	-	-	-	-	-	0.00%	-	-
Plant and equipment:								
Land	-	-	-	-	-	0.00%	-	-
Buildings	-	-	-	-	-	0.00%	-	-
Equipment	-	-	-	-	-	0.00%	-	-
Bus replacement	-	-	-	-	-	0.00%	-	-
Total plant and equipment	-	-	-	-	-	0.00%	-	-
Other:								
Dues and fees	-	-	-	-	-	0.00%	-	-
Judgements	-	-	-	-	-	0.00%	-	-
Debt related	-	-	-	-	-	0.00%	-	-
Reserved	-	-	-	-	-	0.00%	-	-
Taxes	-	-	-	-	-	0.00%	-	-
Student Assistance	-	-	-	-	-	0.00%	-	-
Miscellaneous	-	-	-	-	-	0.00%	-	-
Transfers Out	-	-	-	-	-	0.00%	-	-
Special Items	-	-	-	-	-	0.00%	-	-
Extraordinary items	-	-	-	-	-	0.00%	-	-
Total other	-	-	-	-	-	0.00%	-	-
Total expenditures	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF REVENUES ON A CASH BASIS
GENERAL CURRENT EXPENSE FUND - FUND 12
FOR THE MONTH ENDED XXXXX 20XX

Revenues:	MTD Revenues	YTD Revenues	Beginning Fund Balance	Current Annual Budget	Remaining Balance	% of Revenue Received	Prior Year YTD Revenues	Prior Year Change From Prior Yr.
Beginning Fund Balance:	-	-	-	-	-	0.00%	-	-
Local Sources:								
Property taxes - current year	-	-		-	-	0.00%	-	-
Property taxes - All other collections	-	-		-	-	0.00%	-	-
Investment earnings	-	-		-	-	0.00%	-	-
Other local revenues	-	-		-	-	0.00%	-	-
Intermediate Sources:								
All revenues from intermediate sources	-	-		-	-	0.00%	-	-
State Sources:								
State aid to schools	-	-		-	-	0.00%	-	-
Other state sources	-	-		-	-	0.00%	-	-
Federal Sources:								
Medicaid	-	-		-	-	0.00%	-	-
Direct federal grants	-	-		-	-	0.00%	-	-
Federal thru state restricted	-	-		-	-	0.00%	-	-
Other federal sources	-	-		-	-	0.00%	-	-
Miscellaneous Sources:								
Fund transfers in	-	-		-	-	0.00%	-	-
Other miscellaneous sources	-	-		-	-	0.00%	-	-
Total Revenues	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES ON A CASH BASIS
GENERAL CURRENT EXPENSE FUND - FUND 12
FOR THE MONTH ENDED XXXXX 20XX

Expenditures:	MTD Expenditures	YTD Expenditures	Encumbrances	Current Annual Budget	Remaining Balance	% of Budget Obligated	Prior Year YTD Expenditures	Prior Year Change From Prior Yr.
Salaries:								
Professional personnel	-	-	-	-	-	0.00%	-	-
Service personnel	-	-	-	-	-	0.00%	-	-
Professional substitutes	-	-	-	-	-	0.00%	-	-
Service substitutes	-	-	-	-	-	0.00%	-	-
Temporary part time professional	-	-	-	-	-	0.00%	-	-
Temporary part time service	-	-	-	-	-	0.00%	-	-
Board members	-	-	-	-	-	0.00%	-	-
Students	-	-	-	-	-	0.00%	-	-
Total salaries	-	-	-	-	-	0.00%	-	-
Employee benefits:								
Group insurance	-	-	-	-	-	0.00%	-	-
Social security	-	-	-	-	-	0.00%	-	-
Retirement	-	-	-	-	-	0.00%	-	-
Tuition reimbursement	-	-	-	-	-	0.00%	-	-
Unemployment compensation	-	-	-	-	-	0.00%	-	-
Workers' compensation	-	-	-	-	-	0.00%	-	-
Other employee benefits	-	-	-	-	-	0.00%	-	-
Total employee benefits	-	-	-	-	-	0.00%	-	-
Total salaries and employee benefits paid	-	-	-	-	-	0.00%	-	-
Purchased professional & technical services:								
Administration	-	-	-	-	-	0.00%	-	-
Professional educators	-	-	-	-	-	0.00%	-	-
Employee training and development	-	-	-	-	-	0.00%	-	-
Other professional	-	-	-	-	-	0.00%	-	-
Technical	-	-	-	-	-	0.00%	-	-
Total purchased prof. & technical services	-	-	-	-	-	0.00%	-	-
Purchased services - Other:								
Utilities	-	-	-	-	-	0.00%	-	-
Cleaning	-	-	-	-	-	0.00%	-	-
Repair & maintenance	-	-	-	-	-	0.00%	-	-
Rentals	-	-	-	-	-	0.00%	-	-
Construction services	-	-	-	-	-	0.00%	-	-
Student transportation services	-	-	-	-	-	0.00%	-	-
Insurance	-	-	-	-	-	0.00%	-	-
Communications	-	-	-	-	-	0.00%	-	-

Advertising	-	-	-	-	-	0.00%	-	-
Printing/binding	-	-	-	-	-	0.00%	-	-
Tuition	-	-	-	-	-	0.00%	-	-
Food services management	-	-	-	-	-	0.00%	-	-
Travel	-	-	-	-	-	0.00%	-	-
Interagency purchased services	-	-	-	-	-	0.00%	-	-
Total purchased services - Other	-	-	-	-	-	0.00%	-	-
Supplies:								
General	-	-	-	-	-	0.00%	-	-
Energy	-	-	-	-	-	0.00%	-	-
Food	-	-	-	-	-	0.00%	-	-
Books, periodicals and software	-	-	-	-	-	0.00%	-	-
Technology supplies	-	-	-	-	-	0.00%	-	-
Vehicle supplies	-	-	-	-	-	0.00%	-	-
Control Level Equipment	-	-	-	-	-	0.00%	-	-
Total supplies	-	-	-	-	-	0.00%	-	-
Plant and equipment:								
Land	-	-	-	-	-	0.00%	-	-
Buildings	-	-	-	-	-	0.00%	-	-
Equipment	-	-	-	-	-	0.00%	-	-
Bus replacement	-	-	-	-	-	0.00%	-	-
Total plant and equipment	-	-	-	-	-	0.00%	-	-
Other:								
Dues and fees	-	-	-	-	-	0.00%	-	-
Judgements	-	-	-	-	-	0.00%	-	-
Debt related	-	-	-	-	-	0.00%	-	-
Reserved	-	-	-	-	-	0.00%	-	-
Taxes	-	-	-	-	-	0.00%	-	-
Student Assistance	-	-	-	-	-	0.00%	-	-
Miscellaneous	-	-	-	-	-	0.00%	-	-
Transfers Out	-	-	-	-	-	0.00%	-	-
Special Items	-	-	-	-	-	0.00%	-	-
Extraordinary items	-	-	-	-	-	0.00%	-	-
Total other	-	-	-	-	-	0.00%	-	-
Total expenditures	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF REVENUES ON A CASH BASIS
DEBT SERVICE FUND - FUND 21
FOR THE MONTH ENDED XXXXX 20XX

Revenues:	MTD Revenues	YTD Revenues	Beginning Fund Balance	Current Annual Budget	Remaining Balance	% of Revenue Received	Prior Year YTD Revenues	Prior Year Change From Prior Yr.
Beginning Fund Balance:	-	-	-	-	-	0.00%	-	-
Local Sources:								
Property taxes - current year	-	-		-	-	0.00%	-	-
Property taxes - All other collections	-	-		-	-	0.00%	-	-
Investment earnings	-	-		-	-	0.00%	-	-
Other local revenues	-	-		-	-	0.00%	-	-
Intermediate Sources:								
All revenues from intermediate sources	-	-		-	-	0.00%	-	-
State Sources:								
All state sources	-	-		-	-	0.00%	-	-
Federal Sources:								
Direct federal grants	-	-		-	-	0.00%	-	-
Federal thru state restricted	-	-		-	-	0.00%	-	-
Other federal sources	-	-		-	-	0.00%	-	-
Miscellaneous Sources:								
Fund transfers in	-	-		-	-	0.00%	-	-
Other miscellaneous sources	-	-		-	-	0.00%	-	-
Total Revenues	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES ON A CASH BASIS
DEBT SERVICE FUND - FUND 21
FOR THE MONTH ENDED XXXXX 20XX

Expenditures:	MTD Expenditures	YTD Expenditures	Encumbrances	Current Annual Budget	Remaining Balance	% of Budget Obligated	Prior Year YTD Expenditures	Prior Year Change From Prior Yr.
Salaries:								
Professional personnel	-	-	-	-	-	0.00%	-	-
Service personnel	-	-	-	-	-	0.00%	-	-
Professional substitutes	-	-	-	-	-	0.00%	-	-
Service substitutes	-	-	-	-	-	0.00%	-	-
Temporary part time professional	-	-	-	-	-	0.00%	-	-
Temporary part time service	-	-	-	-	-	0.00%	-	-
Board members	-	-	-	-	-	0.00%	-	-
Students	-	-	-	-	-	0.00%	-	-
Total salaries	-	-	-	-	-	0.00%	-	-
Employee benefits:								
Group insurance	-	-	-	-	-	0.00%	-	-
Social security	-	-	-	-	-	0.00%	-	-
Retirement	-	-	-	-	-	0.00%	-	-
Tuition reimbursement	-	-	-	-	-	0.00%	-	-
Unemployment compensation	-	-	-	-	-	0.00%	-	-
Workers' compensation	-	-	-	-	-	0.00%	-	-
Other employee benefits	-	-	-	-	-	0.00%	-	-
Total employee benefits	-	-	-	-	-	0.00%	-	-
Total salaries and employee benefits paid	-	-	-	-	-	0.00%	-	-
Purchased professional & technical services:								
Administration	-	-	-	-	-	0.00%	-	-
Professional educators	-	-	-	-	-	0.00%	-	-
Employee training and development	-	-	-	-	-	0.00%	-	-
Other professional	-	-	-	-	-	0.00%	-	-
Technical	-	-	-	-	-	0.00%	-	-
Total purchased prof. & technical services	-	-	-	-	-	0.00%	-	-
Purchased services - Other:								
Utilities	-	-	-	-	-	0.00%	-	-
Cleaning	-	-	-	-	-	0.00%	-	-
Repair & maintenance	-	-	-	-	-	0.00%	-	-
Rentals	-	-	-	-	-	0.00%	-	-
Construction services	-	-	-	-	-	0.00%	-	-
Student transportation services	-	-	-	-	-	0.00%	-	-
Insurance	-	-	-	-	-	0.00%	-	-
Communications	-	-	-	-	-	0.00%	-	-

Advertising	-	-	-	-	-	0.00%	-	-
Printing/binding	-	-	-	-	-	0.00%	-	-
Tuition	-	-	-	-	-	0.00%	-	-
Food services management	-	-	-	-	-	0.00%	-	-
Travel	-	-	-	-	-	0.00%	-	-
Interagency purchased services	-	-	-	-	-	0.00%	-	-
Total purchased services - Other	-	-	-	-	-	0.00%	-	-
Supplies:								
General	-	-	-	-	-	0.00%	-	-
Energy	-	-	-	-	-	0.00%	-	-
Food	-	-	-	-	-	0.00%	-	-
Books, periodicals and software	-	-	-	-	-	0.00%	-	-
Technology supplies	-	-	-	-	-	0.00%	-	-
Vehicle supplies	-	-	-	-	-	0.00%	-	-
Control Level Equipment	-	-	-	-	-	0.00%	-	-
Total supplies	-	-	-	-	-	0.00%	-	-
Plant and equipment:								
Land	-	-	-	-	-	0.00%	-	-
Buildings	-	-	-	-	-	0.00%	-	-
Equipment	-	-	-	-	-	0.00%	-	-
Bus replacement	-	-	-	-	-	0.00%	-	-
Total plant and equipment	-	-	-	-	-	0.00%	-	-
Other:								
Dues and fees	-	-	-	-	-	0.00%	-	-
Judgements	-	-	-	-	-	0.00%	-	-
Debt related	-	-	-	-	-	0.00%	-	-
Reserved	-	-	-	-	-	0.00%	-	-
Taxes	-	-	-	-	-	0.00%	-	-
Student Assistance	-	-	-	-	-	0.00%	-	-
Miscellaneous	-	-	-	-	-	0.00%	-	-
Transfers Out	-	-	-	-	-	0.00%	-	-
Special Items	-	-	-	-	-	0.00%	-	-
Extraordinary items	-	-	-	-	-	0.00%	-	-
Total other	-	-	-	-	-	0.00%	-	-
Total expenditures	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF REVENUES ON A CASH BASIS
BOND CONSTRUCTION FUND - FUND 31
FOR THE MONTH ENDED XXXXX 20XX

Revenues:	MTD Revenues	YTD Revenues	Beginning Fund Balance	Current Annual Budget	Remaining Balance	% of Revenue Received	Prior Year YTD Revenues	Prior Year Change From Prior Yr.
Beginning Fund Balance:	-	-	-	-	-	0.00%	-	-
Local Sources:								
Investment earnings	-	-		-	-	0.00%	-	-
Other local revenues	-	-		-	-	0.00%	-	-
Intermediate Sources:								
All revenues from intermediate sources	-	-		-	-	0.00%	-	-
State Sources:								
All state sources	-	-		-	-	0.00%	-	-
Federal Sources:								
Direct federal grants	-	-		-	-	0.00%	-	-
Federal thru state restricted	-	-		-	-	0.00%	-	-
Other federal sources	-	-		-	-	0.00%	-	-
Miscellaneous Sources:								
Fund transfers in	-	-		-	-	0.00%	-	-
Proceeds from sale of bonds	-	-		-			-	
Other miscellaneous sources	-	-		-	-	0.00%	-	-
Total Revenues	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES ON A CASH BASIS
BOND CONSTRUCTION FUND - FUND 31
FOR THE MONTH ENDED XXXXX 20XX

							Prior Year	
				Current				
	MTD	YTD		Annual	Remaining	% of Budget	YTD	Change
Expenditures:	Expenditures	Expenditures	Encumbrances	Budget	Balance	Obligated	Expenditures	From Prior Yr.
Salaries:								
Professional personnel	-	-	-	-	-	0.00%	-	-
Service personnel	-	-	-	-	-	0.00%	-	-
Professional substitutes	-	-	-	-	-	0.00%	-	-
Service substitutes	-	-	-	-	-	0.00%	-	-
Temporary part time professional	-	-	-	-	-	0.00%	-	-
Temporary part time service	-	-	-	-	-	0.00%	-	-
Board members	-	-	-	-	-	0.00%	-	-
Students	-	-	-	-	-	0.00%	-	-
Total salaries	-	-	-	-	-	0.00%	-	-
Employee benefits:								
Group insurance	-	-	-	-	-	0.00%	-	-
Social security	-	-	-	-	-	0.00%	-	-
Retirement	-	-	-	-	-	0.00%	-	-
Tuition reimbursement	-	-	-	-	-	0.00%	-	-
Unemployment compensation	-	-	-	-	-	0.00%	-	-
Workers' compensation	-	-	-	-	-	0.00%	-	-
Other employee benefits	-	-	-	-	-	0.00%	-	-
Total employee benefits	-	-	-	-	-	0.00%	-	-
Total salaries and employee benefits paid	-	-	-	-	-	0.00%	-	-
Purchased professional & technical services:								
Administration	-	-	-	-	-	0.00%	-	-
Professional educators	-	-	-	-	-	0.00%	-	-
Employee training and development	-	-	-	-	-	0.00%	-	-
Other professional	-	-	-	-	-	0.00%	-	-
Technical	-	-	-	-	-	0.00%	-	-
Total purchased prof. & technical services	-	-	-	-	-	0.00%	-	-
Purchased services - Other:								
Utilities	-	-	-	-	-	0.00%	-	-
Cleaning	-	-	-	-	-	0.00%	-	-
Repair & maintenance	-	-	-	-	-	0.00%	-	-
Rentals	-	-	-	-	-	0.00%	-	-
Construction services	-	-	-	-	-	0.00%	-	-
Student transportation services	-	-	-	-	-	0.00%	-	-
Insurance	-	-	-	-	-	0.00%	-	-
Communications	-	-	-	-	-	0.00%	-	-

Advertising	-	-	-	-	-	0.00%	-	-
Printing/binding	-	-	-	-	-	0.00%	-	-
Tuition	-	-	-	-	-	0.00%	-	-
Food services management	-	-	-	-	-	0.00%	-	-
Travel	-	-	-	-	-	0.00%	-	-
Interagency purchased services	-	-	-	-	-	0.00%	-	-
Total purchased services - Other	-	-	-	-	-	0.00%	-	-
Supplies:								
General	-	-	-	-	-	0.00%	-	-
Energy	-	-	-	-	-	0.00%	-	-
Food	-	-	-	-	-	0.00%	-	-
Books, periodicals and software	-	-	-	-	-	0.00%	-	-
Technology supplies	-	-	-	-	-	0.00%	-	-
Vehicle supplies	-	-	-	-	-	0.00%	-	-
Control Level Equipment	-	-	-	-	-	0.00%	-	-
Total supplies	-	-	-	-	-	0.00%	-	-
Plant and equipment:								
Land	-	-	-	-	-	0.00%	-	-
Buildings	-	-	-	-	-	0.00%	-	-
Equipment	-	-	-	-	-	0.00%	-	-
Bus replacement	-	-	-	-	-	0.00%	-	-
Total plant and equipment	-	-	-	-	-	0.00%	-	-
Other:								
Dues and fees	-	-	-	-	-	0.00%	-	-
Judgements	-	-	-	-	-	0.00%	-	-
Debt related	-	-	-	-	-	0.00%	-	-
Reserved	-	-	-	-	-	0.00%	-	-
Taxes	-	-	-	-	-	0.00%	-	-
Student Assistance	-	-	-	-	-	0.00%	-	-
Miscellaneous	-	-	-	-	-	0.00%	-	-
Transfers Out	-	-	-	-	-	0.00%	-	-
Special Items	-	-	-	-	-	0.00%	-	-
Extraordinary items	-	-	-	-	-	0.00%	-	-
Total other	-	-	-	-	-	0.00%	-	-
Total expenditures	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF REVENUES ON A CASH BASIS
PERMANENT IMPROVEMENT FUND - FUND 41
FOR THE MONTH ENDED XXXXX 20XX

			Beginning	Current		% of	Prior Year	
	MTD	YTD	Fund	Annual	Remaining	Revenue	YTD	Change
Revenues:	Revenues	Revenues	Balance	Budget	Balance	Received	Revenues	From Prior Yr.
Beginning Fund Balance:	-	-	-	-	-	0.00%	-	-
Local Sources:								
Property taxes - current year	-	-		-	-	0.00%	-	-
Property taxes - All other collections	-	-		-	-	0.00%	-	-
Investment earnings	-	-		-	-	0.00%	-	-
Other local revenues	-	-		-	-	0.00%	-	-
Intermediate Sources:								
All revenues from intermediate sources	-	-		-	-	0.00%	-	-
State Sources:								
All state sources	-	-		-	-	0.00%	-	-
Federal Sources:								
All federal sources	-	-		-	-	0.00%	-	-
Miscellaneous Sources:								
Fund transfers in	-	-		-	-	0.00%	-	-
Other miscellaneous sources	-	-		-	-	0.00%	-	-
Total Revenues	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES ON A CASH BASIS
PERMANENT IMPROVEMENT FUND - FUND 41
FOR THE MONTH ENDED XXXXX 20XX

Expenditures:	MTD Expenditures	YTD Expenditures	Encumbrances	Current Annual Budget	Remaining Balance	% of Budget Obligated	Prior Year YTD Expenditures	Prior Year Change From Prior Yr.
Salaries:								
Professional personnel	-	-	-	-	-	0.00%	-	-
Service personnel	-	-	-	-	-	0.00%	-	-
Professional substitutes	-	-	-	-	-	0.00%	-	-
Service substitutes	-	-	-	-	-	0.00%	-	-
Temporary part time professional	-	-	-	-	-	0.00%	-	-
Temporary part time service	-	-	-	-	-	0.00%	-	-
Board members	-	-	-	-	-	0.00%	-	-
Students	-	-	-	-	-	0.00%	-	-
Total salaries	-	-	-	-	-	0.00%	-	-
Employee benefits:								
Group insurance	-	-	-	-	-	0.00%	-	-
Social security	-	-	-	-	-	0.00%	-	-
Retirement	-	-	-	-	-	0.00%	-	-
Tuition reimbursement	-	-	-	-	-	0.00%	-	-
Unemployment compensation	-	-	-	-	-	0.00%	-	-
Workers' compensation	-	-	-	-	-	0.00%	-	-
Other employee benefits	-	-	-	-	-	0.00%	-	-
Total employee benefits	-	-	-	-	-	0.00%	-	-
Total salaries and employee benefits paid	-	-	-	-	-	0.00%	-	-
Purchased professional & technical services:								
Administration	-	-	-	-	-	0.00%	-	-
Professional educators	-	-	-	-	-	0.00%	-	-
Employee training and development	-	-	-	-	-	0.00%	-	-
Other professional	-	-	-	-	-	0.00%	-	-
Technical	-	-	-	-	-	0.00%	-	-
Total purchased prof. & technical services	-	-	-	-	-	0.00%	-	-
Purchased services - Other:								
Utilities	-	-	-	-	-	0.00%	-	-
Cleaning	-	-	-	-	-	0.00%	-	-
Repair & maintenance	-	-	-	-	-	0.00%	-	-
Rentals	-	-	-	-	-	0.00%	-	-
Construction services	-	-	-	-	-	0.00%	-	-
Student transportation services	-	-	-	-	-	0.00%	-	-
Insurance	-	-	-	-	-	0.00%	-	-
Communications	-	-	-	-	-	0.00%	-	-

Advertising	-	-	-	-	-	0.00%	-	-
Printing/binding	-	-	-	-	-	0.00%	-	-
Tuition	-	-	-	-	-	0.00%	-	-
Food services management	-	-	-	-	-	0.00%	-	-
Travel	-	-	-	-	-	0.00%	-	-
Interagency purchased services	-	-	-	-	-	0.00%	-	-
Total purchased services - Other	-	-	-	-	-	0.00%	-	-
Supplies:								
General	-	-	-	-	-	0.00%	-	-
Energy	-	-	-	-	-	0.00%	-	-
Food	-	-	-	-	-	0.00%	-	-
Books, periodicals and software	-	-	-	-	-	0.00%	-	-
Technology supplies	-	-	-	-	-	0.00%	-	-
Vehicle supplies	-	-	-	-	-	0.00%	-	-
Control Level Equipment	-	-	-	-	-	0.00%	-	-
Total supplies	-	-	-	-	-	0.00%	-	-
Plant and equipment:								
Land	-	-	-	-	-	0.00%	-	-
Buildings	-	-	-	-	-	0.00%	-	-
Equipment	-	-	-	-	-	0.00%	-	-
Bus replacement	-	-	-	-	-	0.00%	-	-
Total plant and equipment	-	-	-	-	-	0.00%	-	-
Other:								
Dues and fees	-	-	-	-	-	0.00%	-	-
Judgements	-	-	-	-	-	0.00%	-	-
Debt related	-	-	-	-	-	0.00%	-	-
Reserved	-	-	-	-	-	0.00%	-	-
Taxes	-	-	-	-	-	0.00%	-	-
Student Assistance	-	-	-	-	-	0.00%	-	-
Miscellaneous	-	-	-	-	-	0.00%	-	-
Transfers Out	-	-	-	-	-	0.00%	-	-
Special Items	-	-	-	-	-	0.00%	-	-
Extraordinary items	-	-	-	-	-	0.00%	-	-
Total other	-	-	-	-	-	0.00%	-	-
Total expenditures	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF REVENUES ON A CASH BASIS
CAPITAL PROJECTS FUND - FUND 51
FOR THE MONTH ENDED XXXXX 20XX

