

School Finance Hot Topics – July 10, 2024

Save the Date

School Finance's annual Certified List Training will be held virtually via Microsoft Teams on Thursday, August 8th.

Updated CSBO List

See **Attachment #1** for the latest CSBO/Finance Contact list for the 2024-25 year. If you see any changes that need to be made (ex: updated extensions, missing credentials, etc.), please notify Uriah Cummings at uriah.cummings@k12.wv.us.

Please note that public charter school finance contacts have been added to the list.

Mid-Year Student Transfer Invoicing

HB 3084 was passed during the 2023 Legislative Session establishing WV Code §18-5G-5 (a)(3), and states that when a student in grades kindergarten through 12 transfers on a full-time basis after the beginning of the school year from a school district to a public charter school, or vice versa, or to another public charter school, the receiving school district may invoice on a pro rata basis for students included in the second month of net enrollment of another school district. The statute goes on further to state that invoices are required to be paid within 30 days of receipt. This includes invoicing of both state aid and aid provided for exceptional students (state special education funds). This code section is similar to the state aid transfer fee invoicing process provided through WV Code §18-5-16 which pertains to transfers among county boards of education. WV Code §18-5-16 has been in existence for years and has always allowed county boards the opportunity to recoup specific state funding from districts once a mid-year transfer occurs beyond the certified enrollment date.

WV Code §18-5G-5 (a)(3) is less specific than the provisions outlined in WV Code §18-5-16 as it pertains to the timing and amount in which the pro rata basis should occur; however, WVDE legal counsel has determined that the statutes should be read and construed with reference to each other regarding these terms because they pertain to the same subject matter. Therefore, the invoicing of all mid-year transfer situations shall occur in the following fiscal year at the rate in which the invoicing district would have received funding for that student (FY25 state aid per pupil). In all instances, invoices must be paid within 30 days of receipt of the invoice.

Please note that because WV Code §18-5G-5(a)(3) and WV Code §18-5-16 use the word "may" in connection with the invoicing process, it leaves it to the discretion of the school district as to whether to engage in that process. Public school districts should consider whether there is a cost benefit in doing so. In addition, if a public school district decides to invoice, it is advised that public school districts adopt a uniform process for all invoicing.

WVDE Finance Policy Updates

WVBE Policy 8100, Public School Finance – had very few comments impacting the content of the policy that were included in the amended version of the policy presented to and approved by the State Board during the July 8th WVBE meeting. A summary of changes can be found in **Attachment #2**. The policy will be effective 30 days from filing. WVDE is currently publishing the policy handbook in its final booklet format and hard copies will be available upon request. Please email your assigned coordinator if you'd like a copy or copies of the policy mailed to the county board office. An electronic version of the policy will be posted on the School Finance website.

WVBE Policy 8200, Purchasing Policies and Procedures Manual for Local Education Agencies – Two waivers approved by the State Board of Education during the July 8th board meeting.

The first waives the obligation for county boards to bid out the services for screeners which are mandated under WVC §18-2E-10. Section 3.2.3.a of WVBE Policy 8200 states, "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." Specific to the procurement of these screener services, this waiver is in place until WVBE Policy 8200 can be revised to reflect this change. **Attachment #3**

The second waives the obligation for county boards to solicit competition for procurement of goods and services costing less than \$10,000. WVDE felt it necessary to ensure a mid-year revision of the thresholds did not occur due to implications surrounding the audit and monitoring procedures conducted on the procurement process of county boards of education. This waiver is in place until WVBE Policy 8200 can be revised to reflect this change. **Attachment #4**

WVBE Policy 5202, Minimum Requirements for the Licensure of Professional / Paraprofessional Personnel and Advanced Salary Classifications – Revisions to the CSBO and Professional Accountant certification and renewal requirements have been submitted to the Office of Certification to be presented to the State Board for approval with an estimated timeframe being the August WVBE meeting. The revisions are as follows (highlighted yellow):

10.6.a. Professional Business Official Certificate.