Revenues:	MTD Revenues	YTD Revenues	Beginning Fund Balance	Current Annual Budget	Remaining Balance	% of Revenue Received	Prior Year YTD Revenues	Prior Year Change From Prior Yr.
Beginning Fund Balance:	-	-	-	-	-	0.00%	-	-
Local Sources:								
Investment earnings	-	-		-	-	0.00%	-	-
Other local revenues	-	-		-	-	0.00%	-	-
Intermediate Sources:								
All revenues from intermediate sources	-	-		-	-	0.00%	-	-
State Sources:								
Received from School Building Authority	-	-		-	-	0.00%	-	-
Other state sources	-	-		-	-	0.00%	-	-
Federal Sources:								
Direct federal grants	-	-		-	-	0.00%	-	-
Federal thru state restricted	-	-		-	-	0.00%	-	-
Other federal sources	-	-		-	-	0.00%	-	-
Miscellaneous Sources:								
Fund transfers in	-	-		-	-	0.00%	-	-
Other miscellaneous sources	-	-		-	-	0.00%	-	-
Total Revenues	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES ON A CASH BASIS
CAPITAL PROJECTS FUND -FUND 51
FOR THE MONTH ENDED XXXXX 20XX

				Current			Prior Year	
	MTD	YTD		Annual	Remaining	% of Budget	YTD	Change
Expenditures:	Expenditures	Expenditures	Encumbrances	Budget	Balance	Obligated	Expenditures	From Prior Yr.
Salaries:								
Professional personnel	-	-	-	-	-	0.00%	-	-
Service personnel	-	-	-	-	-	0.00%	-	-
Professional substitutes	-	-	-	-	-	0.00%	-	-
Service substitutes	-	-	-	-	-	0.00%	-	-
Temporary part time professional	-	-	-	-	-	0.00%	-	-
Temporary part time service	-	-	-	-	-	0.00%	-	-
Board members	-	-	-	-	-	0.00%	-	-
Students	-	-	-	-	-	0.00%	-	-
Total salaries	-	-	-	-	-	0.00%	-	-
Employee benefits:								
Group insurance	-	-	-	-	-	0.00%	-	-
Social security	-	-	-	-	-	0.00%	-	-
Retirement	-	-	-	-	-	0.00%	-	-
Tuition reimbursement	-	-	-	-	-	0.00%	-	-
Unemployment compensation	-	-	-	-	-	0.00%	-	-
Workers' compensation	-	-	-	-	-	0.00%	-	-
Other employee benefits	-	-	-	-	-	0.00%	-	-
Total employee benefits	-	-	-	-	-	0.00%	-	-
Total salaries and employee benefits paid	-	-	-	-	-	0.00%	-	-
Purchased professional & technical services:								
Administration	-	-	-	-	-	0.00%	-	-
Professional educators	-	-	-	-	-	0.00%	-	-
Employee training and development	-	-	-	-	-	0.00%	-	-
Other professional	-	-	-	-	-	0.00%	-	-
Technical	-	-	-	-	-	0.00%	-	-
Total purchased prof. & technical services	-	-	-	-	-	0.00%	-	-
Purchased services - Other:								
Utilities	-	-	-	-	-	0.00%	-	-
Cleaning	-	-	-	-	-	0.00%	-	-
Repair & maintenance	-	-	-	-	-	0.00%	-	-
Rentals	-	-	-	-	-	0.00%	-	-
Construction services	-	-	-	-	-	0.00%	-	-
Student transportation services	-	-	-	-	-	0.00%	-	-
Insurance	-	-	-	-	-	0.00%	-	-
Communications	-	-	-	-	-	0.00%	-	-
Advertising	-	-	-	-	-	0.00%	-	-

Printing/binding	-	-	-	-	-	0.00%	-	-
Tuition	-	-	-	-	-	0.00%	-	-
Food services management	-	-	-	-	-	0.00%	-	-
Travel	-	-	-	-	-	0.00%	-	-
Interagency purchased services	-	-	-	-	-	0.00%	-	-
Total purchased services - Other	-	-	-	-	-	0.00%	-	-
Supplies:								
General	-	-	-	-	-	0.00%	-	-
Energy	-	-	-	-	-	0.00%	-	-
Food	-	-	-	-	-	0.00%	-	-
Books, periodicals and software	-	-	-	-	-	0.00%	-	-
Technology supplies	-	-	-	-	-	0.00%	-	-
Vehicle supplies	-	-	-	-	-	0.00%	-	-
Control Level Equipment	-	-	-	-	-	0.00%	-	-
Total supplies	-	-	-	-	-	0.00%	-	-
Plant and equipment:								
Land	-	-	-	-	-	0.00%	-	-
Buildings	-	-	-	-	-	0.00%	-	-
Equipment	-	-	-	-	-	0.00%	-	-
Bus replacement	-	-	-	-	-	0.00%	-	-
Total plant and equipment	-	-	-	-	-	0.00%	-	-
Other:								
Dues and fees	-	-	-	-	-	0.00%	-	-
Judgements	-	-	-	-	-	0.00%	-	-
Debt related	-	-	-	-	-	0.00%	-	-
Reserved	-	-	-	-	-	0.00%	-	-
Taxes	-	-	-	-	-	0.00%	-	-
Student Assistance	-	-	-	-	-	0.00%	-	-
Miscellaneous	-	-	-	-	-	0.00%	-	-
Transfers Out	-	-	-	-	-	0.00%	-	-
Special Items	-	-	-	-	-	0.00%	-	-
Extraordinary items	-	-	-	-	-	0.00%	-	-
Total other	-	-	-	-	-	0.00%	-	-
Total expenditures	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF REVENUES ON A CASH BASIS
SPECIAL REVENUE FUND - FUND 61
FOR THE MONTH ENDED XXXXX 20XX

			Beginning	Current		% of	Prior Year	
	MTD	YTD	Fund	Annual	Remaining	Revenue	YTD	Change
Revenues:	Revenues	Revenues	Balance	Budget	Balance	Received	Revenues	From Prior Yr.
Beginning Fund Balance:	-	-	-	-	-	0.00%	-	-
Local Sources:								
Investment earnings	-	-		-	-	0.00%	-	-
Other local revenues	-	-		-	-	0.00%	-	-
Intermediate Sources:								
All revenues from intermediate sources	-	-		-	-	0.00%	-	-
State Sources:								
State aid to schools - Restricted	-	-		-	-	0.00%	-	-
Other state sources	-	-		-	-	0.00%	-	-
Federal Sources:								
Direct federal grants	-	-		-	-	0.00%	-	-
Federal thru state restricted	-	-		-	-	0.00%	-	-
Other federal sources	-	-		-	-	0.00%	-	-
Miscellaneous Sources:								
Fund transfers in	-	-		-	-	0.00%	-	-
Other miscellaneous sources	-	-		-	-	0.00%	-	-
Total Revenues	-	-	-	-	-	0.00%	-	-

SAMPLE COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES ON A CASH BASIS
SPECIAL REVENUE FUND - FUND 61
FOR THE MONTH ENDED XXXXX 20XX

				Current			Prior Year	
	MTD	YTD		Annual	Remaining	% of Budget	YTD	Change
Expenditures:	Expenditures	Expenditures	Encumbrances	Budget	Balance	Obligated	Expenditures	From Prior Yr.
Salaries:								
Professional personnel	-	-	-	-	-	0.00%	-	-
Service personnel	-	-	-	-	-	0.00%	-	-
Professional substitutes	-	-	-	-	-	0.00%	-	-
Service substitutes	-	-	-	-	-	0.00%	-	-
Temporary part time professional	-	-	-	-	-	0.00%	-	-
Temporary part time service	-	-	-	-	-	0.00%	-	-
Board members	-	-	-	-	-	0.00%	-	-
Students	-	-	-	-	-	0.00%	-	-
Total salaries	-	-	-	-	-	0.00%	-	-
Employee benefits:								
Group insurance	-	-	-	-	-	0.00%	-	-
Social security	-	-	-	-	-	0.00%	-	-
Retirement	-	-	-	-	-	0.00%	-	-
Tuition reimbursement	-	-	-	-	-	0.00%	-	-
Unemployment compensation	-	-	-	-	-	0.00%	-	-
Workers' compensation	-	-	-	-	-	0.00%	-	-
Other employee benefits	-	-	-	-	-	0.00%	-	-
Total employee benefits	-	-	-	-	-	0.00%	-	-
Total salaries and employee benefits paid	-	-	-	-	-	0.00%	-	-
Purchased professional & technical services:								
Administration	-	-	-	-	-	0.00%	-	-
Professional educators	-	-	-	-	-	0.00%	-	-
Employee training and development	-	-	-	-	-	0.00%	-	-
Other professional	-	-	-	-	-	0.00%	-	-
Technical	-	-	-	-	-	0.00%	-	-
Total purchased prof. & technical services	-	-	-	-	-	0.00%	-	-
Purchased services - Other:								
Utilities	-	-	-	-	-	0.00%	-	-
Cleaning	-	-	-	-	-	0.00%	-	-
Repair & maintenance	-	-	-	-	-	0.00%	-	-
Rentals	-	-	-	-	-	0.00%	-	-
Construction services	-	-	-	-	-	0.00%	-	-
Student transportation services	-	-	-	-	-	0.00%	-	-
Insurance	-	-	-	-	-	0.00%	-	-
Communications	-	-	-	-	-	0.00%	-	-

Advertising	-	-	-	-	-	0.00%	-	-
Printing/binding	-	-	-	-	-	0.00%	-	-
Tuition	-	-	-	-	-	0.00%	-	-
Food services management	-	-	-	-	-	0.00%	-	-
Travel	-	-	-	-	-	0.00%	-	-
Interagency purchased services	-	-	-	-	-	0.00%	-	-
Total purchased services - Other	-	-	-	-	-	0.00%	-	-
Supplies:								
General	-	-	-	-	-	0.00%	-	-
Energy	-	-	-	-	-	0.00%	-	-
Food	-	-	-	-	-	0.00%	-	-
Books, periodicals and software	-	-	-	-	-	0.00%	-	-
Technology supplies	-	-	-	-	-	0.00%	-	-
Vehicle supplies	-	-	-	-	-	0.00%	-	-
Control Level Equipment	-	-	-	-	-	0.00%	-	-
Total supplies	-	-	-	-	-	0.00%	-	-
Plant and equipment:								
Land	-	-	-	-	-	0.00%	-	-
Buildings	-	-	-	-	-	0.00%	-	-
Equipment	-	-	-	-	-	0.00%	-	-
Bus replacement	-	-	-	-	-	0.00%	-	-
Total plant and equipment	-	-	-	-	-	0.00%	-	-
Other:								
Dues and fees	-	-	-	-	-	0.00%	-	-
Judgements	-	-	-	-	-	0.00%	-	-
Debt related	-	-	-	-	-	0.00%	-	-
Reserved	-	-	-	-	-	0.00%	-	-
Taxes	-	-	-	-	-	0.00%	-	-
Student Assistance	-	-	-	-	-	0.00%	-	-
Miscellaneous	-	-	-	-	-	0.00%	-	-
Transfers Out	-	-	-	-	-	0.00%	-	-
Special Items	-	-	-	-	-	0.00%	-	-
Extraordinary items	-	-	-	-	-	0.00%	-	-
Total other	-	-	-	-	-	0.00%	-	-
Total expenditures	-	-	-	-	-	0.00%	-	-

Michele L. Blatt
West Virginia Superintendent of Schools

WEST VIRGINIA SECRETARY OF STATE

NATALIE E. TENNANT

ADMINISTRATIVE LAW DIVISION

eFILED

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OFFICE OF WEST VIRGINIA SECRETARY OF STATE

FORM 5 -- NOTICE OF AGENCY ADOPTION OF A PROCEDURAL OR INTERPRETIVE RULE OR A LEGISLATIVE RULE EXEMPT FROM LEGISLATIVE REVIEW

AGENCY	**Education**				
RULE TYPE	**Legislative Exempt**	AMENDMENT TO EXISTING RULE	**Yes**	TITLE-SERIES	**126-202**
RULE NAME	**Purchasing Procedures for Local Education Agencies (8200)**				

CITE AUTHORITY **W. Va. Code §§29A-3B-1, et seq.; W. Va. Board of Education v. Hechler, 180 W. Va. 451; 376 S.E.2d 839 (1988)**

RULE IS LEGISLATIVE EXEMPT

Yes

CITE STATUTE(S) GRANTING EXEMPTION FROM LEGISLATIVE REVIEW

W. Va. Code §§29A-3B-1, et seq.; W. Va. Board of Education v. Hechler, 180 W. Va. 451; 376 S.E.2d 839 (1988)

THE ABOVE RULE IS HEREBY ADOPTED AND FILED WITH THE SECRETARY OF STATE. THE EFFECTIVE DATE OF THIS RULE IS

Monday, August 13, 2012

BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENTS ARE TRUE AND CORRECT.

Yes

Charles K Heinlein -- By my signature, I certify that I am the person authorized to file legislative rules, in accordance with West Virginia Code §29A-3-11 and §39A-3-2.

Title-Series: 126-202 Rule Id: 8587 Document: 23899

TITLE 126
LEGISLATIVE RULE
BOARD OF EDUCATION

SERIES 202
PURCHASING PROCEDURES FOR LOCAL EDUCATIONAL AGENCIES (8200)

§126-202-1. General.

1.1. Purpose. -- The purpose of this policy is to establish the minimum requirements and procedures to be followed by county boards of education, regional education service agencies (RESAs) and multi-county vocational centers (MCVCs) in the purchasing, receiving, safeguarding and disposal of goods and services obtained for use in their operations.

1.2. Authority. -- West Virginia Constitution, Article XII, §2 and W. Va. Code §§5-22-1, 5A-3-37, 5A-3-37a, 5G-1-1 et seq, 11-8-26, 12-3-10a, 12-3-10b, 18-2-5, 18-5-5, 18-5-7, 18-5-7a, 18-5-7b, 18-5-9a, 18-5-13, 18-9B-12, 18-8-26, 18-2B-2, 21-5A-1 et seq, 31-15A-15, 61-5A-6, and 61-10-15.

1.3. Filing Date. -- July 13, 2012.

1.4. Effective Date. -- August 13, 2012.

1.5. Repeal of Former Rule. -- This legislative rule amends W. Va. 126CSR202, West Virginia Board of Education Policy 8200, Purchasing Procedures for Local Educational Agencies, filed January 11, 2008, and effective February 11, 2008, and continues to supersede Section E of Chapter 3 of W. Va. 126CSR200, West Virginia Board of Education Policy 8100, Handbook for School Finance in West Virginia, which relates to purchasing.

§126-202-2. Applicability.

2.1. This policy applies to all county boards of education, RESAs, and MCVCs.

§126-202-3. Incorporation by Reference.

3.1. Copies. – A copy of the Purchasing Policies and Procedures Manual is attached. Additional copies may be obtained in the Office of the Secretary of State and in the West Virginia Department of Education, Division of Student Support Services.

3.2. Summary of rules and regulations. – County boards of education, have the authority and responsibility, subject to the provisions of statute and rules and regulations of the West Virginia Board of Education, to acquire needed commodities and services in order to provide a thorough and efficient system of education for all children in West Virginia.

3.3. This rule establishes the minimum system of purchasing rules and regulations that are to be followed by the county boards of education, RESAs and MCVCs throughout the state. These agencies are encouraged to develop local policies, practices and procedures that supplement the provisions specified herein.

3.4. This rule has been developed as a manual to be used as a guide by county superintendents, purchasing directors, business officials, and other personnel involved in the acquisition and disposal of commodities and services in the performance of their duties.

§126-202-4. Administration.

4.1. Each local educational agency (LEA) in the State of West Virginia, which includes all county boards of education, RESAs, and MCVCs is responsible for adhering to the requirements included in this policy for the purchasing, receiving, safeguarding, and disposal of commodities and services used in its operations. Each LEA is also responsible for adopting a local purchasing policy to address the specific procedures and practices particular to that agency's situation. These local policies must, at a minimum, adhere to the requirements included in this policy but may make the requirements more restrictive.

§126-202-5. Authority.

5.1. Authority. The governing body of each LEA is responsible for the purchasing, receiving, safeguarding, and disposal of all goods and services obtained for use by the LEA. This authority may be delegated to the superintendent, or director of a RESA or MCVC, or to a designee. The official to whom these responsibilities have been delegated shall be the purchasing director of the LEA.

5.2. Requisitions. The LEA must develop written procedures to establish a system for the orderly submission, processing, and approval of purchase requisitions.

5.3. Approval. All purchase orders must be manually or electronically approved by the purchasing director or designee prior to their issuance. The responsibility of the chief financial officer is to ensure that funds are available for the purchase and that they have been properly budgeted.

§126-202-6. Severability.

6.1. If any part of this policy is declared unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this policy, or the policy in its entirety.

PURCHASING POLICIES AND PROCEDURES MANUAL FOR LOCAL EDUCATIONAL AGENCIES

Office of School Finance
West Virginia Department of Education

PURCHASING POLICIES AND PROCEDURES MANUAL
FOR LOCAL EDUCATIONAL AGENCIES

FOREWORD

This policy and procedures manual prescribes the minimum requirements and procedures established by the State Board of Education that are to be followed by county boards of education, regional education service agencies (RESAs), and multi-county vocational centers (MCVCs), collectively described as local educational agencies (LEAs), in the purchase of goods and services necessary for their operations.

The policy is being updated to incorporate recent revisions made by the State Purchasing Division to State purchasing procedures and to clarify certain other areas, such as the use of purchasing cooperatives and collective purchasing agreements, prevailing wage requirements and reservation type payments.

This *Purchasing Policies and Procedures Manual* was patterned after the West Virginia Purchasing Division *Policies and Procedures Handbook* and incorporates many of the same principles and requirements, with appropriate modifications made where necessary. The manual also includes the emergency purchasing procedures developed by the West Virginia Department of Administration.

The policy and manual was developed by the Office of School Finance in cooperation with members of the West Virginia Association of School Business Officials, county board of education purchasing directors, the Department of Education's Purchasing Director, and a number of other dedicated public school officials. Their dedication and hard work devoted to this project are very much appreciated and acknowledged.

Copies of the manual are available on the Department's website at http://wvde.state.wv.us under both the State Board Policies Section and under School Finance Data/Manuals. Printed copies can also be obtained from the Department of Education, Office of School Finance, Building 6, Room 215,1900 Kanawha Boulevard East, Charleston, WV 25305 or by calling 304-558-6300.

Jorea M. Marple, Ed. D.
State Superintendent of Schools

Policy 8200
June 2012

PURCHASING POLICIES AND PROCEDURES MANUAL
FOR LOCAL EDUCATIONAL AGENCIES

TABLE OF CONTENTS

PURCHASING POLICIES AND PROCEDURES MANUAL FOR LOCAL EDUCATIONAL AGENCIES

1. Introduction.

1.1. The overall objective of the purchasing function is to acquire the goods and services necessary to provide the essential services for which an organization is responsible.

1.2. All procurement transactions must be conducted in a manner that provides full and open competition, consistent with the ethical standards specified in state and federal statutes, this policy, and all local practices and procedures.

1.3. Procedures for the review of all proposed procurements must be established to ensure that only necessary items are purchased.

1.4. If written specifications are required, they must be written in such a manner as to maximize and encourage competition.

1.5. No board member, officer or employee shall participate in the selection, award, or administration of a contract or purchase order with a related party, or where a conflict of interest, real or apparent, exists.

1.6. No board member, officer, or employee shall solicit or accept gratuities, favors, or anything of monetary value from contractors, vendors, or parties to any awards, agreements, or contracts. This prohibition does not apply to unsolicited gifts of nominal value, which is recognized by the West Virginia Ethics Commission to be a gift whose value is less than $25.

1.7. Awards will be made only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

1.8. Although not required, LEAs may want to explore whether the goods and services being purchased are available from a statewide contract or a purchasing alliance, such as the Government Purchasing Alliance or the Southern Region Education Board, before going to the open market.

1.9. A flow chart has been developed to assist users of this policy in making the determination of which purchasing requirements apply in each specific situation. This flow chart is included in Appendix B to this manual.

2. Purchase Responsibilities.

2.1. According to W. Va. Code §11-8-26, a local fiscal body, which includes county boards of education, shall not expend money or incur obligations:

- 2.1.1 In an unauthorized manner;
- 2.1.2 For an unauthorized purpose;
- 2.1.3 In excess of the amount allocated to the fund in the levy order;
- 2.1.4 In excess of the funds available for current expenses.

2.2. According to W. Va. Code §18-9B-10, county boards of education shall:

- 2.2.1. Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;

2.2.2. Make transfers between items of appropriation only with the prior written approval of the State Board of Education.

2.3. The governing body of each LEA is responsible for the purchasing, receiving, safeguarding, and disposing of all goods and services obtained for use by the LEA. This authority may be delegated to the superintendent, or director of a RESA or MCVC, or to a designee(s).

2.4. The official to whom these responsibilities have been delegated shall be referred to as the purchasing director of the LEA. This individual is responsible for:

2.4.1. Ensuring that all purchases and contracts for the LEA are made in accordance with the provisions of applicable state statutes, this policy and all local policies;

2.4.2. Ensuring that all purchases or contracts for the LEA are made in the name of the LEA;

2.4.3. Prescribing the manner in which commodities are purchased, delivered, stored, and distributed;

2.4.4. Reviewing the specifications and descriptions before soliciting bids to ensure that they do not favor a particular brand or vendor;

2.4.5. Accepting or rejecting any and all bids in whole or in part;

2.4.6. Waiving minor irregularities in bids or specifications;

2.4.7. Applying and enforcing standard specifications;

2.4.8. Transferring to or between schools or spending units, or selling surplus, obsolete, or unused commodities;

2.4.9. Prescribing the amount of deposit or bond to be submitted with any bid or contract;

2.4.10. Prescribing contract provisions for liquidated damages, remedies and/or other damage provisions in the event of vendor default;

2.4.11. Prescribing the manner of inspection for all deliveries of commodities, determining the physical tests to be conducted of samples submitted, and determining that all bids and samples are in compliance with specifications.

2.5. Chief School Business Official.

2.5.1. The chief school business official has the overall responsibility for ensuring that funds are available for the purchase and that they have been properly budgeted and encumbered.

3. Acquisition Planning.

3.1. The effective acquisition of needed commodities and services begins with proper planning. The first step is to determine the commodity or service needed, the quantity, the quality level, delivery location, and time frame.

3.2. When preparing for a purchase, prior to the actual bidding process, the following steps should be taken: define need; consider acquisition and delivery lead times; develop specifications; explore alternative sources; prepare the requisition; and identify possible vendors.

3.2.1. Define Need – Determining the exact requirements for a commodity to perform a specific function is one of the most important tasks in the procurement process. The individual submitting the requisition must take into consideration the problem to be resolved and what alternatives or options are available to satisfy the need.

3.2.2. Acquisition and Delivery Lead Time:

a. Acquisition Lead Time – Acquisition lead time is required for all purchases. The average time required to prepare, solicit, evaluate, and make an award varies depending upon the dollar value, responsiveness of vendors, and the complexity of the requisition. Individuals submitting purchase requisitions should always consider the fund obligation period when planning acquisition lead time.

b. Delivery Lead Time – Order or ship time is the time after the award that is required by the vendor to fill and deliver the order. These times vary widely by industry or commodity. Consideration must be given to market conditions that will affect delivery.

3.2.3. Specifications:

a. Specifications can either enhance or inhibit competition. To ensure that commodities and services are obtained at the most economical, competition must be sought, whenever possible. This can be accomplished by describing products and services in a manner that meets the LEA's needs and encourages competition.

b. A specification is a concise statement explaining the type of product or service, the quality level, special requirements in design, performance, delivery and usage. Specifications must not be restrictive (locking in a specific vendor and limiting competition), or be vague (allowing a vendor to provide a lower than acceptable quality level product or service).

c. A good specification is the following: Clearly understandable to both the buyer and the seller, complete, concise, identifiable wherever possible with some brand or specification already on the market, verifiable, and reasonable.

d. Types of Specifications - There are three types of specifications used separately and/or in combination to communicate requirements to the vendor:

1. "Brand Name(s) or Equal" Specification – This is based upon one or more manufacturer's commodity description(s), model number(s) and quality level. The manufacturer's commodity numbers must be easily identified in a current publication that is available to most vendors. Commodity descriptions must be sufficiently detailed, and specify only the required features needed for the application.

2. Performance Specification - This is based upon the specific performance needs of the LEA. The performance specification is less structured as to how the product is made, and more structured as to how well it performs. Total ownership cost for operating and maintaining the product may be an element of the specification.

3. Design Specification - This concentrates on the dimensional and other physical requirements of an item being purchased. The design specification

is used when the commodity has to be specially made to meet the LEA's unique needs.

Note: Combinations of the above may be used to communicate clear specifications to vendors. A performance specification may refer to a nationally accepted testing procedure for a commodity; a design specification may indicate the physical size and dimension of the commodity, and a brand name or equal specification may be used to indicate a desired quality level.

e. The State Purchasing Division has promulgated standard specifications based on scientific and technical data for appropriate commodities, which establish the quality to which such commodities to be purchased and services to be contracted for by the state must conform. These standard specifications, which are prepared and adopted by the Purchasing Division for various products and services, may be available for use by LEAs, which will eliminate the need to redeveloping specifications for commodities and services where specifications have already been developed.

f. Questions from LEA personnel relating to purchasing issues should be directed to the LEA's purchasing director. If the LEA's purchasing director desires assistance, help may be obtained by contacting the appropriate state buyer in the Acquisition and Contract Administration Section of the Purchasing Division for assistance in preparing specifications.

g. A Request for Information (RFI) is a formal method for requesting written information from vendors for the purpose of developing a Request for Quotation (RFQ) or a Request for Proposal (RFP). The issuance of an RFI is not a mandatory prerequisite to the issuance of an RFQ or an RFP but may be used when it is felt that appropriate expertise or information is lacking to develop adequate specifications for an RFQ or RFP. This process allows for the assistance of multiple vendors who have expertise and can provide information in the area of concern.

3.2.4. Alternative Sources – In the planning process, it is important to review all internal or State sources before going to the open market. Such sources include:

a. Surplus Property - Since its creation in 1949, the State Agency for Surplus Property has assisted thousands of organizations by offering good, usable property at a substantially reduced price to public agencies and non-profit groups. The State Agency for Surplus Property also administers a federal property program. Property is screened at federal government facilities to provide eligible organizations with a greater quantity and variety of items. The program serves all eligible organizations and acts as a clearinghouse by offering new and used equipment at reduced costs for acquisition. With the federal program, agencies may express their property needs and be placed on a "want list." Federal property screeners will then look for suitable property that may fulfill the organization's needs.

b. Commodities and Services Provided by Sheltered Workshops – Certain commodities and services may be available from sheltered workshops that meet the LEA's quality and price standards and whose prices are comparable to open-market sources.

c. Piggybacking on a State Open-Ended Contract - Certain commodities and services may be available from a State open-ended contract which an LEA may piggyback, if the contract allows for piggybacking.

3.2.5. Preparing the Requisition –This involves the process of preparing a requisition for authorization to purchase commodities or services and submitting the requisition to the appropriate officials for approval. LEAs must develop local procedures for the submission and approval of purchase requisitions.

a. There are six basic types of purchases that can be made, which include:

1. One-time/Single Purchase – The purchase of commodities or services on a one- time basis each year; repetitive requisitions for the same commodities or services are not needed.

2. Open-Ended Contracts – A special type of contract that is used to obtain commodities or services on a repetitive basis throughout the year. Normally all terms, conditions, and prices are prescribed, with the exception of quantity. An LEA may establish the requirement that prior approval be obtained before commodities or services are requisitioned through the form of a release.

3. Agreements – Contracts used to obtain specific professional, technical, or other specialized services that are not available at the LEA.

4. Emergency Purchases – Purchases that become necessary when unforeseen causes arise. Emergency purchases are not to be used for hardship situations resulting from neglect, poor planning, or lack of organization.

5. Leases and Lease Purchases – Lease and lease purchase agreements are methods by which an LEA may obtain equipment or other commodities and make payments over a period of time. The State Constitution and W. Va. Code §11-8-26 prohibit a local fiscal body from expending funds or incurring obligations from future levies.

6. Direct Purchases (Sole Source) – In a direct purchase situation, competition is not available; the commodity or service is available from only one source.

b. Life of Contract - Contracts normally cover a 12-month period or cite a specific time for completion for the project or service. A solicitation for a contract that includes an option on the part of the LEA to extend or renew the contract for an additional period may be advantageous and may be considered. If price adjustments are permitted during the contract period, the conditions under which they are authorized must be specified in the original solicitation and resulting contract. All contracts should be reviewed during the contract period to determine if the need still exists for the commodities or services, if prices are fair and reasonable based on the current market conditions, and if performance is satisfactory.

c. Renewals: The standard terms and conditions used to indicate a specified date on which the contract becomes effective, and extends for a period of one year or until such "reasonable time" thereafter as is necessary to obtain a new contract or renew the original contract. The "reasonable time" period shall not exceed twelve months. Unless specific provisions are stipulated in the contract document, the terms, conditions and pricing established are firm for the life of the contract.

Contracts that contain renewal provisions may be renewed upon the mutual written consent of the LEA and vendor prior to the expiration date. A letter of justification should be maintained on file, stating pertinent reasons for the recommendation to renew an existing contract. These factors include, but are not limited to, vendor performance, market conditions and other analytical measures that indicate that renewing the contract is in the best interest of the LEA. Renewals shall be in accordance with the terms and conditions of the original contract and are limited to two successive one year periods.

d. Contract Cancellation - The LEA reserves the right to cancel any contract or purchase order upon written notice to the vendor if the commodities and services supplied are of an inferior quality or do not conform with the specifications of the bid or award.

e. Pre-Bid Conferences - When appropriate, an LEA may conduct a "pre-bid conference" on major acquisitions early in the solicitation cycle to provide an opportunity to emphasize and clarify critical aspects of the solicitation, eliminate misunderstandings and encourage vendor participation. These conferences are conducted with potential bidders when solicitations for complex, large dollar requirements are specified. Attendance at conferences or on-site visits may be optional or mandatory. If mandatory attendance is required, only bids or proposals from those firms represented at the conference or on-site visits shall be accepted.

   Sign-in sheets for mandatory pre-bid conferences must contain the following: name of company, person attending (signature and printed name), address, and telephone number. The header information on the sign-in sheet should identify the pre-bid conference and include the date and time of the conference. No one individual may represent more than one firm.

f. Response Time - When establishing an opening date and time, buyers and/or LEA personnel should allow for holiday mail disruptions as well as adequate time to encourage as many vendors as possible to respond.

g. Evaluation Period - After bids are opened, a review and evaluation of the bids received is required. The time required for this function varies depending upon the complexity of the solicitation and the number of bids or proposals received.

3.2.6. Identify Possible Vendors – In order to achieve the goal of competitive bidding, a minimum of three bids is required, whenever possible.

Locating vendors selling a particular product or service can be performed in a number of ways, including:

a. Reference sources, such as the telephone book's yellow pages and other business listings;

b. Supplier's catalogs, which not only offer local distributors but provides descriptive information on their products and current technology of the market;

c. Maintenance of a vendor list;

d. Meeting with business representatives;

e. Governmental purchasing alliances, and,

f. Utilizing the internet.

3.3. Pre-bid Conferences – When appropriate, it is recommended that LEAs conduct "pre-bid conferences" on major acquisitions early in the solicitation cycle to provide an opportunity to emphasize and clarify critical aspects of the solicitation, eliminate misunderstandings and encourage vendor participation.

4. Requisitions and Purchase Orders.

4.1. To comply with the requirements of West Virginia Code §18-9B-9, LEAs are required to maintain a requisition and purchase order system on the West Virginia Education Information System (WVEIS) whereas an approved, pre-numbered purchase order is issued to the successful vendor prior to an order for a commodity or service being placed.

4.2. Purchase orders, however, are not required for refunds, reimbursement of travel expenses, the distribution of faculty senate funds to the individual schools in a county, and utilities.

4.3. Purchase orders are also not required for purchases of commodities and services made through the use of the State's purchase card system, or other purchase card system that provides the same level of internal accounting controls as the State's system. However, in order to comply with the requirements of West Virginia Code §18-9B-9, and to maintain budgetary controls, the funds must be encumbered in the West Virginia Education Information System (WVEIS). In addition, all requirements specified in Section 27.2 of this policy related to the purchase card program must be followed, including individual transaction limits, monthly transaction limits, and maximum number of transactions.

4.4. A copy of each approved purchase order must be retained for file. The file copy may be retained either on paper, or electronically if the original approval signatures are available for subsequent review.

4.5. No purchase order may be issued in excess of the funds available in the current year or which obligate the funds of a subsequent year. Purchase orders may not be issued prior to the end of a fiscal year for delivery and payment after July 1, in excess of the amount available in the current year's budget.

5. Open Ended Contracts, Price Agreements, and Blanket Purchase Orders.

5.1. The LEA may use open-ended contracts, price agreements, or blanket purchase orders to obtain commodities or services of a repetitive nature rather than issue a purchase order for each individual purchase.

5.2. The purchasing director may solicit requirements for similar commodities and services to determine the best methods for acquisition.

5.3. Open-ended contracts or price agreements may be used only in situations where the commodity and price are known through a competitive bid process, but the quantity needed is not, such as food products used by child nutrition program.

5.4. Blanket purchase orders may be used in situations where there is normally a large volume of small dollar purchases of a repetitive nature and it is difficult to determine in advance exactly which products are needed, such as in facility or vehicle maintenance activities. Whenever practical, blanket purchase orders should be issued, with consideration of the bidding requirements, on a periodic basis throughout the year, such as on a monthly or quarterly basis, to maintain budgetary controls.

6. **Request for Information, Quotations, Proposals; and Expressions of Interest.**

6.1. A request for information (RFI) is a document used to solicit information to assist the LEA in preparing specifications prior to issuing an RFQ, RFP or other device issued to solicit bids. RFIs are optional and cannot be used to award a bid. RFIs should be used when appropriate expertise or information is lacking to develop adequate specifications for an FRQ or RFP.

6.2. A request for quotations (RFQ) is a document used to solicit competitive bids for commodities and that contain all of the specifications or scope of work and contractual terms and conditions. Conformity to specifications and price are the only factors used in the evaluation process.

6.3. A request for proposal (RFP) is a document used to solicit competitive bids for professional, technical or other specialized services where the specific scope of the work may not be comparable and the cost is not the sole factor in determining the award.

6.4. An expression of interest (EOI) is similar to a request for proposal, but is used ONLY for the procurement of architectural and engineering services. It is used in the selection of architects and engineers and permits the LEA to award a contract to the most qualified vendor on the basis of demonstrated competence and qualification at a cost that is determined to be fair and reasonable.

7. **Purchase of Commodities and Services.**

7.1. Commodities and services are to be purchased in accordance with the procedures specified in this section.

7.2. The competitive method used is determined by the threshold limits discussed in Section 7.11. These limits are based on the best estimate of the purchasing director at the time the bid prices are solicited, however, LEAs may establish lower threshold limits if they desire.

7.3. The threshold level to be used is determined by the total estimated cost of the item being purchased, which is the unit cost multiplied by the quantity.

7.4. The bid method selected will be considered to be the appropriate method unless the lowest bid received exceeds the maximum dollar threshold of the bidding method selected by ten percent. If the lowest bid exceeds the threshold by more than ten percent, the bid must be re-bid using bid requirements with a higher dollar threshold level.

7.5. Purchases cannot be separated into a series of separate requisitions or purchase orders, called stringing, for the purpose of circumventing the applicable threshold limits of these competitive bidding procedures.

7.6. Commodities may be purchased from a retail outlet that charges a membership fee, whenever it is determined to be in the best interest of the LEA. The membership fee is another cost associated with the purchase and needs to be taken into consideration in making the determination. Membership fees cannot be paid for individual employees to become members, nor can an LEA's membership card be used by employees for personal purchases, even if the retail outlet does not charge an additional fee for employees to be members.

7.7. Since the variety of services can vary significantly among service providers, services may be procured without basing the selection of the vendor solely on price. The cost can be negotiated without the use of competitive bids; however, RFPs are encouraged whenever possible.

7.8. If the price is not the sole determining factor in making the selection, the LEA must establish the procedures and criteria for evaluating the proposals received.

7.9. Documentation of the criteria and selection process must be retained for review. See the Records Retention Schedule published by the Office of School Finance for the period of time that the records must be retained.

7.10. The procedures for the: submission of sealed bids are discussed in Section 16 of this manual; the approval process in Section 18; and the awarding of bids in Section 19.

7.11. **Competitive Bid Threshold Limits:**

7.11.1 Purchases costing less than $5,000:

a. Competitive bids are encouraged but not required.

b. An approved purchase order is required before the merchandise or service is ordered.

7.11.2. Purchases costing $5,000 or more but less than $10,000:

a. Competitive bids are required.

b. A minimum of three (3) verbal quotes must be obtained, whenever practical.

c. Bids may be solicited by telephone, internet, mail, or by visiting the vendor.

c. Documentation must be maintained of all quotes obtained, recording the name of the vendor, name of the vendor's representative, name of the LEA's representative seeking the quote, date, commodity, and price.

d. Refer to the Records Retention Manual issued by the Office of School Finance for the period of time that the documentation is to be retained.

e. A sample form for recording these quotes in included in Appendix C.

f. An approved purchase order is required before the merchandise or service is ordered.

7.11.3. Purchases costing $10,000 or more but less than $25,000:

a. Competitive bids are required.

b. A minimum of three (3) written bids must be obtained, whenever practical.

c. Bids may be solicited by telephone, internet, or mail, but a written bid must be submitted by the vendor.

d. A "No bid" is not to be considered a received bid, so sufficient requests should be solicited to assure that at least three actual bids are received, whenever practical.

e. All bids received must be retained for public review and inspection during normal business hours. Refer to the Records Retention Manual issued by the Office of School Finance for the period of time that the bids are to be retained.

f. An approved purchase order is required before the merchandise or service is ordered.

7.11.4. Purchases costing $25,000 or more but less than $50,000:

a. Competitive bids are required and bids shall be solicited from at least three known suppliers whenever practical, using advertising media such as newspapers, the internet, trade journals, purchasing bulletins, other media considered advisable, or mass mailings.

b. If a vendor list is maintained, this requirement may be met by submitting the bid request to the vendors on the list.

c. If a vendor list is not maintained, a good faith effort must be made to solicit as many competitive bids as practical, providing them adequate time to submit proposals.

d. The invitation for bids, must include all specifications and pertinent attachments, and shall define the items or services in order for the bidder to properly respond.

e. An LEA may waive the requirement to advertise when a vendor is considered to be the sole source for the item being purchased, when it is determined to be in the best interest of the LEA, or when professional, technical, or specialized services are being acquired under an agreement. All waivers must be well documented and those based on a best interest determination must be approved by the county superintendent, or director of a RESA or MCVC.

f. Any and all bids may be rejected if there is a sound documented reason.

g. The request for bids must be retained for public review and inspection during normal business hours. After the bid is awarded, all criteria and evaluations used in making the selection, as well as all bids received from vendors, must be retained for public review. Refer to the Records Retention Manual issued by the Office of School Finance for the period of time that the bids are to be retained.

h. An approved purchase order is required before the merchandise or service is ordered.

7.11.5. Purchases costing $50,000 or more:

a. The solicitation for bids must specify that the bids are to be received in the form of sealed bids.

b. The request for bids must be publicly advertised using such media as legal advertisements in local newspapers, the internet, trade journals, purchasing bulletins, mass mailings or other media considered advisable, and adequate time must be provided to allow interested bidders sufficient time to submit their responses prior to the date set for the opening of bids.

c. The invitation for bids must include all specifications and pertinent attachments and must define the items or services in order for the bidder to properly respond.

d. All bids will be publicly opened at the time and place specified in the invitation for bids.

e. An LEA may waive the requirement to advertise when a vendor is considered to be the sole source for the item, when it is determined to be in the best interest of the LEA, or when professional, technical, or specialized services are being acquired under an agreement. All waivers must be well documented, and those based on a best interest determination must be approved by the governing body.

f. Any and all bids may be rejected if there is a sound documented reason.

g. The request for bids must be retained for public review and inspection during normal business hours. After the bid is awarded, all criteria and evaluations used in making the selection, as well as all bids received from vendors, must be retained for public review. Refer to the Records Retention Manual issued by the Office of School Finance for the period of time that the bids are to be retained.

h. An approved purchase order is required before the merchandise or service is ordered.

8. Alternative Procurement Procedures.

8.1. The LEA may purchase equipment and other commodities or services directly from a vendor without competitive bidding, if any of the following conditions exist:

8.1.1. The item cannot be obtained through ordinary purchasing procedures, such as in situations where no bidders respond to a request for bids;

8.1.2. The item is unique, or is not available from any other source (sole source). This can include copyrighted materials, conference facilities, lecturers, and workshop presenters;

8.1.3. The item is available from the State, a RESA, or another LEA, provided the price, availability, and quality are comparable to those in the open market;

8.1.4. The item is available from a statewide contract and “piggybacking” by local governmental entities is permitted in the contract;

8.1.5. The item is available from a General Services Administration (GSA) schedule and the supplier is willing to sell to an LEA in the state at the same or lower price.

8.1.6. The item is available from a sheltered workshop;

8.1.7 The item is available from a local purchasing cooperative, such as a RESA or a group of county boards that are working together to use their combined purchasing volume to obtain more advantageous pricing through economies of scale.

8.1.8. The item is available from a legitimate government purchasing cooperative that has already obtained competitive bids that meet the requirements of this policy, such as the Association of Educational Purchasing Agencies (AEPA), the U.S. Communities Purchasing Alliance, or The Cooperative Purchasing Network (TCPN).

8.1.9. The item is a used vehicle or piece of equipment and its purchase is determined by the purchasing director to be in the best interest of the LEA.

8.2. Documentation of the justification for using these alternative competitive procurement procedures must be maintained.

9. Exemptions from Competitive Bid Requirements.

9.1. The following items or services may be purchased by LEAs without advertisement or obtaining competitive bids.

9.1.1. Accounting services and audits exclusive of the annual audit of the LEA's financial statements.

9.1.2. Advertising – Any advertisement placed directly with newspapers, trade magazines, etc. Does not include radio, broadcast television, or cable television; any indirect placement, promotional items; or advertising consultant services.

9.1.3. Artwork and Historical Items – Includes purchase of and service to artwork and historical items.

9.1.4. Attorneys and Law Firms.

9.1.5. Auditing Contracts between Governmental Agencies.

9.1.6. Entertainers.

9.1.7. Facilities Rentals.

9.1.8. Medical Fees – Fees for medical services (behavioral and physical) from individual doctors, psychologists, dentists, clinics, hospitals, audiologists, county medical examiners, physical and occupational therapists, behavioral counseling and evaluations, etc. for individual students.

9.1.9. Postage – Stamps, metering, overnight services.

9.1.10. Software maintenance.

9.1.11. Student activities – (Lecturers, entertainers, athletic events, referees, teachers for staff development, etc.).

9.1.12. Investigative Services, Subject Matter Experts and Witnesses – For administrative hearings and legal procedures.

9.1.13. Subscriptions and publications - (Newspapers, textbooks, and publications (electronic and hard copy) purchased directly from the publisher.

9.1.14. Training Activities – Lecturers, honorariums, copyrighted test and training materials, test monitors, examination proctors, etc., where competition is not available.

9.1.15. Tuition, Stipends, Accreditation and Registration Fees.

9.1.16. Utilities – Regulated by the Public Service Commission.

9.1.17. Livestock and fish stock for vocational programs.

9.1.18. Fees imposed by Other Government Entities (licenses, permits, etc.)

9.1.19. Court Ordered Payments – A copy of the court order must be maintained, unless sealed and restricted by the respective judge. If the order is sealed and restricted, an explanation must be maintained that references the court order.

9.1.20. Court Ordered Placements – Includes placing children at various education and/or behavioral centers when ordered by West Virginia courts or the West Virginia Department of Health and Human Resources.

9.2. Documentation of the justification for not following competitive procurement procedures must be maintained.

10. **Construction Projects.**

10.1. According to W. Va. Code §5-22-1 et seq., the state and its subdivisions, including LEAs must, except as provided in the code, solicit competitive bids for every construction project exceeding $25,000 in total cost, but Sub-section (i) of that statute goes on to state that the section does not apply to emergency repairs to building components and systems. The term emergency repairs is defined in the statute as meaning repairs that, if not made immediately, will seriously impair the use of building components and systems or cause danger to those persons using the building components and systems.

10.2. Following the solicitation of bids, the contract shall be awarded to the lowest qualified responsible bidder, who shall furnish a sufficient performance and payment bond.

10.3. An LEA may reject any or all bids and solicit new bids on a project.

10.4. According to W. Va. Code §21-5A-1 et seq., any public authority, including LEAs, before advertising for bids for the construction of a public improvement, must ascertain from the state commissioner of labor the prevailing wages to be paid by the successful bidder to the laborers, workmen or mechanics in the various branches or classes of the construction to be performed, and such schedule of wages must be made a part of the specifications.

10.5. The term “construction project” is not defined in West Virginia Cods §5-22-1 et seq. but the term “construction” is defined in West Virginia Code §21-5A-1, as used in that chapter of the Code, as any construction, reconstruction, improvement, enlargement, painting, decorating, or repair of any public improvement let to contract, but does not include temporary or emergency repairs. The term repair has been interpreted by the West Virginia Division of Labor to include maintenance contracts.

10.6. Prevailing wage rates apply to all construction projects, regardless of the dollar amount of the project.

10.7. According to the West Virginia Division of Labor, all construction contracts in excess of $10,000 must be in writing.

10.8. At times, it becomes necessary to make a change in a construction project because of unforeseen circumstances that arise during the construction phase that were not known at the time the original contract was bid. At other times, it may be deemed to be in the best interest of the LEA to make changes to a project during construction for a variety of reasons. While these changes may be determined to be necessary, a conscious effort must be made to limit the number and amount of changes to maintain the integrity of the competitive procurement process. All changes to a construction project must be documented by a written change order. To minimum the number of change orders issued:

10.8.1. Construction change orders should be issued only when it is determined they are absolute necessary; the number of change orders issued should be restricted to the least number possible, change orders should not be used to alter the original scope of the project; and the cumulative effect on the total cost of the project should be minimal.

10.8.2. Construction change orders cannot be used to: include additional work of a significant nature that was not in the original scope of the project, expand the cost of the project significantly beyond the original contract amount, or expand the work beyond the original work site.

10.8.3. All construction change orders must be implemented in writing.

10.8.4. LEAs must establish an approval process for all change orders. The process should include the review and approval by the purchasing director of all change orders that have an impact on the total cost of the project, and change orders that have an impact on the cost or scope of the project must be submitted to the LEA's board for approval. The approval process should also address the timely approval of time sensitive construction work that must be completed as soon as possible to minimize disruption of the construction process.

10.8.5. Project records should be maintained to clearly reflect the accumulative costs resulting from change orders.

10.9. The procedures for the: submission of sealed bids are discussed in Section 16 of this manual; the approval process in Section 18; and the awarding of bids in Section 19.

11. Architectural and Engineering Services.

11.1. According to W. Va. Code §5G-1-1 et seq., the state and its sub-divisions, including LEAs, must procure architectural or engineering services on the basis of demonstrated competence and qualifications for the type of professional services required.

11.1.1. For projects estimated to cost less than $250,000, competition must be sought. The LEA must conduct discussions with three (3) or more professional firms solicited on the basis of known or submitted qualifications for the assignment prior to the awarding of any contract. If it is determined that seeking competition is not practical, the LEA may, with the prior approval of the agency's director of purchasing, select a firm on the basis of previous satisfactory performance, and knowledge of the agency's facilities and needs.

11.1.2. For projects estimated to cost $250,000 or more, architectural and engineering firms are to be encouraged to submit an expression of interest, which shall include a statement of qualifications and performance data, and may include anticipated concepts and proposed methods or approach to the project. All jobs must be announced by public notice published as a Class II legal advertisement in compliance with W. Va. Code §59-1-1, et seq.

11.1.3. A committee of three (3) to five (5) representatives of the LEA shall evaluate these statements and select three firms, which, in the committee's opinion, are best qualified to perform the desired service, provided that, on projects funded wholly or in part by the West Virginia School Building Authority, two (2) of the three (3) firms selected must have had offices within the state for at least one year prior to submitting the expression on interest.

11.1.4. The committee shall then rank, in order of preference, no less than three (3) of the firms selected, and shall commence negotiations with the firms in the order of preference the scope of services and price for the work to be performed.

11.2. The procedures for the: submission of sealed bids are discussed in Section 16 of this manual; the approval process in Section 18; and the awarding of bids in Section 19.

12. Agreements.

12.1. An agreement is a procurement device used for obtaining professional, technical, or other specialized services where the scope of the services is known but the price is not the sole factor in determining the award. The services can include such activities as legal counsel; accounting services; presenters for continuing professional development activities; technology installation, repair and maintenance; and conference meeting facilities.

12.2. The agreement must be in writing and the total cost must be stated either as a "sum certain," or at a fixed rate, if the number of hours of service being acquired is not known, such as for legal services.

12.3. The agreement amount must also include the total being paid for any anticipated travel expenses incurred by the service provider. The payment of travel expenses for an independent contractor has federal and state income tax implications. Room or travel accommodations are not to be paid directly by the LEA for contract service providers.

12.4. If using an agreement provided by the vendor, care must be exercised to ensure that the agreement does not contain contractual requirements that are in violation of state statutes, such as any clause that requires a prepayment, the imposition of a penalty or termination charge should the LEA cancel the agreement, or the requirement that the LEA indemnify or hold harmless the vendor. A sample of an agreement addendum is included in Appendix C that can be attached to any agreement to modify common requirements that are not acceptable.

12.5. The procedures for the: submission of sealed bids are discussed in Section 16 of this manual; the approval process in Section 18; and the awarding of bids in Section 19.

13. Leases and Lease Purchase Agreements.

13.1. Lease and lease purchase of equipment are methods by which an LEA may obtain equipment and make payments for the use of the equipment over a period of time.

13.2. In a lease purchase agreement, the LEA reserves the right to exercise an option, normally at the time of the last installment payment, to have the lease payments apply, in whole or in part, as installment payments towards ownership of the equipment.

13.3. Leases and lease purchase agreements may be negotiated with the vendor providing the original product being acquired, or with another vendor that provides only the financing arrangement. In the later case, the lease arrangement becomes a service agreement rather than a commodity purchase.

13.4. Competitive bids are encouraged but not required for leases and lease purchase agreements.

13.5. In lease purchase agreements, the agreement must be for the acquisition of the commodity being acquired; the collateral for the agreement cannot be property that is already owned by the LEA.

13.6. Title cannot transfer from the lessor to the lessee until the option to purchase the commodity is exercised, normally at the time the last installment payment is made.

13.7. The State Constitution and W. Va. Code §11-8-26 prohibit a local fiscal body from expending funds or incurring obligations from future levies.

13.7.1. A lease purchase agreement extending beyond the fiscal year must contain a non-binding cancellation clause where the contract can be terminated at the end of each fiscal year, at the LEA's discretion, without creating a present indebtedness for the aggregate of the installment payments.

13.7.2. Any language in a lease purchase agreement that might require an LEA to give notice to the lessor or be liable for future payments before terminating the agreement at the end of a fiscal year is void.

14. Purchases of Textbooks, Instructional Materials and Learning Technologies.

14.1. All textbooks are to be purchased in accordance with procedures prescribed in W. Va. Code §18-2A-1 et seq. No textbook, instructional materials, or learning technologies may be purchased for use in the public school in the State of West Virginia as the primary source of delivery of the instructional goals and objectives for state required courses unless the materials have been approved and listed on the state multiple list by the West Virginia Board of Education (hereinafter State Board), except for the provisions included in W. Va. Code §18-2A-8. Magazines, newspapers and other periodicals may be purchased for classroom use to supplement those items on the state multiple list.

14.2. When the selection and approval of the items on the multiple list have been made, the State Board is required to: (1) furnish contracts for the selected items to the appropriate vendors within 30 days of the adoption of the multiple list; (2) prepare a list of the adopted items, publish the list; (3) and provide a copy of the list to each county superintendent and vendor who submitted a bid by January 15th of the year of the county adoption of the materials.

14.3. Any vendor awarded a contract to furnish items on the multiple list is required to furnish the items for the period of adoption, to any county board of education, any dealer appointed by the board, or any State Board approved depository at the lowest wholesale price contained in the bids or contracts made to any other county school system, dealer, or depository in any other state, like conditions prevailing.

14.4. According to W. Va. Code §18-2A-4, vendors are required to automatically reduce prices when prices are reduced anywhere in the United States, so that no item is sold at any time in the State at a higher wholesale price than received for the item elsewhere in the country.

14.5. All items sold in West Virginia must be identical to the official samples filed with the State Board as regards to quality standards, specifications, subject matter, and other particulars which may affect the value of the items. The State Board, may however, approve revised editions of the adopted materials during the period of the contract, which will authorize a vender to furnish the revised materials.

15. Compliance with Federal Procurement Requirements.

15.1. Whenever procuring commodities and services with federal grant proceeds, all LEAs must use the procurement procedures specified in this policy and all locally adopted procedures.

15.2. Any requisition utilizing federal funding which includes special requirements in addition to or different than normal purchasing requirements must be identified when the requisition is submitted to the purchasing director.

15.3. Procedures for the procurement of commodities and services with funds from the U. S. Department of Education are included in that agency's regulations entitled, United States Education Department General Administrative Regulations (EDGAR), sections 74.41 through 74.48.

15.4. Procedures for the procurement of commodities and services with funds from other federal agencies can be found in that agency's administrative regulations.

15.5. LEAs are prohibited from purchasing commodities or services, or entering into construction contracts, from a vendor that has been debarred by the federal government.

16. Submission of Sealed Bids.

16.1. All sealed bids are to be submitted at the vendors' expense.

16.2. Bidders must submit their bids and/or proposals prior to the date and time of the bid opening in the format prescribed by the LEA. Substitutions for the prescribed format are acceptable only if the substituted terms, conditions, and/or provisions have been approved in advance by the purchasing director.

16.3. Bidders shall submit their bids and/or proposals to the purchasing director. The director shall reject all bids not received by the specified date and time.

16.4. An authorized representative of the bidder shall sign all bids before submission. A corporate signature without an individual name is not an acceptable signature.

16.5. An LEA may accept the submission of bids by facsimile transmission. The completed facsimile transmission must be received by the LEA prior to the specified date and time for submission of the bid. A vendor choosing to submit a bid or a written change to a bid by facsimile transmission accepts full responsibility for the transmission and receipt of the bid or change. The LEA accepts no responsibility for the unsuccessful and/or incomplete transmission of bids by facsimile machine. An original document and a copy of a bid that is initially sent by facsimile transmission shall be sent to the purchasing director within two (2) working days after the bid opening date and must be identical to the bid submitted by facsimile transmission.

16.6. Copies of bids may be open for public inspection in the office of the purchasing director immediately after bid opening. All files related to the evaluation and awarding of the bids are open for public inspection after the award has been made.

16.7. A bidder may make a written change of a sealed bid before the bid opening. A bidder shall submit written changes to the purchasing director prior to the date and time of the bid opening. A bidder may submit changes by facsimile transmission.

16.8. The LEA may reject an erroneous bid after the bid opening if all of the following conditions exist: (1) an error was made; (2) the error materially affected the bid; (3) rejection of the bid would not cause a hardship on the LEA, other than losing an opportunity to receive commodities at a reduced cost; and (4) enforcement of the part of the bid in error would be unconscionable. In order for the LEA to reject a bid, documented evidence shall be maintained that all of the conditions set forth in this subdivision exist.

16.9. If there is a conflict between the extension price and the unit price, or other minor errors exist that are not sufficient to cause the bid to be rejected, the unit price prevails.

16.10. A bidder may make a price adjustment on any purchase order if specific provisions for price adjustments have been incorporated in the RFQ and purchase order. A bidder shall make a request for price adjustment in accordance with the specific terms and conditions of the individual purchase order. In the event no provision for price adjustment has been made, discretion to grant a price adjustment rests with the LEA.

17. Resident Vendor Preference.

17.1. According to W. Va. Code §5A-3-37, preference for resident vendors of the State of West Virginia or preference for vendors employing state residents may be granted in the purchase of commodities or printing.

17.2. There is no statutory authority that permits LEAs to grant local residential preference to vendors of a county or a local community within a county.

17.3. LEAs may establish by local board policy, procedures for granting preference to resident vendors of the State in the awarding of a bid for the purchase of commodities and printing made upon competitive bids, with the exception of purchases made with federal funds where the federal program regulations prohibit the granting of such vendor preference. Care should be taken in establishing such procedures, however, because it can result in a higher purchase price for the LEA. Vendor preference cannot exceed five (5) percent of the lowest bid submitted by a qualified bidder.

17.4. A qualifying resident vendor may include but not be limited to one who maintains the following business activities or has paid the indicated taxes within the State:

17.4.1. Is authorized to transact business within the State by appropriate authorities;

17.4.2. Maintains an office in the State;

17.4.3. Has actually paid real or personal property taxes on real estate or equipment used in the regular course of business related to the commodities or services offered;

17.4.5. Has paid business taxes to the State and to municipalities; and

17.4.6. When selling tangible personal property, has available for delivery a stock of materials of the type being offered and of a reasonable quantity.

18. Approval.

18.1. In order to ensure that only necessary purchases are made, all purchases must have the prior approval of an employee who has supervisory authority over the individual initiating the purchase request. Purchases by employees who have the authority to approve purchase requisitions must have the approval of the county superintendent or designee, or director of a RESA or MCVC, except purchases of expendable supplies by schools.

18.2. The purchase of commodities or services costing less than $5,000 must have the prior approval of an employee who has supervisory authority over the individual initiating the purchase request.

18.3. All contracts for the purchase of commodities or services, with the exception of consumable supplies, that involve the expenditure of $5,000 or more but less than $25,000 must have the prior approval of the purchasing director or other designee.

18.4. All contracts for the purchase of commodities or services, with the exception of consumable supplies, that involve the expenditure of $25,000 or more but less than $100,000 must have the prior approval of the county superintendent or director of a RESA or MCVC.

18.5. All contracts for the purchase of commodities or services, with the exception of consumable supplies, that involve the expenditure of $100,000 or more must have the prior approval of the LEA's governing board. The approval can be granted either as a consent agenda item or by a separate motion of the board.

19. Awarding.

19.1. Commodities.

19.1.1. The award for the purchase of commodities shall be made to the lowest responsible bidder, with the exception of the purchase of school buses. According to West Virginia Code §5A-3-11, state bids on school buses shall be accepted from all bidders who shall then be awarded contracts if they meet the State Board's "Minimum Standards for Design and Equipment of School Buses." County boards may select from any of the bidders who have been awarded contracts.

19.1.2. In making such award, the purchasing director shall consider such factors as quality (meeting specifications), price, time of delivery, cost of delivery, and other terms and conditions considered prudent.

19.1.3. In situations of discrepancies in bid documents, unit prices shall prevail in all cases.

19.1.4. In some cases the purchasing director shall make multiple and/or split awards when it is in the best interest of the LEA to do so.

19.1.5. An LEA may reject any or all bids and solicit new bids.

19.2. Agreements.

19.2.1. The award of agreements that are used for obtaining professional, technical, or other specialized services may be negotiated and need not be competitively bid, since the variety of the services can vary significantly among providers.

19.2.2. Locally developed criteria may be established for evaluating and negotiating such agreements. Competitive bids may be solicited, but the award need not be awarded to the lowest bidder.

19.2.3. An LEA may reject any or all bids that may have been requested and solicit new bids.

19.3. Contracts.

19.3.1. According to West Virginia Code §5A-3-10a, No contract or renewal of any contract may be awarded by the state or any political subdivision to any vendor when the vendor or a related party to the vendor is a debtor and the debt owed is an amount greater than $1,000, as defined in the following paragraphs.

19.3.2. Debt is defined in the statute as any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, workers' compensation premiums, penalty, or other assessment or surcharge presently delinquent or due and required to be paid to the state or any of its political subdivision, including any interest or additional penalties accrued thereon.

19.3.3. The prohibition does not apply where a vendor has contested any tax, workers' compensation premium amount, permit fee, or environmental fee or assessment and the matter has not become final, or the vendor has entered into a payment plan and the vendor is not in default of any provisions of the payment plan.

19.3.4. Any bids, contract proposals or contracts with the state or any of its political subdivisions must include an affidavit that the vendor or related party to the vendor does not owe any debt in an amount in excess of $1,000.

19.4. Accounting and Auditing Services Contracts.

19.4.1. Contracts for the annual audit of the LEA are to be awarded in accordance with the instructions issued by the State Auditor's Office.

19.4.2. Contracts for accounting services and audits of the individual schools may be issued by the LEA using the procedures specified in a preceding sub-section for agreements.

19.4.3. An LEA may reject any or all bids that may have been requested and solicit new bids.

19.5. Construction Contracts.

19.5.1. According to W. Va. Code §5-22-1 et seq., the award of every construction contract that exceeds $25,000 in total cost must be awarded to the lowest qualified responsible bidder, who shall furnish a sufficient performance and payment bond.

19.5.2. An LEA may establish by local procedures the criteria for determining whether a bidder is considered a qualified responsible bidder. The determination is to be made during the evaluation process and not at the time the bids are opened.

19.5.3. An LEA may reject any or all bids and solicit new bids on the project.

19.6. Architectural or Engineering Services.

19.6.1. According to W. Va. Code §5G-1-1 et seq., the state and its sub-divisions, including LEAs, must procure architectural or engineering services on the basis of demonstrated competence and qualifications for the type of professional services required, as discussed in Section 12 of this manual.

19.6.2. The LEA may accept or reject, in whole or in part, any bid when it is determined to be in the best interest of the LEA. If any bid is rejected, the purchasing director shall place a written explanation in the purchase order file.

19.7. Tied Bids.

19.7.1. When tie bids are received, the award can be made by allowing the tied vendors to make a "last and final offer," by flip of a coin, draw of the cards, or any other impartial method considered prudent by the purchasing director.

20. Requirement for Bonds and Deposits.

20.1. The purchasing director shall determine the applicability and amount of bonds and/or deposit required of a vendor at any time, if, it is judged that security is necessary to safeguard the LEA from undue risk.

20.2. The types of bonds that may be required include bid bonds, performance, surety, litigation, or maintenance bonds.

20.3. The purchasing director may require the vendor to submit a certified check, certificate of deposit, bond, or any other security acceptable to the purchasing director, payable to the LEA. Personal checks and/or company checks are not acceptable.

20.4. The provisions for these requirements should be incorporated into the request for quotation and purchase order. When any contract is satisfactorily completed on which a surety bond or other deposit has been previously submitted, the individual originating the purchase shall certify the satisfactory completion or acceptance of the commodities or services being purchased in writing to the purchasing director.

20.5. Upon receipt of the notification, the purchasing director shall return the check or deposit to the vendor.

21. Vendors' Rights and Duties.

21.1. Each vendor is solely responsible for the delivery of the bid proposal in writing to the place and location specified by the LEA in the bid requisition. The bid must be received by an authorized employee of the LEA prior to the specified date and time specified in the bid opening.

21.2. The official time clock for the purpose of receipt of bids, shall be displayed in the office of the purchasing director.

21.3. Vendors are responsible for the accuracy of the information in the bid.

21.4. A vendor who fails to return all required forms and materials with their bid may be suspended from the bidding list.

21.5. If there is a conflict between the extension price and the unit price, the unit price prevails.

21.6. Each vendor must honor any contractual term or condition included in the bid document.

21.7. Each vendor must indicate a definite shipping date on all bids after receipt of the purchase order. If not indicated on the vendor's response, the LEA may require delivery within ten (10) days after receipt of the order.

21.8. Any changes made by the vendor in the specifications listed in the bid request shall be clearly stated by the vendor. If changes are not stated, the LEA shall assume that items offered meet the specifications.

21.9. If a vendor is suspended and requests a hearing, one will be scheduled with the county superintendent, RESA director or MCVC director, or his/her designee. The vendor shall be notified, in writing, of the date, time and place of the hearing.

22. Remedies and Suspensions.

22.1. Remedies.

22.1.1. In the event that a vendor fails to honor any contractual term or condition, the LEA may:

a. Cancel the contract and re-award the purchase order to the next lowest bidder. The vendor failing to honor contractual obligations is responsible for all differences in cost;

b. Declare a vendor non-responsible or non-responsive and refuse to award a purchase order. All such instances shall be substantiated in writing. The documentation shall be considered a public document and shall be available for inspection at all reasonable times; or

c. Suspend, for a period not to exceed one (1) year, the right of a vendor to bid on purchases when there is reason to believe the vendor has violated any of the provisions, terms, or conditions of a contract, this rule, and/or State law. A suspended vendor may appeal the decision of the Purchasing Director to the LEA's board.

22.2. Suspensions.

22.2.1. The following are adequate grounds for suspension:

a. A vendor has exhibited a pattern of poor performance in fulfilling his or her contractual obligations to the LEA. Poor performance includes, but is not limited to, a vendor providing or furnishing commodities, materials, or services late, or at a quantity or quality level below that which is specified in the contract.

b. A vendor has breached any contract entered into pursuant to the provisions of W.Va. Code §5A-3-1 et seq. or this rule; or

c. A vendor has been convicted of a federal, state, or local crime punishable as a felony, directly related to the performance of a contract entered into pursuant to this rule.

23. Protests.

23.1. Submission of a Protest.

23.1.1. Protests based on bid specifications must be submitted no later than five (5) working days prior to bid opening. Protest of purchase order/contract awards must be submitted no later than five working days after the award. The vendor is responsible for knowing the bid opening and award dates. Protests received after these dates may be rejected at the option of the purchasing director.

23.1.2. All protests shall be submitted in writing to the purchasing director and contain the following information:

a. The name and address of the protestor;

b. The requisition, purchase order/contract numbers;

c. A statement of the grounds of protest;

d. Supporting documentation (if necessary); and

e. The resolution or relief sought.

23.1.3. Failure to submit this information shall be grounds for rejection of the protest by the purchasing director.

23.2. Review of Protest.

23.2.1. The purchasing director or his/her designee shall review the matter of protest and issue a written decision. A hearing may be conducted at the option of the purchasing director or assigned designee. Continuation or delay of purchase order/contract award is at the discretion of the purchasing director.

23.2.2. The purchasing director may refuse to review any protests when the matter involved is the subject of litigation before a court of competent jurisdiction; if the merits have previously been decided by a court of competent jurisdiction; or if it has been decided in a previous protest by the purchasing director. The provisions of this subsection do not apply where the court requests, expects, or otherwise expresses interest in the decision of the LEA.

24. Receipt of Deliveries.

24.1. Deliveries to a warehouse.

24.1.1 When deliveries are made to a central warehouse, or directly to a school or other cost center, personnel receiving the commodities are responsible for the inspecting of goods, ensuring that purchases meet contractual requirements, signing for the commodities, and forwarding the receipting documents to the business office for payment of the invoice.

24.1.2 LEAs must develop local procedures for receiving merchandise shipped from vendors to a central warehouse for subsequent delivery to a school or other cost center. These procedures must include the steps to be followed in the following circumstances:

a. When the complete order is received and the warehouse personnel are able to verify that all items ordered are received;

b. When the complete order is received but the warehouse personnel are not able to verify that all items ordered are received, such as when the computer hardware is ordered with specified pre-loaded software;

c. When all items are not shipped and backorders will not be accepted;

d. When all items are not shipped and backorders will be accepted.

24.2. Deliveries shipped directly to a school or other cost center.

24.2.1. LEAs must also develop local procedures for receiving merchandise shipped from vendors directly to a school or other cost center. These procedures must include the steps to be followed in the same circumstances discussed in the preceding paragraph.

24.3. Deliveries received that are not of acceptable quantity or quality.

24.3.1. Any problems with quality, quantity, performance, and lack of conformity to specifications, should be reported to the purchasing director immediately. Poor quality items that do not meet specifications should not be accepted and approved for payment. This applies also to term contract items. It is always best to resolve problems before final payment has been made, whenever possible. Retain all shipping documents and packing containers.

25. Online Procurement.

25.1. Online procurement is the process of comparing prices, requisitioning, purchasing, and paying for commodities and services using the Internet.

25.2. Online procurement products include: bid process acquisition system for purchases requiring a quote or competitive bid process; direct purchase system for purchases not requiring a quote or bid; purchasing card payment process, if desired; and purchasing card reporting system.

25.3. If online procurement is used, all purchasing policies must be followed, including the issuance of purchase orders prior to the time the commodities or services are ordered. The purchase order must be issued to the vendor from whom the commodities or services are being purchased, and not to the online procurement provider.

26. Payment for Commodities or Services.

26.1. According to W. Va. Code §12-3-18, it is unlawful for a board of education to pay any claim for services rendered or materials furnished unless an itemized account of the claim is filed by the claimant.

26.2. The account shall be itemized in detail, and shall show, among other things, the following:

26.2.1. If the claim is for services, the claim shall show the kind of services, the dates when the services were performed, and the name of the person performing the services.

26.2.2. If the claim is for materials or supplies furnished, the claim shall show in detail the kind of material or supplies, the quantity, dates of delivery, and to whom delivered.

26.3. Consequently, LEAs cannot make payments from a summarized statement, but must make all payments for materials furnished and services rendered from an itemized invoice.

26.4. In addition, payments cannot be made in advance of the materials being furnished or the services rendered.

26.5. The WV State Auditor's Office has interpreted that prepayment to reserve rooms or purchase airline tickets before the date of travel does not constitute the payment for services in advance of the services being rendered. The payment is for a reservation for a specific future use. In instances where these travel reservations are exercised, the LEA must have controls in place to ensure proper use of the reservations.

26.6. According to W. Va. Code §11-10-11(d), all state, county, district, and municipal officers and agents making contracts on behalf of the state or any political subdivision thereof must withhold payment in the final settlement of any contract, until the receipt of a certificate from the tax commissioner to the effect that all taxes against the contractor have been paid or provided for. A copy of the “Release of Final Settlement” form is included in Appendix C.

26.7. In addition, if the contract is subject to county or municipal business and occupation taxes, the payment must also be withheld until receipt of a release from the applicable county or municipality to the effect that all county or municipal business and occupation taxes levied or accrued against the contractor have been paid.

26.8. According to W. Va. Code §23-1-1(c) all state, county, district, and municipal officers and agents making contracts on behalf of the state or any political subdivision thereof must withhold payment in the final settlement of any contract until the receipt of a certificate from the West Virginia Insurance Commissioner to the effect that all payments, interest, and penalties accrued against the contractor related to Workers Compensation coverage have been paid or provided for.

26.9. According to W. Va. Code §21A-2-6c all state, county, district, and municipal officers and agents making contracts on behalf of the state or any political subdivision thereof must withhold payment in the final settlement of any contract until the receipt of a certificate from the Executive Director of Workforce West Virginia to the effect that all payments, interest, and penalties accrued against the contractor related to Unemployment Compensation coverage have been paid or provided for.

27. Credit Cards.

27.1. General.

27.1.1. A credit card program can include purchasing cards, vendor issued credit cards, or corporate credit cards for the payment of authorized travel related expenses.

27.1.2. An LEA may establish by board policy a credit card program as an alternative payment method when making purchases of commodities and services, or for the payment of authorized travel expenses. Credit cards, however, cannot be used to purchase land, buildings, vehicles, or equipment whose cost is above the LEA’s capital asset control level threshold.

27.1.3. Individual schools.

a. An LEA may also establish, by board policy, a credit card program for use by the individual schools in the county to be used for the purchase of instructional materials and supplies.

b. In addition, an LEA may establish, by board policy, a credit card program for the individual schools in the county to use for travel expenses incurred by students on authorized student trips, including the accompanying adults having supervisory responsibilities of the students, such as coaches, music directors, team sponsors, and chaperones.

27.1.4. For cards issued in the name of designated employees, each designated employee must complete and sign an acknowledgement form provided by the LEA (See Appendix C) in which the employee acknowledges the responsibilities associated with becoming a cardholder.

27.1.5. Prohibitions and Restrictions.

a. Cardholders are prohibited from delegating a card to another individual. Card delegation is the practice of allowing an individual other than the cardholder whose name appears on the front of the card to have access to the card or card number to initiate or complete a purchase transaction.

b. The actual card must be presented for all purchases. Cards and card numbers may not be photocopied and disseminated for making purchases. Card numbers must be kept secure at all times so that the numbers are not photocopied by unauthorized individuals.

c. Cards must be surrendered immediately upon termination or separation of employment. Upon surrender, the card is to be canceled and the card destroyed.

d. The card must be kept secure at all times. For cards issued in the name of designated employees, the cardholder must sign the back of the card upon receipt. Each individual cardholder is responsible for every charge that appears on his/her card. Cards should only be used on secured internet sites. A secured site has a closed lock at the bottom of the screen.

e. A card shall not be used to obtain cash advances or cash credits. Cards may not be used to pay a vendor requiring the payment of a surcharge.

27.1.6. Receipts.

a. An itemized receipt must be obtained for each transaction charged on a card. The receipt must contain the following specific information and meet certain conditions:

(1) Receipts must be itemized and include a description of the items purchased, unit price, quantity, and total cost for each item. Use of generic terms such as “miscellaneous” or “various merchandise” is not acceptable.

(2) Receipts must show no balance due or be marked “paid.”

(3) Receipts must be totaled.

(4) Receipts must show that the payment was by credit card.

(5) All receipts should be kept in chronological order by date of purchase.

27.1.7. Reconciliations and Reviews.

a. Each cardholder is responsible for reconciling his/her statement every month. The credit card program coordinator is responsible for reconciling the master statement.

b. Individual and master statements must be examined carefully for billing errors, debits due to erroneous billings, or credits to correct a previously disputed item.

c. Upon completion of reconcilement, the cardholder must forward his/her documentation to the coordinator for review.

d. The coordinator is responsible for reconciling the master statement. This includes reviewing all transactions to ensure that they are legitimate and for official business, and that all required documentation is present.

e. For post-audit purposes, all documentation relating to the card program must be retained for two (2) years from the end of the fiscal year in which the transaction was completed.

f. Schools must provide copies of the master statement, receipts, and other documentation to the business office for review on a quarterly basis.

27.1.8. Unauthorized Use.

a. Employees using a card to knowingly pay for items intended for personal use are subject to disciplinary action up to and including termination and prosecution by the LEA, and subject to civil action by the credit card company for personal liability.

b. Employees failing to properly follow purchasing policies, procedures, and state law associated with the credit card program are also subject to disciplinary action up to and including a period of probation, or revocation or limitation of credit card privileges.

27.2. Vendor Issued Credit Cards.

27.2.1. Vendor issued credit cards can include cards issued by gasoline companies (such as Exxon) or general merchandise outlets (such as Wal-Mart, Sam's Club, Lowe's, etc.)

27.2.2. Vendor issued credit cards may be issued either in the name of the LEA without an authorized employee's name printed on the card, or in the name of the LEA and each individual cardholder's name also printed on the card.

27.2.3. A vendor issued credit card can generally be used only for purchases from that particular vendor or related vendors. Normally, there are very few restrictions as to the type of merchandise that can be purchased using the card, therefore, stringent controls must also be maintained over who has access to the card and the types of purchases that are made.

27.2.4. In the cases where a vendor issued card is issued only in the name of the LEA, to maintain accountability and control, the LEA must maintain a log for each card whereby employees are required to sign-out the card each time the card is being used. A sample form can be found in Appendix C.

27.2.5. Employees who are authorized to use a vendor issued credit card must attend a training course specifically designed for cardholders, whereby all rules pertaining to card use are discussed in detail, including purchasing policies, ethics, and disciplinary action that could result if the card is misused.

27.2.6. Employees who are authorized to use a vendor issued credit card must also sign a statement acknowledging that they have attended the training session and that they understand and are willing to assume the responsibilities that are associated with the card's use (See Appendix C for a sample form).

27.2.7. All purchasing policies must be followed when making purchases using a vendor issued credit card, however purchase orders are not required if the card is issued in the name of a designated employee.

27.3. Purchasing Cards.

27.3.1. Pursuant to the authority of W. Va. Code §12-3-10a, LEAs may establish by board policy a purchasing card program for the purpose of authorizing the use of a purchasing card as an alternative payment method when making purchases of commodities and services.

27.3.2. Authorized Card Holders.

a. Purchasing cards may be issued only to the LEA's regular, full-time employees; they cannot be issued to temporary or part-time employees, contract employees, volunteers, or students.

b. Each card must be issued in the name of an individual cardholder. Only the employee whose name appears on the front of the card is an authorized user of the card. Cards cannot be issued generically in the name of the LEA or school.

c. Employees to whom purchase cards are issued must attend a training course specifically designed for cardholders, whereby all rules pertaining to card use are discussed in detail, including purchasing policies, ethics, and disciplinary action that could result if the card is misused.

d. Employees to whom purchase cards are issued must also sign a statement acknowledging that they have attended the training and that they understand and are willing to assume the responsibilities that are associated with the card's use.

27.3.3. All applicable purchasing policies must be followed for each transaction, regardless of the method of payment.

27.3.4. Purchase orders are not required for purchases of commodities and services made through the use of the State's purchase card system or other purchase card system which provides the same level of internal accounting controls as the State's system, but all requirements specified in this section of the policy related to the purchase card program must followed, including individual transaction limits, monthly transaction limits, and maximum number of transactions.

27.3.5. Limits.

a. The purchasing card may be used to make payments for goods and designated services that do not exceed the single transaction limit established by the LEA.

b. The LEA must establish a maximum monthly limit, a maximum transaction limit, a maximum number of daily transactions and a maximum number of monthly transactions for each individual cardholder.

27.3.6. Responsibilities.

a. The Chief School Business Official or designee is responsible for administering the purchasing card program for the LEA. The responsibilities may be delegated to a purchasing card coordinator.

b. If the board has authorized a purchasing card program in the individual schools, the school principal shall serve as the purchasing card coordinator for his/her school and is responsible for administering the purchasing card program at that school.

c. Responsibilities of the coordinators include, but are not limited to, the following:

(1). Monitor and oversee the purchasing card program to ensure that key controls are in place to prevent misuse.

(2). Determine the locations and types of purchases that may be made with each card and work with the credit card company to limit the card to those purchases and vendors only.

(3). Determine the employees who are eligible to obtain a card.

(4). Ensure the proper completion of applications and cardholder agreements.

(5). Reconcile master statements.

(6). Ensure the prompt payment of the master statement.

(7). Ensure that all cardholders follow all purchasing policies.

(8). Maintain copies of all cardholder agreement forms.

(9). Disseminate updated purchasing card information to cardholders.

(10). Activate purchasing cards.

(11). Ensure that cards are canceled and destroyed upon a cardholder's termination or separation of employment.

(12). Determine the following: credit limit, single transaction limit, monthly transaction limit, number of daily transactions, and number of monthly transactions.

(13). Be responsible for all charges appearing on the master statement.

27.3.7. Utilities.

a. An LEA may obtain a separate purchasing card with transaction and credit limits exceeding those for individual cards to make payments for utilities.

b. In obtaining a utility card, all transactions other than the payment of utilities must be blocked.

c. A utility company may not charge a surcharge for the convenience of paying with the utilities purchasing card.

27.4. Corporate Credit Card for the Payment of Travel Related Expenses.

27.4.7. An LEA may obtain a corporate credit card for each employee to use in charging authorized travel related expenses. The cards must be issued in the name of the LEA and the individual cardholder.

27.4.8. Authorized Card Holders:

a. Corporate credit cards for the payment of travel related expenses may be issued only to the LEA's regular, full-time employees; they cannot be issued to temporary or part-time employees, contract employees, volunteers, or students.

b. Each card must be issued in the name of an individual cardholder. Only the employee whose name appears on the front of the card is an authorized user of the card. Cards cannot be issued generically in the name of the LEA or school.

c. Employees to whom travel cards are issued must attend a training course specifically designed for cardholders, whereby all rules pertaining to card use are discussed in detail, including purchasing policies, ethics, and disciplinary action that could result if the card is misused.

d. Employees to whom travel cards are issued must also sign a statement acknowledging that they have attended the training and that they understand and are willing to assume the responsibilities that are associated with the card's use.

27.4.9. The card is to be used only for authorized travel related expenses incurred by the cardholder. Travel expenses for other individuals, even if they are LEA employees, cannot be charged to another employee's card.

27.4.10. The LEA can elect to have the monthly statement issued to each individual cardholder, who would be responsible for payment of the invoice amount, or issued to the LEA for payment.

27.4.11. If the statement is issued to the LEA, procedures must be established to ensure that only authorized travel expenses are being charged on the card and are being paid by the LEA.

27.4.12. Regardless of the method selected, all personnel are required to follow all travel authorization and reimbursement requirements and must submit a travel expense reimbursement request prior to the payment of the travel expenses by the LEA, either by direct payment to the issuer of the card or by reimbursement to the employee, even if all expenses incurred for the travel were charged on the card. The purpose of this is for the LEA is to have on file a certification from the traveler that all travel related expenses appearing on the statement were for an authorized purpose.

28. Emergency Procurement.

28.1. Declared Emergencies.

28.1.1. The Governor of the State of West Virginia has the inherent constitutional authority to declare an emergency situation. In the event the Governor declares such an emergency, the Governor has the authority to suspend certain laws, rules and/or regulations relating to the acquisition of commodities and service by public organizations pursuant to W.Va. Code § 15-5-6(g).

28.1.2. It is of the highest importance that state government responds quickly and effectively to safeguard the public safety and welfare during states of emergency. Yet, even under those circumstances, the acquisitions of commodities and services must be effectuated in a fair and accountable manner.

28.1.3. Accordingly, should the Governor suspend said laws, rules and/or regulations, the following procedures shall apply:

a. The employees or representatives of the LEA covered by this policy shall exercise sound judgment and discretion when acquiring commodities and services related to the emergency.

b. The employees or representatives of the LEAs shall operate with highest ideals of honor and integrity and strive to avoid the appearance of perceived impropriety.

c. No person shall corruptly combine, collude, or conspire with one or more persons to lessen competition, cause a higher price to be paid or cause one vendor to be unjustifiably preferred over one or more other prospective vendors.

d. No person shall solicit or receive anything of value, directly or indirectly, now or in the future, from any vendor or person supplying commodities or services in relation to the emergency.

e. The LEA shall be responsible for developing specifications for commodities and services that do not favor a particular brand or vendor.

f. Any contract and/or purchase order in excess of $100,000 shall be reviewed, approved and signed by the county superintendent, or director of a regional education service agency or multi-county vocational center, whichever the case may be.

g. The acquisition of commodities and services not on contract that is estimated to cost in excess of $1,000 but less than $5,000 shall at all times be based on three competitive bids. Bids may be verbal but shall be summarized and documented and include the date of contact, vendor, dollar amount, commodity or service description, quantity, number of bids obtained and whether the award was made to the low bidder.

h. The acquisition of commodities and services not on contract that is estimated to cost in excess of $5,000 shall be based on three written bids which shall be documented and include the date of contact, vendor, dollar amount, commodity or service description, quantity, number of bids obtained and whether the award was made to the low bidder.

i. If, in the opinion of the LEA, using sound judgment and discretion, time does not permit written bids to be received, verbal bids shall be obtained and documented, with written bids received within five working days of the request.

j. If, in the opinion of the LEA, using sound judgment and discretion, time does not permit verbal bids to be received, the public organization must secure written approval from the chief executive officer of the state agency to secure necessary services and supplies without bids for only that period of time absolutely necessary to abate the emergency.

k. All purchase order and/or contract awards shall be made to the lowest, responsible bidder meeting specifications.

l. Should the award not be made to the lowest priced bidder, a written justification shall be placed on file with the bids that documents the reason the low price was rejected. This justification must be signed by the county superintendent, or director of a regional education service agency or multi-county vocational center, whichever the case may be.

m. The LEA shall document each expenditure and include specifications, bids, no-bids, award justifications and any other relevant data.

n. The documentation for each expenditure shall be complete and shall be kept in an orderly manner that will enable any interested party to understand the specifics of the expenditure.

o. A complete written record of all expenditures relating to the emergency shall be submitted to the Governor within 30 days of the expiration of the declaration of the emergency.

p. The written record shall include a summary sheet that details all acquisitions for the emergency and lists date of purchase, vendor, dollar amount, commodity or service description, quantity, number of bids obtained and whether the award was made to the low bidder.

q. The Governor reserves the right to remove the spending authority at any time during the emergency and appoint a person or organization to manage the emergency expenditures and/or transfer that authority to another organization.

r. All emergency expenditures are subject to complete review and/or thorough audit as requested by the Governor.

s. The Governor has reserved the right to amend, alter, or cancel the preceding procedures as necessary through written amendments, alterations or cancellations with justification and documentation of specific situations and reasons.

28.2. Local Emergencies.

28.2.1. Each LEA must establish by local board policy the procedures to be followed in the case of an emergency at the local level that has not been declared an emergency by the Governor.

28.2.2. The chief executive officer, purchasing director or appointed designee shall issue prior written approval for purchases in emergency situations. These situations can arise from acts of nature, conditions that are detrimental to the health, safety, or welfare of employees or students, or other unforeseen events that threaten the termination of essential services. These can include unforeseen delays by contractors or delays in the transportation of indispensable goods and materials. Emergency purchases are not to be used for hardships created by neglect, poor planning, or lack of organization.

28.2.3. Competitive bids must be obtained whenever possible. If, in the opinion of the LEA, using sound judgment and discretion, time does not permit verbal bids to be received, the LEA must secure written approval from the chief executive officer of the agency to secure necessary services and supplies without bids for only that period of time absolutely necessary to abate the emergency.

29. Purchases by Schools.

29.1. All purchases by the schools are to be made in accordance with the procedures specified in State Board Policy 1224.1 and the incorporated manual entitled *Accounting Procedures Manual for the Public Schools in the State of West Virginia* and all locally established purchasing procedures.

29.2. Public schools are not legal entities and school personnel do not have the statutory authority to enter into bidding contracts or obligate board funds. All contracts must be approved and signed by the county board or the county superintendent, if approval authority has been delegated to the superintendent. Except for the funds discussed in the succeeding paragraph, individual schools have the authority to expend only the “quasi-public” funds received by the school from curricular or noncurricular activities.

29.3. LEAs are not permitted to distribute public funds to individual schools for expenditure. Funds may be allocated to each school, but the actual procurement transactions are to be handled through the LEA’s central business office. Exceptions to this general rule are: (a) the distribution of funds appropriated for faculty senates through the Public School Support Program (PSSP) and supplemental allocations by the LEA to provide the basic allocation for teachers not funded through the PSSP; (b) the occasional or infrequent reimbursement of an expense unintentionally paid by a school, or; (c) the disbursement of funds to a school for the repetitive purchase of a specific item, such as postage, where it is impractical to handle the transaction in any other manner. Supplemental allocations by the LEA to the appropriated amount provided to each teacher through the PSSP are not to be distributed to the schools for expenditure. The latter two exceptions are for small dollar amounts and are not to be extended to the routine distribution of funds to all schools in the county on a formula or predetermined basis for the schools to determine how the funds are expended.

29.4. All state or federal grant funds received directly by an individual school are to be remitted immediately to the board office. The funds are to be allotted to the school for expenditure for the purposes identified in the grant award, but the procurement transactions are to be handled through the LEA’s central business office.

29.5. Schools making purchases using “quasi-public” funds or student activity funds should explore whether the goods and services are available from a contract negotiated by the LEA or a cooperative contract with a RESA or other LEAs before going to the open market.

30. Safeguarding and Control of Assets.

30.1. Inventory Control Function.

30.1.1. LEAs must maintain an adequate inventory control system of all capital assets, equipment and disposal supplies and commodities to safeguard the assets on hand and to ensure that those that are placed into service or consumed have been used for an authorized purpose. The maintenance of inventory records is an integral part of this system, providing an accounting of all assets purchased and consumed. A perpetual inventory system provides a continuous report of the quantity and description of the items on hand at any given time.

30.2. Inventory of Capital Assets.

30.2.1. The inventory of capital assets must be maintained on the West Virginia Education Information System, as specified in the procedures manual issued by the Office of School Finance entitled Fixed Asset Inventory System for the County Boards in the State of West Virginia.

30.3. Inventory of Supplies and Other Expendable Property.

30.3.1. A perpetual inventory system is to be maintained of all supply items that have a material dollar value, such as the supply inventory in a central warehouse or the vehicle replacement parts at the maintenance garage. The supply inventory should include for each item or group of items the following information: Name of item, quantity purchased, date of purchase, cost, reorder point, amount dispensed, and date dispensed.

31. Disposal of Surplus Real and Personal Property.

31.1. Disposal of Real Property:

31.1.1. According to the provisions of W. Va. Code §18-5-7 and related case law, at any time a county board determines that any building or land is no longer needed for school purposes, the real property must be sold at public auction, unless it is sold to:

a. The state or political subdivisions, including county commissions or agencies thereof, for an adequate consideration;

b. The United States of America, or any instrumentality, agency or political subdivision thereof, provided that the property is included in any federal flood control project;

c. A private, nonprofit, tax-exempt organization having been granted tax-exempt status by IRS Code 501(c) 3 through (8) inclusive, (19) or (23) for nominal consideration, provided that the property is for charitable, economic development or other community use, and provided further that the title to the property reverts to the board if the organization dissolves or ceases to use the property for the intended purpose within the first five years of such conveyance.

31.1.2. In rural communities, if the original sale to the board was not a voluntary arms length transaction at fair market value at the time of sale, the grantor of the land, his heirs or assigns, shall have the right to purchase the land and the mineral rights at the same price for which it was originally sold.

31.2. Disposal of Personal Property:

31.2.1. At any time a LEA determines that any personal property, including equipment, portable building, or motor vehicle, including school bus, school furniture, computers, or other personal property is no longer needed for school purposes, the purchasing director, in cooperation with the Chief School Business Official may declare the property surplus and dispose of the property in the most economical method for the benefit of the LEA.

31.2.2. The property may be disposed of in several ways: discarded or junked if it is determined not to have any salvageable value, traded in towards the purchase of a replacement item, sold at public auction, by competitive bid to the highest bidder, by fixed price, or contributed to:

a. The state or political subdivisions, including county commissions or agencies thereof;

b. A private, nonprofit, tax-exempt organization having been granted tax-exempt status by IRS Code 501(c) 3 through (8) inclusive, (19) or (23) for nominal consideration, provided that the property is for charitable, economic development or other community use.

31.2.3. LEA employees and members of their immediate family are not eligible to buy or receive surplus property belonging to the LEA unless the surplus property is offered to the general public for sale.

31.2.4. The sale of the surplus property must be conducted by the purchasing director or designee at a central location.

31.2.5. The determination that property is no longer needed for school purposes and the sale of the property cannot be made at the school or cost center level.

31.3. Disposal of Equipment Purchased From a Federal Grant:

31.3.1. When equipment purchased with federal funds is no longer needed for the original project or program, the recipient must use the equipment in connection with its other federally-sponsored activities, in the following order of priority: (1) activities sponsored by the awarding agency which funded the original project; and then (2) activities sponsored by other federal awarding agencies.

31.3.2. When equipment purchased with federal funds is no longer needed by the recipient, disposal procedures are contained in the United States Department of Education General Administrative Regulations (EDGAR) §74.34.

32. Code of Ethics.

32.1. In order to maintain public confidence in the honesty and integrity of the procurement process, all officers and employees of the LEA involved with the procurement of commodities and services must conduct themselves in a manner that is above reproach.

32.2. All LEA employees must comply with the requirements of West Virginia Government Ethics Act (W. Va. Code §§6B-1-1 and 6B-2-1 et seq.), W. Va. Code §§61-5A-6 and 61-10-15, and all decisions of the Ethics Commission.

32.3. The Code of Ethics of the National Institute of Governmental Purchasing, Inc. is included in Appendix D, which is an excellent code for all personnel involved in the procurement of commodities and services for LEAs to adhere to.

33. Non-Discrimination Provisions.

33.1. The LEA will not discriminate in its procurement policies, practices or procedures based on race, color, religion, creed, or sexual orientation.

34. Violations.

34.1. According to W. Va. Code §11-8-26 and subsequent sections of the article, any person who authorizes or approves a purchase or contract in violation of the W. Va. Code, this rule or any policy or procedure adopted by the LEA may be held personally liable for the cost of the purchase or contract. Purchases and contracts violating the Code and/or this rule are void and of no effect.

34.2. Any person receiving anything of value from a known interested party in awarding a purchase order is subject to the provisions of W. Va. Code §§5A-3-28, 29, 30 and 31, 61-5A-6 and 61-10-15, and all rulings of the West Virginia Ethics Commission, unless determined otherwise by a court or the West Virginia Ethics Commission.

34.3. Pursuant to W. Va. Code §18-2A-9, any member of the State Board, county board of education, county superintendent, or any other person who shall, either directly or indirectly, receive, solicit, or accept, or who shall give or offer to give, any gift, present or thing of value to influence the vote for the adoption of any book, instructional material, or learning technology, shall be guilty of a felony, and upon conviction, be punished by confinement in the penitentiary for not less than one year nor more than three years.

34.4. Misuse of a purchasing card authorized by W. Va. Code §12-3-10a is a felony and upon conviction thereof is subject, pursuant to W. Va. Code §12-3-10b, to confinement in the penitentiary for not less than one (1) nor more than five (5) years, or to a fine of not more than five thousand dollars ($5,000), or both a fine and imprisonment.

34.5. The purchasing director may suspend from bidding on LEA purchases up to one year, any vendor violating the W. Va. Code, this rule, or any policy or procedure adopted by the board. Appeal of the suspension may be made to the county board of education.

34.6. According to W. Va. Code §61-10-15(a), it is unlawful for any member of a county commission, overseer of the poor, district school officer, secretary of a board of education, supervisor or superintendent, principal or teacher of public schools, or any member of any other county or district board, or for any county or district office to be or become pecuniarily interested, directly or indirectly, in the proceeds of any contract or service, or in furnishing any supplies in the contract for, or the awarding or letting of a contract if, as a member, officer, secretary, supervisor, superintendent, principal, or teacher, he or she may have any voice, influence or control.

34.7. W. Va. Code §61-10-15(b) states that, any person or officer named who violates subsection (a) of this section is guilty of a misdemeanor, and, upon conviction thereof shall be fined not less than fifty nor more than five hundred dollars and may, in the discretion of the court, be imprisoned for a period not to exceed one year.

34.8. W. Va. Code §61-10-15(c) states that any person convicted of violating the provisions of subsection (a) of this section shall also be removed from his or her office and the certificate or certificates of any teacher, principal, supervisor and superintendent who violates any provision of this section shall, upon conviction, be immediately revoked.

34.9. W. Va. Code §61-10-15(d) states that any person, firm or corporation that offers or gives, any compensation or thing of value or forebears to perform any act to any of the officers or persons named in subsection (a) of this section or to or for any other person with the intent to secure the influence, support, or vote of such officer or person for any contract, service, award or other matter as to which any county or school district becomes or may become the paymaster, is guilty of a misdemeanor, and upon conviction thereof, shall be fined not less than five hundred, nor more than twenty-five dollars, and in the court's discretion, the person or any member of the firm, or if it be a corporation, any agent or officer offering or giving any compensation, may in addition to a fine, be confined in the county or regional jail for a period not to exceed one year.

34.10. W. Va. Code §61-10-15(e) through (h) contain certain exceptions where the provisions of subsection (a) of this section do not apply.

APPENDIX A

DEFINITIONS

Agreement – An arrangement between parties regarding a method of action.

Architectural and Engineering Services – Includes those professional services of an architectural or engineering nature as well as incidental services that members of those professions and those in their employ may logically or justifiably perform.

Bid – A competitive offer made by a seller.

Bidding – The process of soliciting the price and other considerations for goods and services from qualified vendors. The solicitation of prices from more than one vendor constitutes competitive bidding. Bids may be solicited in an informal manner by telephone, facsimile, Internet or mail, or through a formal sealed bid process.

Bid Bond – An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event a selected bidder fails to accept the contract as bid. The bond is usually five (5) percent of the total bid amount.

Bid Opening – A firmly established date and time for the public opening of responses to a solicitation.

Blanket Purchase Order - A written or electronic document issued by the LEA to a vendor authorizing or executing a purchase transaction in situations where there is normally a large volume of small dollar purchases of a repetitive nature and it is difficult to determine in advance exactly which products are needed.

Capital Asset – Land, land improvements, easements, buildings, building improvements, vehicles, machinery, equipment, and all other tangible or intangible assets that exceed the capitalization threshold established by the local education agency (LEA) and have a useful life extending beyond one year.

Commodity – Supplies, materials, equipment, contractual services and any other articles or things used by or furnished to a governmental agency.

Competitive bids - The process of soliciting the price and other considerations for goods and services from more than one qualified vendor.

Confirming Purchase Order – A purchase order issued to a vendor immediately after an order has been placed either electronically or by telephone by an authorized individual to encumber the funds and provide written confirmation of the order. Confirming purchase orders are not to be issued after the invoice has been received.

Consumable Supply – A commodity which, when used in the ordinary course of business, will become consumed or of no market value. This could also be referred to as an expendable commodity.

Contract – A written, legally binding agreement between two (2) or more parties in which is specified the terms and conditions to which the parties have agreed.

Construction – Construction means the building, alteration, renovation, or upgrading of facilities, buildings and structures including the acquisition and necessary site preparation of land, as well as the acquisition, installation, or substantial upgrade of existing equipment, machinery, furnishings, utilities, or other similar items.

Construction Change Order – A written instrument which may be initiated by any party to a construction contract specifying that a change is to be made to the construction project. The order should address the changes in the work and adjustments to the contract cost and contract time, if any.

Cooperating Agreement – An agreement between two or more LEAs in which the participants have agreed to issue a combined solicitation for bids for the purpose of obtaining larger volume discounts or reducing administrative expenses.

Credit Card – A card authorizing the holder to buy commodities and services on credit.

Declared Emergency – An unexpected situation or sudden occurrence of a serious and urgent nature that has been declared an emergency by the Governor of the State of West Virginia.

Emergency – An unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action. These situations can arise from acts of nature, conditions that are detrimental to the health, safety, or welfare of students, or other unforeseen events that threaten the termination of essential services, including delays in the transportation of indispensable goods and materials. Situations created by improper planning or negligence are not to be considered an emergency.

Evaluation of Bids – The process of examining all offers received in order to ascertain whether they meet all bid requirements and to determine which offer to recommend or select for award.

Expression of Interest (EOI) – A written or electronic response from a vendor expressing interest in submitting a proposal to a request or solicitation issued by an LEA.

Freight Terminology – Terms used to specify the point of origin and destination, stating the responsible party for bearing freight charges and when title passes.

Free on Board (FOB) Destination – Title remains with the vendor until the commodities are delivered to the point of destination specified in the purchase order and accepted by the buyer. The seller is responsible for any losses or damages resulting from shipment and files any claims against the carrier. The freight costs may be paid by the seller (Freight Prepaid), may be paid by the seller in advance but invoiced back to the buyer (Freight Collect and Allowed), or may be paid by the buyer (Freight Collect).

Free on Board (FOB) Shipping Point or Origin – Title passes to the buyer immediately at the time the commodities are picked up by a common carrier for shipment. The buyer is responsible for any losses or damages resulting from shipment and files any claims made against the carrier. The freight costs may be paid by the seller (Freight Prepaid), may be paid by the seller in advance but invoiced back to the buyer (Freight Prepaid and Add), or may be paid by the buyer (Freight Collect).

General Terms and Conditions – Standard clauses and requirements incorporated into all solicitations and resulting contracts which are derived from laws, or administrative procedures.

Grant – Money distributed to a recipient, including state agencies and political subdivisions, in which no direct commodity or service is received by the granting agency.

Individual Statement – A monthly statement of transactions for each purchase card issued to employees of the LEA listing all activity charged on the card.

Instructional materials – According to W.Va. Code §18-2A-1, instructional materials means and includes systems of instructional materials, or combinations of books and supplementary materials that convey information to the pupil.

Justification – A written explanation or an award which must be retained as a public record available for inspection when the award is not awarded to the lowest bidder.

Labor and Materials Payment Bond – A bond submitted by the successful vendor upon request by the LEA to ensure the payment of labor and materials purchased or contracted for or on behalf of the LEA in a construction project.

Local Education Agency (LEA) - This includes county boards of education, regional education service agencies and multi-county vocational centers.

Learning Technologies – According to W.Va. Code §18-2A-1, instructional materials in an electronic or magnetic format used for the formal study of a particular subject, and include applications using computer software, computer assisted instruction, interactive videodisc, other computer courseware, and magnetic media.

Lease – A written agreement between the owner of the equipment (lessor) and the LEA (lessee) by which the owner agrees to authorize the LEA to use the equipment for a predetermined fee for a period exceeding 30 days. Title does not pass from the owner to the lessee.

Lease Purchase – A written agreement in which the lessee exercises an option to have the lease payments apply, in whole or in part, as installment payments for equity or ownership upon completion of the agreement. Title transfers to the lessee with the last installment payment.

Life Cost Cycle – A best value purchasing tool that allows for the evaluation of the total or projected cost of an item over its life cycle, in addition to the initial purchase price, including operational costs, salvageable value and other factors.

Liquidated Damages – A specified contract provision which entitles the LEA to demand a set monetary amount determined to be a fair and equitable repayment to the LEA for loss of service due to the vendor's failure to meet specific completion or due dates.

Litigation Bond – A valid bond submitted by the vendor with the bid that may be used by the LEA to recover damages due to frivolous and groundless lawsuits filed by the vendor.

Maintenance Bond – A valid bond provided by the vendor as a warranty of normally two years, which is frequently used on roofing projects.

Mandatory Terms – All terms and conditions in the written specifications that are absolute and preceded by shall, must, or will.

Master Statement – A monthly statement of transactions for all purchase cards issued to employees of the LEA listing the activity charged on all cards.

Negotiation – A bargaining process between two or more parties, each with its own viewpoints and objectives that are seeking to reach a mutually satisfactory agreement on, or settlement of, a matter of common concern.

No Debt Affidavit – A form required by W.Va. Code §§ 5A-3-10a to be completed by all vendors prior to the award of a contract. The statute states that no contract or renewal of any contract may be awarded to any vendor who is a debtor to the State of West Virginia in an aggregate amount of $5,000 or more.

Non-mandatory Terms – All terms and conditions in the written specifications that are understood to be permissive and are preceded by may, should, or could.

Notice to Proceed – A formal written communication most often used in construction contracts to establish the date for work to commence and determines the date for completion.

Open-ended Contract – A generic term used for an instrument that is competitively bid and awarded in which all terms, conditions, and prices are predetermined with the exception of quantity.

Performance Bond – A bond, usually for the full amount of the contract, in which a valid surety agrees to pay a certain sum in the event a vendor fails to perform a contract as bid.

Personal Property – Property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents or securities.

Piggybacking – The process of utilizing another agency's existing open-ended contract to which the requesting LEA was not an original party to make purchases.

Pre-bid Conference – A meeting between the LEA and all interested vendors that offers the opportunity to emphasize and clarify critical aspects of a solicitation, eliminate misunderstandings, and allow for vendor input. Vendor attendance may be mandatory or voluntary as specified in the bid document.

Prevailing Wages – Hourly labor and fringe benefits rates established annually by the West Virginia Division of Labor which is required by W.Va. Code §§ 21-5A-2 to be paid to all workers employed by or on behalf of any public authority engaged in the construction of public improvements. This includes the construction, reconstruction, improvement, enlargement, painting, decorating, or repair of any public improvement let to contract.

Protest – A formal, written complaint filed by a vendor regarding specifications or the award of a contract submitted with the intent of receiving a remedial result.

Purchase Card – A credit card issued in the name of an employee of the LEA to be used as an alternative method of payment for authorized purchases of the LEA that do not exceed the amount specified elsewhere in this policy.

Public Improvement - All buildings, roads, highways, bridges, streets, alleys, sewers, ditches, sewage disposal plants, waterworks, airports, and all other structures upon which construction may be let to contract by the State or any political subdivision, including an LEA.

Purchasing Card – A credit card used for the purchase of commodities.

Purchase Order – A written or electronic document issued by the LEA to a vendor authorizing or executing a purchase transaction.

Purchasing Director – The individual employed by a county board of education, regional education service agency, or multi-county vocational center who is assigned the responsibility of directing, supervising or performing the duties of purchasing all required commodities and services at the most advantageous benefit to the local educational agency.

Quasi-public funds – Funds collected or received by any principal, teacher, student, parent, person, or organization or body directly connected with the school for the benefit of the school system as a result of curricular or noncurricular activities.

Real Property – Land, including land improvements, structures, and additions thereto, but excludes movable machinery and equipment.

Requisition – A written or electronic request submitted by a sub-unit of the LEA to the LEA's purchasing director requesting that a certain purchase be authorized. Upon approval, purchase requisitions are converted into purchase orders.

Related Party - Means a party, whether an individual, corporation, partnership, association, limited liability company or any other form of business association or other entity whatsoever related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership, or other interest with the vendor, so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

Release – A written order by the LEA to the contractor authorizing quantities of commodities and/or services to be delivered in accordance with the terms, conditions, and prices stipulated in the original contract.

Removable Property – Any personal property not permanently affixed to or forming a part of real estate.

Renewal – The extension of an existing contract for an additional period of time in accordance with the terms and conditions of the original contract.

Rental – Fee paid for the temporary use of facilities or equipment, usually for a period of less than 30 days.

Request for Information (RFI) – A document used to solicit information to assist in preparing specifications for a Request for Quotation (RFQ) or Request for Proposal (RFP). No award can be made from a RFI.

Request for Quotation (RFQ) – A document that is used to solicit written bids that contain all of the specifications or scope of work and contractual terms and conditions. Conformity to specifications and price are the only factors used in the evaluation process.

Request for Proposals (RFP) – A best value purchasing tool used to acquire professional and other services where the scope of the work may not be well defined and cost is not the sole factor in determining the award. All criteria by which the bidders will be evaluated must be contained within the bid document.

Resident Vendor Preference (RVP) – An additional score assigned to a local vendor during the evaluation process to provide preferential treatment.

Sealed Bids – A process for the solicitation of bids for the purchase of commodities or services wherein the interested vendors are required to submit their proposals in a sealed envelope that are opened during a formal meeting at the place, date, and time specified in the bid solicitation.

Services – Work performed by a vendor that consists primarily of intangible personal services rather than the furnishing of tangible commodities.

Sheltered Workshop – An establishment where manufacture or handiwork is carried on, which is operated either by a public agency, a cooperative, or a nonprofit private corporation or association, in which no part of the net earning inures, or may lawfully inure, to the benefit of any private shareholder or individual. It is operated for the primary purpose of providing remunerative employment to blind or severely disabled persons who cannot be absorbed into the competitive labor market and which shall be approved, as evidenced by a certificate of approval, by the West Virginia Division of Rehabilitation Services.

Sole Source – The only source for a specific commodity or service.

Solicitation – A written, electronic, or oral request submitted by the LEA to obtain bids or proposals for the purchase of commodities or services. The request can be in writing or orally.

Specifications – A detailed description of the commodity or service for which a bid is being requested.

Statewide Contract – A contract between the State of West Virginia and a qualified vendor used for the purchase of frequently used commodities or services. LEAs may purchase from statewide contracts.

State Multiple List – List of textbooks, instructional materials, and learning technologies that have been approved by the State Board of Education for use in the public schools in the State as the primary source of delivery of the instructional goals and objectives for state required courses.

Stringing – The illegal practice of issuing a series of requisitions or purchase orders for the purpose of circumventing the competitive bidding procedures.

Terms of Sale – Stipulations made within the contract regarding the transaction.

Textbook – According to W.Va. Code §18-2A-1, textbook is a book used as a standard work for the formal study of a particular subject. The term “textbook” includes books, instructional materials and learning technologies.

Transaction Limit – The maximum amount that can be charged in a single transaction using an authorized purchase card.

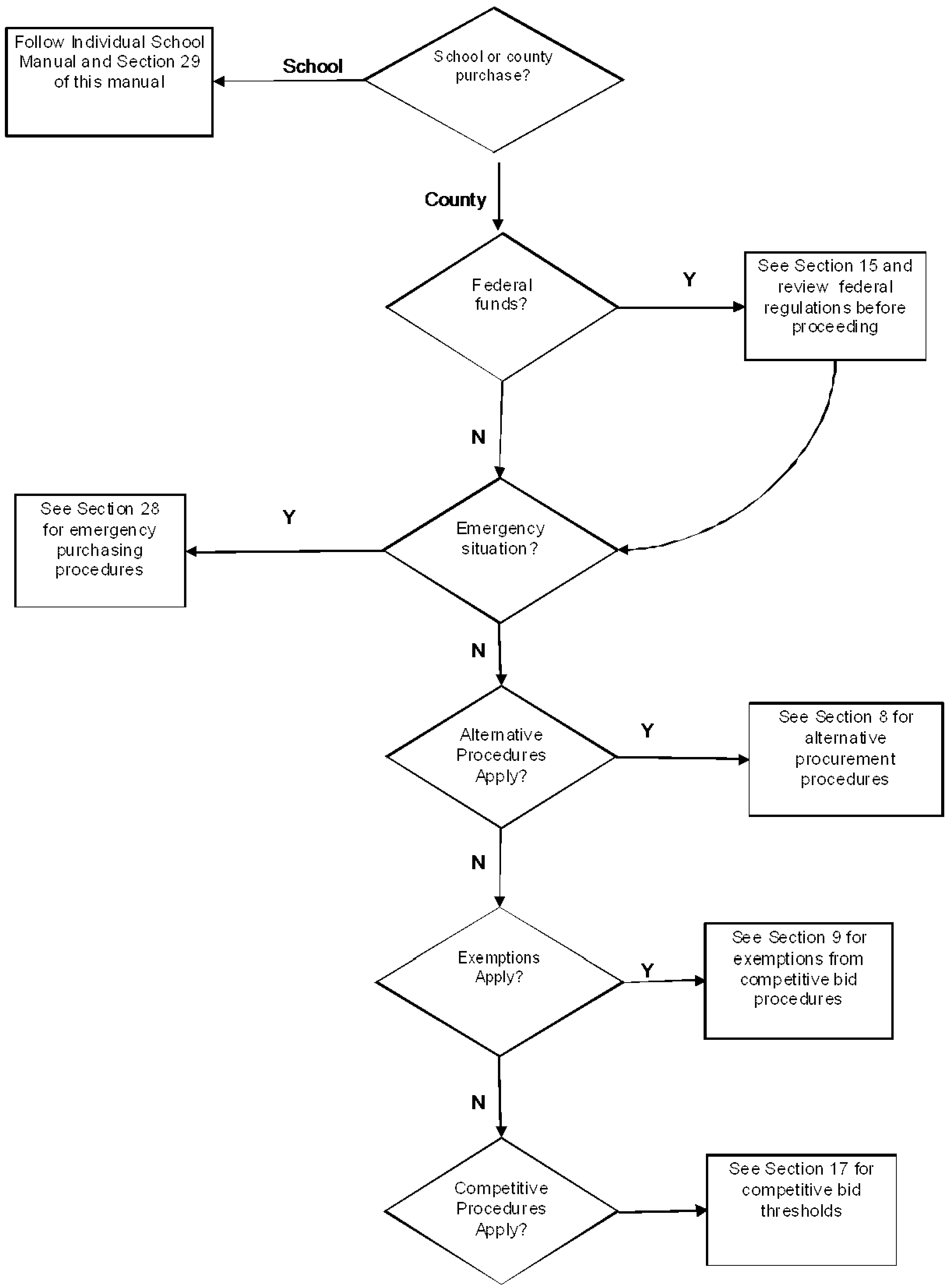
Unit Price – The cost per unit of the commodity or service being purchased.

Utility Card – A purchase card issued for the sole purpose of paying utility bills, which include cable, electric, garbage collection, heating oil, natural gas, sewage, telephone, water, and similar services.

Vendor – An individual, partnership or business authorized to conduct business in the State of West Virginia that is able to furnish the desired commodity or service.

APPENDIX B

FLOW CHART FOR PURCHASING DECISIONS



APPENDIX C

Agreement Addendum

Instructions

Attached is a universal **"Agreement Addendum"** form which an LEA should complete and include as a part of the final contract/agreement any time a vendor requires the LEA to sign the vendor's contract/agreement or the vendor submits alternate language with its bid or contract. LEAs are urged to execute the **Agreement Addendum** for all contracts, agreements or leases where equipment with maintenance is included.

AGREEMENT ADDENDUM

In the event of conflict between this addendum and the agreement, this addendum shall control:

1. **DISPUTES -** Any references in the agreement to arbitration or to jurisdiction of any court other than the Circuit Court of the county in which the Agency is located are hereby deleted. The parties may agree to nonbinding mediation prior to litigation.

2. **HOLD HARMLESS** - Any clause requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety.

3. **GOVERNING LAW** -The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other State's governing law.

4. **TAXES**. - Provisions in the agreement requiring the Agency to pay taxes are deleted. As a political subdivision of the State of West Virginia, the Agency is generally exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor or any other party.

5. **PAYMENT** - Any references to prepayment are deleted. Fees for software licenses, subscriptions, or maintenance are payable annually in advance. Payment for services will be in arrears.

6. **INTEREST –** Any provision for interest or charges on late payments is deleted. The Agency has no statutory authority to pay interest or late fees.

7. **NO WAIVER** - Any language in the agreement requiring the Agency to waive any rights,claims or defenses is hereby deleted.

8. **FISCAL YEAR FUNDING** - Service performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature or otherwise being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.

9. **STATUTE OF LIMITATION** - Any clauses limiting the time in which the Agency may bring suit against the Vendor, lessor, individual, or any other party are deleted.

10. **SIMILAR SERVICES** - Any provisions limiting the Agency's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.

11. **ATTORNEY FEES** - The Agency recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.

12. **ASSIGNMENT** - Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to a State agency or another local governmental agency, board or commission of the State of West Virginia upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.

13. **LIMITATION OF LIABILITY** - The Agency, as a political subdivision of the State, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor's liability for direct damages to a certain dollar amount or to the amount of the agreement is hereby deleted. Limitations on special, incidental or consequential damages are acceptable. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.

14. **RIGHT TO TERMINATE** - Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. Agency agrees to pay Vendor for services rendered or goods received prior to the effective date of termination. In such event, the Agency will not be entitled to a refund of any software license, subscription or maintenance fees paid.

15. **TERMINATION CHARGES** - Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term.

16. **RENEWAL** - Any reference to automatic renewal is hereby deleted. The agreement may be renewed only upon mutual written agreement of the parties.

17. **INSURANCE** - Any provision requiring the Agency to purchase insurance for Vendor's property is deleted. The Agency is insured through the Board of Risk and Insurance Management, and will provide a certificate of property insurance upon request.

18. **RIGHT TO NOTICE** - Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.

19. **ACCELERATION** – Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.

20. **CONFIDENTIALITY** – Any provision regarding confidentiality of the terms and conditions of the agreement is hereby deleted. Governmental contracts are public records under the West Virginia Freedom of Information Act.

21. **AMENDMENTS** -All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties. No amendment, modification, alteration or change may be made to this addendum without the express written approval of the Agency.

ACCEPTED BY: | **VENDOR:**

Local Education Agency: ______________________ Company Name: ______________________

Signed: ______________________ Signed: ______________________

Title: ______________________ Title: ______________________

Date: ____ Date: ____

Revised 07-12

Bid Quotation

Instructions

Bid Quotation Form - This form may be used in conjunction with verbal bid requirements for purchases costing less than $10,000. This form is recommended for use to fulfill these requirements. The following are instructions for using this form:

Date -The LEA should insert the date the verbal quotations were accepted.

Purpose -The LEA should insert the reason why the item(s) are being purchased, e.g., stock, immediate repairs, etc.

Quotes Received By -The signature of the individual within the LEA receiving the verbal bids should be written.

Vendor -The vendors who are contacted concerning purchase of the item, should be written in the appropriate space.

Agent -The vendor's agent who gives the quotes to the LEA should be written.

Reason for Award -The reason why the item was awarded to a particular vendor, e.g., sole source, timely delivery, ability to meet demand, etc. should be given.

Purchase Authorized By -The signature of the individual within the LEA who has given approval for the purchase should be written in the appropriate space.

Purchase Authorized By -The signature of the individual within the LEA who has given approval for the purchase should be written in the appropriate space.

Verbal Bid Quotation Summary

LEA ______________________________ **PO Number** ______________________________

Date ______________________________ **WVEIS Account #** ______________________________

Purpose ____

Delivery Requirements:			Quotes Received By:					
Vendor:			1.		2.		3.	
Telephone Number:								
Contact Person's Name:								
Shipping Date:								
Terms:								
Item	Quantity	Description	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
TOTAL:								

Reason for Award (No Bids Reason): ____

____

____

____

WVEIS Vendor # ______________________________ **Purchase Authorized By:** ______________________________

Title: ______________________________

Request for Quotations

Instructions

Request for Quotations Form – This form may be used by all LEAs when obtaining written quotations on purchases costing $10,000 or more but less than $50,000.

Return by - Enter the time and date that the quotation is to be returned.

Return to: - Enter the mailing address that the quotation is to be returned,

Delivery Address for Merchandise, if different - Enter the address to which the material is to be delivered, if different from the mailing address. The delivery address may affect the price quotation being offered by the vendor.

Vendor – Enter the name and address of the vendor to whom the request for quotation is being mailed.

Requisition/PO Number - Enter the PO number assigned by the LEA to this purchase.

Date - Enter the date that the Request for Quotation is submitted.

Account Number - Enter the account number from which the funds are to be expended.

Summary of Quotation -This space is to be used by the LEA to keep notes and a summary of quotations AFTER bids have been returned. Do not type in this space when preparing the Request for Quotation.

Delivery Requirements - Enter the date that you will need the delivery of the commodity on the Request for Quotation. Be realistic. A short lead time may increase your cost, if it necessitates special handling by the vendors. Allow a reasonable time for delivery. Be specific. Delivery requirements such as, ASAP or immediately, are vague and tend to be meaningless. Give a specific date or a number of days after receipt of order (ARO) for delivery.

Item Number, Quantity and Description - The description must contain the desired specifications. If a brand name is used as the specification, the words "or equal" must be entered after the brand name and model number. The unit price and amount column are not to be completed.

Date (At bottom) – Date that the vendor prepares the price quotation and returns it to the LEA.

Preparer – Name of the authorized vendor's representative that prepared the price quotation and is submitting it to the LEA.

Request for Quotations

THIS IS NOT AN ORDER

Req/PO No:	
Return By:	**Date:**
Return To:	**Acct. No:**
Delivery Address for Merchandise, if different:	**SUMMARY OF QUOTATIONS**
Vendor:	
Delivery Requirements:	

Item Number	Quantity	Description	Unit Price	Amount

Date

Preparer

GENERAL TERMS & CONDITIONS (REQUEST FOR QUOTATION) RFQ AND (REQUEST FOR PROPOSAL) RFP

1. Awards will be made in the best interest of the LEA.

2. The LEA may accept or reject in part, or in whole, any bid.

3. All quotations are governed by the *West Virginia Code* and Policy 8200.

4. All services performed or goods delivered under LEA Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.

5. Payment may only be made after the delivery and acceptance of goods or services.

6. Interest may be paid for late payment in accordance with the *West Virginia Code*.

7. Vendor preference will be granted only upon written request at the time of bid in accordance with the *West Virginia Code* and LEA purchasing policy.

8. The LEA is exempt from Federal and State taxes and will not pay or reimburse such taxes.

9. The Purchasing Director may cancel any Purchase Order/Contract upon 30 days written notice to the seller.

10. The laws of the State of West Virginia and Policy 8200 shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.

11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.

12. BANKRUPTCY: In the event the vendor/contractor files for bankruptcy protection, this contract is automatically null and void, and is terminated without further order.

INSTRUCTIONS TO BIDDERS

1. Vendor is requested to use the quotation forms provided by the LEA.

2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as “equal to” the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Director may waive minor deviations to specifications.

3. Complete all sections of the quotation form.

4. Unit prices shall prevail in case of discrepancy.

5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.

6. The vendor must clearly instruct on the bid document if the vendor wishes to have the payment sent to a different "remit to" address other than the address on the face of this document.

CERTIFICATION OF NON-CONFLICT OF INTEREST

According to W. Va. Code §61-10-15, It shall be unlawful for any member of a county commission, overseer of the poor, district school officer, secretary of a board of education, supervisor or superintendent, principal or teacher of public schools, or any member of any other county or district board, or for any county or district office to be or become pecuniarily interested, directly or indirectly, in the proceeds of any contract or service, or in furnishing any supplies in the contract for, or the awarding or letting of, which as such member, officer, secretary, supervisor, superintendent, principal, or teacher, he/she may have any voice, influence or control."

The individual(s) listed below have been charged to evaluate or serve as members or advisors of an evaluation committee for the solicitation of bids, as specified [________________________________ ____] and are certifying that they have no conflict of interest with any of the participating vendors. This requirement is applicable to all transaction types.

Name	Title	Signature	Date

No Debt Affidavit

Instructions

The **No Debt Affadavit** is administered in accordance with the ***West Virginia Code,*** *§5A-3-10A*.

According to the statute, no contract or renewal of any contract may be awarded under this article to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor as defined in this section and the debt owed is an amount greater than $1,000 in the aggregate.

AGREEMENT

Purchase Order # ________________________ WVEIS Vendor # ________________________

WVEIS Account # ________________________

I, ____, agree to perform the
(Name and address)

following services for ____________________________ at __________________________________
(Agency) (Location)

____
(Detailed description of services to be performed)

____

____

Date(s) of Service: from ____________________________ to _______________________________ .

The rate of pay shall be ___________________________ per ________________________________

not to exceed $ ____ for the entire term of the contract.

Note: Any anticipated travel must be incorporated into the vendor's fee. No travel expenses will be reimbursed by the LEA as they are the sole responsibility of the vendor. The following certification must be completed and signed by each vendor.

Please check the appropriate box below:

_______ I am not currently a full-time employee of the LEA

_______ I am currently a full-time employee of the LEA (complete certification below).

It is hereby certified that the services to be performed under this agreement will not interfere or detract from the full-time duties of the employee and the amount of annual compensation received by ___________________________ (above named vendor) from

The vendor is employed as a ____
(Position)

certified by ____ .
(Supervisor's Signature)

APPROVED BY:

LEA ________________________________ Vendor _______________________________

____ ____
(Authorized Signature of LEA) (Vendor's Signature)

____ ____
(Title) (FEIN or Social Security)

AFFIDAVIT

West Virginia Code §5A-3-10a states:

No contract or renewal of any contract may be awarded under this article to any vendor or prospective vendor when the vendor or prospective vendor or a *related party to the vendor or prospective vendor is a debtor* as *defined in this section and the debt owed is an amount greater than five thousand dollars in the aggregate.*

Definitions:

"Debt" means any assessment, penalty, fine, tax or other amount of money owed to the state because of a judgment, fine, permit violation, license assessment, penalty or other assessment presently due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon;

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions;

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor, so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

Exception:

The prohibition does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the West Virginia Code, worker's compensation premium, permit fee or environmental fee or assessment, and the matter has not become final, or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (West Virginia Code §61-5-3), it is hereby certified that the bidder and all related parties do not owe any debts or, if a debt is owed, that the provisions of the exception clause (above) apply.

Vendor's Name: ____

Authorized Signature: ______________________________ Date: ____________________

Short Term Agreement

Instructions

The Short Term Agreement Form is designed to provide agencies a method whereby they may enter into a short-term agreement without the necessity of drawing up complicated legal forms. By utilizing the form, whose content and format have previously been approved, the agency will aid in the prompt processing of the contract.

Purchase Order Number - Enter the purchase order number assigned by the LEA.

WVEIS Account # - Enter the WVEIS accounting information.

WVEIS Vendor # - Enter the WVEIS vendor number.

Description of Work -These three (3) lines are reserved for a description of the work or service to be performed.

Date of Service(s) -In this space, the dates the service is to be performed should be entered. If the service is to extend over a long period of time, enter the beginning date and the final date of service. Be sure that the agreement does NOT commit appropriated funds in a future fiscal year.

Rate of Pay - Enter the rate of pay as the total per month, quarter, year or per hour.

LEA Employee Status - If the agreement is for consulting services with an individual, the appropriate box in this section must be checked to indicate whether or not the individual performing the service is or is not a full time employee of the LEA.

Total Amount - Enter the total amount of the fee for the services, exclusive of travel and out-of-pocket expenses.

Vendor's Signature - The signature of the consultant or officer of the company performing the service must be indicated.

Approved - The purchasing director must approve the purchase in this space.

LEA Signature - The designee of the LEA for which the vendor works must sign this space and indicate his title below his signature.

SHORT TERM AGREEMENT

Purchase Order # ______________________________ WVEIS Vendor# ____________________

WVEIS Account # ______________________________ LEA __________________________________

Vendor's Name ____

Vendor's Address ____

I, the above named vendor, agree to perform the following services for the above named LEA:

Description of services:____

____

Date(s) of Service: From ____________________________ To ______________________________

The rate of pay shall be $ _______________ per ___________ not to exceed $ __________________

for the entire term of this agreement.

Note: All anticipated expenses of the vendor, including travel must be incorporated into the vendor's fee. No expenses will be reimbursed by the above named LEA; all expenses, including travel, taxes, or other fees will be the sole responsibility of the vendor.

The following certification must be completed and signed by the vendor:

Please check the appropriate box:

______ I am not currently a full or part-time employee of the LEA

______ I am currently a full-time employee of the LEA. Position: ______________________________

______ I am currently a part-time employee of the LEA Position: ______________________________

It is certified that the services that are to be performed under this agreement will not be performed during the hours that the employee is expected to perform his/her regular duties for the LEA, nor will the services performed under this agreement interfere with or detract in any other way from the performance of those duties.

SIGNED:

LEA:	Vendor:
______________________________	______________________________
Signature of authorizing official	Vendor's signature
______________________________	______________________________
Title	FEIN or SSN
______________________________	______________________________
Date	Date

Agreement Questionnaire

Instructions

The **Agreement Questionnaire** or a similar form must be used and attached to a **Short Term Agreement Form** when procuring technical, professional, or other services. This questionnaire is also used when procuring business services for personnel.

The purpose of the questionnaire is to document the scope of the project and to project the results expected to be attained by forming this agreement.

Agreement Questionnaire

Requisition / Purchase Order # ______________________

WVEIS Vendor # ________________________________

1. Briefly describe the project scope of work to be completed or the problem to be solved by executing this agreement purchase order with (vendor) ______________________________________ .

2. What results do you expect to achieve issuing this agreement?

3. What would be the effects on you, the LEA, if this agreement were not implemented?

4. What specialized or professional skill will be provided that is not available within the LEA or RESA?

5. Is this agreement related to any other project being undertaken within the LEA? If so, briefly describe.

6. Describe the methodology and evaluation criteria utilized to select this vendor.

7. What other vendors were considered for this work? Explain why this particular vendor was selected over those considered.

__________________________COUNTY BOARD OF EDUCATION

PARTICIPATING EMPLOYEE'S ACKNOWLEDGEMENT OF RESPONSIBILITIES IN THE PURCHASING OR TRAVEL CREDIT CARD PROGRAM

By participating in the aforementioned board of education's purchasing or travel credit card program as a cardholder, you assume responsibilities pertaining to the operation and administration of the board's purchasing card program. These responsibilities include but are not limited to the following:

1. The Board's purchasing or travel credit card is to be used for business expenditures only.

2. The purchasing or travel credit card will be issued in the name of the Board and the employee. By accepting the card, the employee assumes responsibility for the card and will be responsible for all charges made with the card. The card is not transferable and may not be used by anyone other than the cardholder.

3. The purchasing or travel credit card must be maintained with the highest level of security. If the card is lost or stolen, or if the cardholder suspects the card or account number to have been compromised, the cardholder agrees to immediately notify the county board treasurer.

4. All charges will be billed and paid directly by the Board. On a monthly basis, the cardholder will receive a statement listing all activity associated with the card. This activity will include purchases made during the reporting period. While the cardholder will not be responsible for making payments, the cardholder will be responsible for the verification and reconciliation of all account activity.

5. The cardholder's account may be subject to periodic internal control reviews and audits designed to protect the interests of the Board. By accepting the card, the cardholder agrees to comply with these reviews and audits. The cardholder may be asked to produce the card to validate its existence and produce statements and receipts to verify appropriate use.

6. Parameters and procedures related the Board's purchasing or travel credit card may be updated or changed at any time. The Board will promptly notify all cardholders of these changes. The cardholder agrees to and will be responsible for the execution of any program changes.

7. The cardholder agrees to surrender and cease use of his/her card upon termination of employment whether for retirement, voluntary separation, resignation, or dismissal. In addition, the cardholder must surrender and cease use of the card in the event of transfer or relocation. The cardholder may also be asked to surrender the card at any time deemed necessary by the Board's management.

8. Misuse or fraudulent use of the card may result in disciplinary actions and may be grounds for dismissal.

By signing below, I acknowledge that I have received the training provided by the Board and have read and agree to the terms and conditions of this document. I certify that as a participating cardholder of the Board's purchasing or travel credit card program, I understand and assume the responsibilities specified above.

____________________	____________________	____________
Employee Signature	Job Title	Date
____________________		____________
Superintendent's Signature		Date

___________________________COUNTY BOARD OF EDUCATION

EMPLOYEE'S ACKNOWLEDGEMENT OF RESPONSIBILITIES IN USING THE BOARD OF EDUCATION'S VENDOR ISSUED CREDIT CARD

By being selected to be an authorized user of the aforementioned board of education's vendor issued credit card, you assume responsibilities pertaining to board's credit card program. These responsibilities include but are not limited to the following:

1. The Board's credit card is to be used for business expenditures only.

2. The credit card is be issued in the name of the Board, however, by using the card, the employee assumes responsibility for the card during the time he/she is authorized to use the card and will be responsible for all charges made with the card during that time. The card is not transferable and may not be used by anyone other than the employee's who are authorized to use the card.

3. The credit card must be maintained with the highest level of security. If the card is lost or stolen, or if an employee suspects the card or account number to have been compromised, the employee is responsible to immediately notify the county board treasurer.

4. All charges will be billed and paid directly by the Board. The employee is responsible for obtaining an approved purchase order prior to signing the card out for use, purchasing only authorizing items with the card, and turning in original receipts with the card when it is signed back in. Employees who use the credit card will be responsible for assisting in the verification and reconciliation of all account activity, as needed.

5. Parameters and procedures related the Board's credit card may be updated or changed at any time. The Board will promptly notify all card users of these changes. The credit card user agrees to and will be responsible for the execution of any program changes.

6. The credit card user agrees to surrender and cease use of the Board's credit card upon termination of employment whether for retirement, voluntary separation, resignation, or dismissal. In addition, the user must cease use of the card in the event of transfer or relocation. The credit card user may also be asked to cease use of the card at any time deemed necessary by the Board's management.

7. Misuse or fraudulent use of the card may result in disciplinary actions and may be grounds for dismissal.

By signing below, I acknowledge that I have received the training provided by the Board and have read and agree to the terms and conditions of this document. I certify that as an authorized user of the Board's vendor issued credit card, I understand and assume the responsibilities specified above.

____________________	____________________	____________
Employee Signature	Job Title	Date
____________________		____________
Superintendent's Signature		Date

WEST VIRGINIA STATE TAX DEPARTMENT
ADMINISTRATIVE SUPPORT UNIT
INTERNAL AUDITING DIVISION

REQUEST FOR RELEASE OF FINAL PAYMENT

FEDERAL IDENTIFICATION NUMBER: ______________________________

NAME OF CONTRACTOR: ______________________________

CONTACT NAME: ________________ Phone # __________

ADDRESS ______________________________

____

DATE OF CONTRACT: ______________________________

NUMBER OF CONTRACT: ______________________________

LOCATION OF CONTRACT: ______________________________

Brief Description of Work Performed: ______________________________

____

____

$ AMOUNT OF CONTRACT: ______________________________

$ AMOUNT PAID: ______________________________

$ AMOUNT NOW DUE ______________________________

The above contract is in process of final settlement. If all West Virginia required taxes have been paid, please forward release. Final settlement will not be made pending receipt of such release.

BY: ______________________________

PHONE NUMBER: (_____) ____________________

AGENCY: ______________________________

ADDRESS: ______________________________

FORWARD TO: WV STATE TAX DEPARTMENT / ADMINISTRATIVE SUPPORT UNIT
1001 LEE STREET EAST
CHARLESTON, WV 25301

FOR ASSISTANCE OR INFORMATION, PLEASE CALL (304) 558-1114, 558-0659, 558-8695
FAX NUMBER: (304) 558-8643

Credit Card Log

County Name ______________________________ **Card Name** ______________________________

Card Number ______________________________ **Vendor Number** ______________________________

Signed Out					Signed In		
Date	Time	Employee Signature	PO #	PO Amount	Date	Time	Employee Signature

APPENDIX D

CODE OF ETHICS OF THE NATIONAL INSTITUTE OF GOVERNMENTAL PURCHASING, INC.

The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by any public sector procurement or materials management organization.

1. Seeks or accepts a position as head or employee only when fully in accord with the professional principles applicable thereto, and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization.

2. Believes in the dignity and worth of services rendered by the organization and the social responsibilities assumed as a trusted public servant.

3. Is governed by the highest ideals of honor and integrity in all public and personal relationships, in order to merit the respect and inspire the confidence of the organization and the public being served.

4. Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.

5. Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.

6. Believes that members of the Institute and its staff should at no time or under any circumstances, accept directly or indirectly, gifts, gratuities or other things of value from suppliers.

7. Keeps the governmental organization informed, through appropriate channels, of problems and progress of applicable operations, but personally remains in the background by emphasizing the importance of the facts.

8. Resists encroachment on control of personnel in order to preserve integrity as a professional manager. Handles all personnel matters on a merit basis. Political, religious, racial, gender and age considerations carry no weight in personnel administration in the agency being directed or served.

9. Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically on the basis of principles and justice without discrimination.

Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.

Fiscal Management Policies and Procedures for the Region VII Workforce Development Board

Effective Date: December 19, 2024

1. Financial Management (2 CFR 200.302)

Objective: To establish and maintain robust financial management practices that ensure transparency, accountability, and compliance with applicable regulations and best practices.

Policies:

- **Budget Development and Management:**
  - **Preparation Process:**
    - **Timeline:** The budget preparation process begins in March for the upcoming fiscal year starting on July 1.
    - **Program Input:** Each program lead will submit a proposed budget by March 30, detailing anticipated expenses, program activities, revenues and justifications for funding requests.
    - **Consolidation:** The Executive Director will consolidate program budgets and prepare a draft budget document that includes:
      - Line items for personnel costs (salaries, benefits)
      - Direct program costs (supplies, travel, training)
      - Administrative costs (overhead, office supplies)
  - **Review and Approval:**
    - **Executive Committee Review:** The Executive Committee will review the draft budget in May, providing feedback and requesting additional information if necessary.
    - **Board Presentation:** A finalized budget will be presented to the Board at the annual meeting in June. The Local Elected Officials Board will hold an annual meeting to discuss and approve the budget no later than June 30.
    - **Communication:** The approved budget will be distributed to all staff and contracted sub-recipients, i.e., fiscal agent, one-stop operator, and youth services provider.
  - **Monitoring and Reporting:**
    - **Monthly Budget Monitoring:** The fiscal agent and Executive Director will compare actual expenditures to the budget monthly and prepare a Budget vs. Actual report that includes:
      - Recommendations for adjustments or reallocation of funds.
    - **Quarterly Review Meetings:** A quarterly budget review meeting will be held with the Executive Committee, where the Executive Director will present a detailed report, including projections for the remaining fiscal year.
- **Accounting System:**
  - **System Specification:**

        - The organization will utilize the West Virginia Education Information System (WVEIS).
        - Additionally, the fiscal agent will ensure all WIOA funding reports are submitted into WorkForce West Virginia's MACC system for Region VII WDB accruals and expenditures.
        - The fiscal agent will maintain and oversee the accounting software, ensuring that it is updated regularly to reflect any changes in accounting standards.
    - **Transaction Recording:**
        - **Timeliness:** All transactions will be recorded within a timely manner to ensure that all transactions are recorded for the appropriate accounting period of occurrence. This includes revenue, expenditures, and adjustments.
        - **Documentation:** Each transaction must have supporting documentation attached, such as:
            - Invoices
            - Receipts
            - Contracts
            - Approval emails or forms
        - **Chart of Accounts:** The organization will maintain a detailed Chart of Accounts, categorizing all transactions to facilitate accurate reporting and analysis.
    - **Monthly Reconciliation:**
        - **Bank Reconciliations:** Bank statements will be reconciled with the organization's financial records within 15 days of receipt. The fiscal agent will perform these reconciliations, and discrepancies will be documented and addressed immediately.
        - **Account Review:** All balance sheet accounts will be reviewed quarterly.
- **Financial Reporting:**
    - **Monthly Financial Statements:**
        - The fiscal agent will prepare and distribute the following financial statements by the 10th of each month:
            - Statement of Financial Position (Balance Sheet)
            - Statement of Activities (Income Statement)
        - Each report will include narrative summaries highlighting significant changes and trends.
    - **Annual Financial Audit:**
        - The organization will engage an independent CPA firm for an annual financial audit, to be completed by December 31. The audit process will involve:
            - Preparing a detailed schedule of all financial records and supporting documentation for the auditors.
            - Providing the auditors with unrestricted access to all financial information and personnel.
        - The Executive Committee will review the audit findings and prepare a report for the Board, including any recommendations for policy or procedural changes.
- **Grant Management:**
    - **Grant Proposal Development:**

    - Each grant proposal will be assigned to a designated Grant Manager, responsible for drafting and submitting the proposal, ensuring alignment with the organization's mission.
    - Proposals will be reviewed by the Executive Director and Executive Committee for financial accuracy and alignment with organizational goals before submission.
  - **Grant Tracking and Reporting:**
    - A dedicated grant management software will be used to track grant applications, awarded amounts, budget allocations, and expenditures.
    - Financial reports will be submitted to funding agencies as specified in grant agreements, including:
      - Programmatic updates
      - Financial reports that detail expenditures against approved budgets
    - The Region VII Workforce Development Board and the Executive Director will ensure compliance with all reporting timelines and requirements, maintaining documentation for each report submitted.

2. Internal Controls (2 CFR 200.303)

Objective: To implement a robust system of internal controls that protects the organization's assets, ensures accurate financial reporting, and promotes ethical behavior.

Policies:

- **Segregation of Duties:**
  - **Key Responsibilities:**
    - No single employee will handle all aspects of any financial transaction. Key responsibilities include:
      - **Cash Handling:** Limited to fiscal agent staff within the finance department.
      - **Accounting Functions:** Managed by the fiscal agent.
      - **Approval Authority:** The Executive Director will approve expenditures up to $5,000.
    - **Cross-Training:** Staff will receive cross-training in essential functions to ensure continuity and reduce risks associated with turnover.
- **Authorization and Approval:**
  - **Operational Approval Process: Purchase Orders will be utilized in accordance with West Virginia Department of Education (WVDE) Policy 8200.**
    - All expenditures must receive appropriate authorization:
      - Expenditures under $500 require program lead approval.
      - Expenditures up to $5,000 require Executive Director approval.
      - Expenditures over $5,000 require Board approval.
    - **Purchase Orders:** A purchase order (PO) system will be implemented for all purchases over $500 to ensure proper tracking and approval.
  - **Contract Management:**
    - All contracts and agreements must be reviewed and approved by the local workforce development board and the local elected officials board. Contract

procurement is subject to all local, state, and federal procurement policies and procedures. The following steps will be followed:
        - Draft contracts will be prepared by the Executive Director requesting the service.
        - Contracts will be reviewed and approved by the LWDB and LEO Board.
        - Final contracts will require signature by the Executive Director, Board Chair, and Chief Local Elected Official.

- **Physical and Data Safeguards:**
    - **Cash Handling Procedures:**
        - All cash and checks will be logged immediately upon receipt, and deposits will be made in accordance with WVDE Policy 8100.
        - A two-person verification process will be implemented for all cash deposits.
    - **Access Controls:**
        - Financial records will be stored securely in locked cabinets. Electronic financial records will be maintained in a password-protected and encrypted database with restricted access.
- **Monitoring and Review:**
    - **Internal Audits:**
        - The Executive Committee will conduct internal audits annually, focusing on adherence to policies, effective operation of internal controls, and review of financial transactions.
        - Audit findings will be documented, with corrective actions recommended to the Board.
    - **Whistleblower Policy:**
        - A whistleblower policy will encourage staff to report any unethical or illegal behavior related to financial activities. Reports can be made anonymously by emailing tjvanmeter@region7workforce.org .
        - All reports will be investigated promptly and documented, with outcomes communicated to the Board.

3. Retention Requirements for Records (2 CFR 200.334)

Objective: To establish a comprehensive record retention policy to ensure compliance with federal regulations and promote transparency.

Policies:

- **Record Retention Schedule:**
    - **Financial Records:**
        - The organization will retain financial records as follows:
            - **General Ledger and Trial Balances:** Seven years after the completion of the fiscal year.
            - **Invoices and Receipts:** Three years after the final report to the funding agency.
            - **Payroll Records:** Seven years from the date of payment.
    - **Grant-Related Documents:**

        - All grant applications, agreements, and financial reports will be retained for three years following the end of the grant period.
- **Electronic Records Management:**
    - **Data Backup Procedures:**
        - Financial data will be backed up daily to an encrypted offsite server, through the West Virginia Educational & Informational System (WVEIS).
        - Access to electronic records will be limited to authorized personnel only, with a log maintained of all access attempts.
- **Destruction of Records:**
    - **Secure Destruction Protocol:**
        - Physical records will be shredded, while electronic records will be deleted using secure deletion methods that ensure data cannot be recovered.
        - A log of destroyed records will be maintained, detailing the type of record, date of destruction, and individual responsible for destruction.

Implementation Procedures

1. **Training and Awareness:**

- **Annual Training Programs:**
    - An annual training session will be held for all staff and Board members on fiscal policies and procedures, covering key topics such as budget management, internal controls, and ethical financial practices.
    - A detailed training manual will be distributed, and training sessions will be documented, including attendance and content covered.

2. **Monitoring Compliance:**

- **Annual Compliance Assessments:**
    - The Executive Committee will conduct annual assessments of compliance with policies, documenting findings to the Board. Recommendations for improvements will be included in a report, if necessary.
- **Feedback Mechanism:**
    - An anonymous feedback mechanism will be established to allow staff to report concerns regarding financial practices without fear of retaliation.

3. **Policy Review and Updates:**

- **Annual Review Process:**
    - These policies will be reviewed annually by the Executive Committee, with proposed updates documented and submitted to the Board for approval.
    - Updates will be communicated to all staff, with updated policies distributed to all staff and sub-recipients of the Board

Conclusion

These comprehensive fiscal policies and procedures are designed to ensure compliance with 2 CFR 200.302, 2 CFR 200.303, and 2 CFR 200.334, while fostering a culture of accountability, transparency, and responsible resource management. By implementing these practices, the Region VII Workforce Development Board can effectively safeguard its financial integrity and further its mission to serve the community. Any financial policies or procedures not explicitly expressed here or within the financial policies of the Region VII Workforce Development Board shall be more fully outlined at https://wvde.us/finance-and-administration/school-finance/manuals-policies/ . This link provides full comprehensive financial policy and procedural manuals for the West Virginia Department of Education. As of July 1, 2024 the Eastern Panhandle Instructional Cooperative (EPIC) is the Fiscal and Administrative Agent for the Region VII Workforce Development Board. EPIC is an Educational Service Cooperative (ESC). As an ESC EPIC adheres to all West Virginia Department of Education policy and procedures including policy 1224.1, 8100, and 8200. As the Fiscal and Administrative Agent for the Region VII Workforce Development Board EPIC will adhere to all applicable federal guidance, procedures, and policy when reporting or disbursing WIOA funds.

T.J. Van Meter, Executive Director

12/19/24
Date

Layne Diehl, Chairperson Region VII WDB

1/8/2025
Date

Cash Management Policy for the Region VII Workforce Development Board

Effective Date: December 19, 2024

1. Purpose

The purpose of this Cash Management Policy is to establish comprehensive procedures for the effective management of cash related to federal awards. This policy aims to ensure compliance with 2 CFR 200.305(b)(1), which mandates that federal funds be managed efficiently to meet immediate cash needs, promote fiscal responsibility, and maintain accountability for federal resources.

2. Scope

This policy applies to all employees, contractors, and Board members involved in managing federal funds, including but not limited to the Executive Director, fiscal agent, and staff engaged in financial reporting, grant management, and accounting activities.

3. Definitions

- **Cash Management:** The systematic management of cash inflows and outflows to ensure that the organization can meet its obligations while maximizing the efficiency of federal fund use.
- **Federal Award:** Any grant, cooperative agreement, or loan provided by a federal agency to support the organization's programs or projects.

4. Policy Statement

The Region VII Workforce Development Board is committed to maintaining effective cash management procedures in compliance with 2 CFR 200.305(b)(1). The organization will ensure that federal funds are utilized efficiently and disbursed only as necessary to meet immediate needs while maintaining proper documentation and accountability.

5. Cash Management Procedures

5.1 Cash Disbursement Timing

- **Immediate Needs Assessment:**
    - The fiscal agent will conduct a monthly needs assessment to determine cash flow requirements, including program expenditures, payroll, and operational costs.
    - Disbursements will occur only when funds are necessary to meet immediate obligations, with a clear justification documented for each request.
- **Reimbursement:**
    - A reimbursement process will be utilized versus a cash flow needs basis, additionally all expenditures will be categorized by programs and administrative costs.

5.2 Requests for Federal Funds

- **Reimbursement Process:**
  - The organization will utilize a reimbursement method for federal awards whenever possible. The following steps will be taken:
    - After incurring expenses, the fiscal agent will prepare a reimbursement request based on actual expenditures.
    - Each request must include:
      - Detailed invoices
      - Receipts
      - Proof of payment (e.g., bank statements or canceled checks)
- **Advance Payment Requests:**
  - If advance payments are permitted by the funding agency, requests will be limited to the amount necessary to cover immediate cash needs for project activities. The following criteria will be applied:
    - Advance requests must be documented with a clear breakdown of planned expenditures.
    - Justifications for the need for an advance will be maintained on file, including an explanation of how the advance supports project implementation.

5.3 Bank Account Management

- **Segregation of Funds:**
  - Federal award funds will be held in a separate bank account or separate ledger within the accounting system to ensure clear tracking and reporting.
  - The organization will maintain a detailed accounting of all transactions related to federal funds, segregating them from other funding sources.
- **Interest Earnings:**
  - Interest earned on federal funds will be tracked separately and reported in compliance with 2 CFR 200.305(b)(9). If the interest exceeds $100 in a fiscal year, the organization will remit this amount to the federal awarding agency unless otherwise agreed.

5.4 Documentation and Record Keeping

- **Comprehensive Documentation:**
  - All cash management activities must be thoroughly documented. Required documentation includes:
    - Cash flow projections
    - Requests for federal funds (both reimbursements and advances)
    - All supporting financial records (invoices, receipts, payment confirmations)
    - Bank statements and reconciliation reports
- **Retention of Records:**
  - All financial records related to federal funds will be retained for at least three years after the completion of the award period, or longer if required by the funding agency. The organization will maintain a secure electronic and physical filing system for all financial documentation.

5.5 Reconciliation Procedures

- **Monthly Bank Reconciliations:**
  - The fiscal agent will perform monthly reconciliations of the organization's bank accounts within 15 business days of receiving bank statements. This process will include:
    - Comparing bank statements with the organization's accounting records to ensure accuracy.
    - Investigating and documenting any discrepancies, with immediate corrective actions taken as needed.
- **Internal Review of Reconciliations:**
  - All reconciliations will be reviewed by the Executive Director to ensure accuracy and compliance with internal controls.

6. Roles and Responsibilities

- **Executive Director:**
  - Responsible for overall oversight of cash management practices, ensuring compliance with this policy and federal regulations.
- **Fiscal Agent:**
  - Prepare cash flow forecasts and manage requests for federal funds.
  - Conduct monthly bank reconciliations and maintain complete documentation of all financial transactions.
  - Provide reports on cash management activities to the Executive Committee.
- **Executive Committee:**
  - Review and approve cash management practices and reports, ensuring alignment with organizational goals and compliance with federal regulations.

7. Compliance and Monitoring

- **Annual Compliance Audits:**
  - The Executive Committee will conduct annual audits of cash management procedures to ensure compliance with this policy and federal regulations. Audits will include:
    - Examination of documentation supporting reimbursement..
    - Assessment of bank reconciliations and identification of any discrepancies.
- **Non-Compliance Reporting:**
  - Any instances of non-compliance will be documented, and a corrective action plan will be developed to address the issues. The Executive Committee will report significant compliance issues to the Board.

8. Training

- **Annual Training Sessions:**
  - All staff involved in cash management and financial processes will participate in annual training on federal regulations, including 2 CFR 200.305, and the organization's cash management procedures.
  - Training will cover best practices for cash management, documentation requirements, and compliance obligations.

9. Review and Amendment

- **Annual Policy Review:**
  - This Cash Management Policy will be reviewed annually by the Executive Director to ensure it remains compliant with federal regulations and reflective of the organization's operational needs. Any proposed amendments will be documented and submitted for Board approval.

10. Approval

This Cash Management Policy was approved by the Region VII Workforce Development Board on December 19, 2024.

Conclusion

This Cash Management Policy is designed to ensure that [Non-Profit Organization Name] effectively manages federal funds in compliance with 2 CFR 200.305(b)(1), thereby promoting fiscal responsibility, accountability, and the efficient use of resources to support the organization's mission. Any financial policies or procedures not explicitly expressed here or within the financial policies of the Region VII Workforce Development Board shall be more fully outlined at https://wvde.us/finance-and-administration/school-finance/manuals-policies/ . This link provides full comprehensive financial policy and procedural manuals for the West Virginia Department of Education. As of July 1, 2024 the Eastern Panhandle Instructional Cooperative (EPIC) is the Fiscal and Administrative Agent for the Region VII Workforce Development Board. EPIC is an Educational Service Cooperative (ESC). As an ESC EPIC adheres to all West Virginia Department of Education policy and procedures including policy 1224.1, 8100, and 8200. As the Fiscal and Administrative Agent for the Region VII Workforce Development Board EPIC will adhere to all applicable federal guidance, procedures, and policy when reporting or disbursing WIOA funds.

T.J. Van Meter, Executive Director — Date 12/19/24

Layne Diehl, Chairperson Region VII WDB — 1/8/2025 Date

Financial Management and Internal Control Policy for the Region VII Workforce Development Board

Effective Date: December 19, 2024

1. Purpose

This policy establishes detailed internal control and financial management procedures for the Region VII Workforce Development Board to ensure compliance with 2 CFR 200.303(a) and 2 CFR 200.302(b). The policy aims to protect organizational assets, ensure accurate financial reporting, and promote responsible use of funds, thereby supporting the Board's mission and strategic goals.

2. Scope

This policy applies to all employees and board members involved in financial operations, including the Executive Director, fiscal agent, accounting staff, program managers, and any other personnel responsible for financial transactions, budget management, or reporting.

3. Definitions

- **Internal Controls:** Policies and procedures designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.
- **Budget Management:** The process of planning, monitoring, and controlling financial resources to ensure that expenditures align with approved budgets and organizational priorities.
- **Cash Disbursement:** The process of paying out funds to settle obligations, including invoices, grants, and other expenses.
- **Bank Reconciliation:** The process of comparing the organization's financial records to bank statements to ensure consistency and accuracy.

4. Policy Statement

The Region VII Workforce Development Board is committed to establishing and maintaining effective internal controls and financial management procedures that ensure compliance with applicable regulations, protect organizational resources, and facilitate accurate and timely financial reporting.

5. Internal Control Procedures

5.1 Bank Statement and Reconciliation Procedures

- **Bank Account Management:**
  - The organization will maintain separate bank fund identifying the cash balance for operational funds and federal award funds, ensuring transparency and ease of tracking.

- Access to bank accounts will be restricted to authorized personnel only. Authorized signatories will include the Executive Director and fiscal agent designees, with a limit on the number of individuals who can authorize transactions.

- **Monthly Bank Reconciliation:**
  - The fiscal agent will perform monthly bank reconciliations within 15 business days of receiving bank statements. The reconciliation process includes:
    - **Receiving Bank Statements:** Bank statements will be downloaded from the bank's secure online portal. Physical copies will also be retained for backup.
    - **Comparing Transactions:** The fiscal agent will compare each transaction listed on the bank statement to the organization's accounting records, ensuring that all transactions are accounted for. This includes:
      - Matching deposits
      - Reconciling checks and electronic payments
      - Identifying any outstanding checks
    - **Identifying Discrepancies:** Any discrepancies between the bank statement and the organization's records must be documented. Common discrepancies may include:
      - Missing transactions
      - Errors in transaction amounts
      - Duplicate entries
    - **Investigating Discrepancies:** The fiscal agent will investigate any discrepancies by reviewing supporting documentation (invoices, payment confirmations) and resolving issues promptly. This includes contacting the bank if necessary.
    - **Documentation of Reconciliation:** A reconciliation report will be generated, summarizing findings and including:
      - The balance per bank statement
      - The balance per the organization's books
      - Adjustments made
      - The final reconciled balance
    - The completed bank reconciliation report will be submitted to the Executive Director for review.
- **Documentation Retention:**
  - All bank statements, reconciliation reports, and supporting documentation will be retained for a minimum of seven years, in accordance with federal regulations and organizational policies.

5.2 Cash Disbursement Procedures

- **Authorization of Expenditures:**
  - All cash disbursements must be approved based on established authorization limits:
    - **Expenditures under $500:** Approval by the respective Program Lead.
    - **Expenditures between $500 and $5,000:** Approval by the Executive Director.
    - **Expenditures over $5,000:** Approval by the Board.
  - **Pre-Approval Process:** A pre-approval form will be required for significant expenditures. This form must include:
    - Purpose of the expenditure

        - Amount requested
        - Funding source
        - Estimated timeline for expenditure
        - Signature of the requester and their supervisor
- **Payment Process:**
    - Payments will be processed only after the receipt of appropriate documentation, which includes:
        - Detailed invoices from vendors outlining services or goods provided.
        - Proof of receipt (e.g., delivery confirmation, signed acceptance of services).
        - Approval signatures from authorized personnel confirming the validity of the expense.
    - **Payment Methods:** Payments will be made via:
        - **Check:** Checks must be signed by at least two authorized signatories.
        - **Electronic Funds Transfer (EFT):** For recurring payments or those under established limits, EFT may be used after the necessary approvals.
    - All payment methods will be tracked in the accounting system to ensure accountability.
- **Cash Disbursement Recordkeeping:**
    - A cash disbursement log will be maintained, documenting:
        - Date of payment
        - Payee
        - Amount
        - Purpose of expenditure
    - **Monthly Review:** The fiscal agent will conduct a monthly review of the cash disbursement log against bank statements to ensure all disbursements are accounted for and appropriately supported.

5.3 Budget and Obligated Expenditure Procedures

- **Budget Development:**
    - An annual budget will be developed by the Executive Director and Executive Committee in collaboration with department heads, incorporating input on anticipated revenues and expenditures. This budget will include:
        - **Detailed Line-Item Budgets:** Each program and operational area will have a detailed budget outlining expected revenues, expenditures, and any anticipated funding shortfalls.
        - **Revenue Projections:** Forecasting revenue from federal awards, donations, and other funding sources.
        - **Justifications for Budget Items:** A justification for each significant budget line item will be provided, explaining the necessity and alignment with organizational goals.
- **Budget Approval Process:**
    - The proposed budget will be presented to the Executive Committee and subsequently to the Board and LEO Board for approval prior to the start of the fiscal year.
    - **Amendments to the Budget:** Any amendments **over $5000** during the fiscal year must be documented and submitted to the Executive Committee for review and approval by the Board and LEO Board.
- **Monitoring Budget to Actual Expenditures:**

    - The fiscal agent will prepare monthly financial reports comparing actual expenditures to the approved budget. Reports will include:
        - **Detailed Line-Item Comparisons:** Budgeted amounts vs. actual amounts for all programs and departments.
        - **Variance Analysis:** An explanation of significant variances (greater than 10% of budgeted amounts), will be provided by the Executive Director.
        - **Recommendations:** Suggestions for budget adjustments or reallocations if necessary.
    - **Review Process:** Budget reports will be reviewed quarterly by the Executive Committee, and significant issues will be reported to the Board.
- **Obligated Expenditure Tracking:**
    - Obligated expenditures will be tracked using a dedicated tracking spreadsheet or module within the accounting system, ensuring compliance with grant agreements. This tracking will include:
        - **Record of Committed Funds:** Maintain a record of all committed funds and outstanding obligations.
        - **Regular Updates:** Update the tracking system monthly to reflect current obligations and expenditures.
        - **Reporting to Funding Agencies:** Ensure obligations are reported to funding agencies as required, with detailed reports outlining how funds have been utilized.

6. Procedures for Effective Controls

6.1 Budget to Actual Reconciliation Procedures

- **Monthly Reconciliation of Budget to Actual:**
    - The fiscal agent will reconcile the budget to actual expenditures on a monthly basis. This process involves:
        - **Updating the Financial Management System:** Entering actual revenue and expenditure data into the financial management system.
        - **Generating Detailed Reports:** Creating reports that compare budgeted amounts to actual amounts for all programs and departments, identifying variances.
        - **Variance Analysis:** Analyzing discrepancies, investigating significant variances, and documenting findings in a variance report.
    - A summary of the budget to actual reconciliation will be submitted to the Executive Director for review and approval.
- **Adjustment Procedures:**
    - Any necessary adjustments to the budget will be documented, with a clear rationale for the changes, and submitted for approval by the Board.

6.2 Intercompany Transfers Related to WIOA Funds

- **Transfer Procedures:**

- Interfund transfers are maintained and recorded as each transaction is recorded in West Virginia Educational & Informational System (WVEIS), the fiscal agent's accounting program.
    - **Transfer Request Submission:** A formal request for transfer will be submitted by the fiscal agent, detailing the purpose, amount, and timeline for the transfer. This request will include:
        - A summary of the intended use of funds.
        - An outline of the program objectives supported by the funds.
    - **Approval Process:** The request must be approved by both the Executive Director and the designated fiscal agent representative, with all approvals documented.

- **Documentation and Reporting:**
  - Each transfer will be recorded in the financial management system, including:
    - Transaction date
    - Amount transferred
    - Purpose of the transfer
  - A reconciliation of WIOA funds will be conducted quarterly to ensure accurate tracking and reporting of fund utilization, including:
    - Verification that transferred funds have been used according to program objectives.
    - Submission of reports to funding agencies as required, detailing expenditures related to WIOA funds.

7. Roles and Responsibilities

- **Executive Director:**
  - Provide overall oversight of financial management and internal control processes, ensuring compliance with this policy.
  - Review bank reconciliation reports and significant financial transactions.
  - Prepare and manage budgets.
- **Fiscal Agent:**
  - Perform bank reconciliations and ensure compliance with cash disbursement procedures.
  - Generate monthly financial reports and present findings to the Executive Director.
  - Coordinate training for staff involved in financial management activities.
- **Executive Committee:**
  - Review financial reports, budgets, and reconciliations, providing oversight and recommendations to the Board.
  - Conduct quarterly reviews of compliance with financial management practices.

8. Compliance and Monitoring

- **Regular Audits:**
  - The fiscal agent will engage an independent auditor annually to assess compliance with internal controls, financial management procedures, and federal regulations.
  - The Executive Committee will review audit findings and develop a plan for addressing any identified deficiencies, ensuring corrective actions are implemented.

- **Internal Reviews:**
    - The Executive Committee will conduct annual internal reviews of financial management practices, ensuring adherence to established policies and procedures.
    - Reports of these reviews will be documented and submitted to the Board for transparency.

9. Training

- **Staff Training:**
    - All staff involved in financial processes will receive annual training on internal control procedures, cash management, budgeting, and compliance with federal regulations.
    - Training materials will be updated regularly to reflect changes in regulations and best practices.

10. Policy Review

- This policy will be reviewed annually by the Executive Director to ensure its relevance and effectiveness, with any necessary updates submitted for Board approval.

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11. Conclusion

This detailed policy establishes a strong framework for financial management and internal controls within the Region VII Workforce Development Board, ensuring compliance with relevant regulations and fostering accountability. Any financial policies or procedures not explicitly expressed here or within the financial policies of the Region VII Workforce Development Board shall be more fully outlined at https://wvde.us/finance-and-administration/school-finance/manuals-policies/ . This link provides full comprehensive financial policy and procedural manuals for the West Virginia Department of Education. As of July 1, 2024 the Eastern Panhandle Instructional Cooperative (EPIC) is the Fiscal and Administrative Agent for the Region VII Workforce Development Board. EPIC is an Educational Service Cooperative (ESC). As an ESC EPIC adheres to all West Virginia Department of Education policy and procedures including policy 1224.1, 8100, and 8200. As the Fiscal and Administrative Agent for the Region VII Workforce Development Board EPIC will adhere to all applicable federal guidance, procedures, and policy when reporting or disbursing WIOA funds

T.J. Van Meter, Executive Director

Date 12/19/24

Layne Diehl, Chairperson Region VII WDB

1/8/2025

Date