10.6.a.4. Renewal. The candidate for licensure must provide evidence of satisfying the following: complete 15 clock hours annually of professional learning activities with credit offered or approved by the WVDE for a total of 45 hours at the time of renewal unless otherwise approved by the WVDE; and receive the recommendation of the employing county superintendent in the county in which the candidate is or was employed. **However, in the event that a licensee cannot meet the 15-clock hour annual professional learning requirement in a given year, the licensee must have completed a minimum of six clock hours of WVDE-approved professional learning in that year with a total aggregate 45 hours completed over the three-year license period.**

10.6.b. Professional Accountant Certificate.

10.6.b.1. General Criteria. A Professional Accountant Certificate may be issued to an individual employed for a specific assignment who has completed a minimum of a BA through an accredited IHE; the general requirements specified in section 9; the minimum GPA specified in section 9.11; and the conditions for issuance specified in section 10.6.b.2.; however, in-lieu of the 24 semester hour completion in accounting coursework requirement specified in section 10.6.b.2., a candidate for licensure is required to have completed a minimum 12 semester hours in accounting coursework in conjunction with the completion of an MA approved by the WVDE Office of School Finance.

10.6.b.2. Conditions for Issuance. The candidate for the Professional Accountant Certificate must submit evidence of the following: holds a minimum of a BA including 24 semester hours of coursework in accounting completed with a minimum of 2.50 GPA; and receive the recommendation of the county superintendent verifying that the candidate is the most qualified candidate for the position.

10.6.b.3. Validity Period. The Professional Accountant Certificate shall be valid for a period of three years and shall expire on June 30 of the last year of its validity.

10.6.b.4. Renewal. The candidate for licensure must provide evidence of satisfying the following: six clock hours annually of professional learning activities with credit offered or approved by the WVDE for a total of 18 hours at the time of renewal unless otherwise approved by the WVDE; however, in the event that a licensee cannot meet the six clock hour annual professional learning requirement in a given year, the licensee must have completed a minimum of three clock hours of WVDE-approved professional learning in that year with a total aggregate 18 hours completed over the three-year license period; and receive the recommendation of the employing county superintendent in the county in which the candidate is or was employed.

Please note these policy revisions will go out on comment upon approval by the State Board, and county board finance staff are encouraged to provide comment(s) on the revisions if desired.

Vendor Registration Memorandum

See **Attachment #5** for the newly established vendor registration memorandum which will be included in the appendix of the revised WVBE Policy 8200. It is recommended that the document be included as an addendum to any procurement contract entered into by a county board of education to show due diligence in ensuring that business is being conducted with vendors who meet the registration requirements as set forth in WVC §148-1-6.1.7 and §11-12-3.

New CSBO Mentorship Program

In order to better support new CSBOs and attempt to limit the turnover at the CSBO position, the WVDE has established a new CSBO mentorship program. An outline of the program is as follows:

- Mandated for the first 3 fiscal years of a CSBO's employment.
- Will also look to mandate for districts listed as "needs assistance" under the accountability system who are not already included under the years experience mandate.

- Grant award will be issued in the amount of \$20,000 annually to mandated county boards. This will cover the cost of mandatory sessions as well as a portion of any additional sessions necessary to support the CSBO.
- Minimum of two monthly points of contact being 1-hour sessions.
- Must have a minimum of one in-person point of contact monthly.
- WVDE OSF county coordinator as well as either Josh or Uriah will participate in the mandatory in-person session. In-person sessions involving WVDE staff must take place during the workday unless extenuating circumstances determine otherwise.
- Quarterly progress reports must be established by CSBO in collaboration with the mentor detailing support provided to date, future support focus areas, and CSBO goals.
- County boards will be required to bid out the service under the RFP process due to the annual cost incurred for the service.
- Once this process has been rolled out, WVDE will look at adding a competitive grant process for mentors for other aspects of finance such as AP, Payroll, etc.

A survey will be conducted in the near future that will be utilized to gather information as to who may be willing to be a mentor under this program.

Step 7d Allowable Expenditures

Step 7d funding provided through §18-9A-10(4) specifically references that the funding be spent in accordance with and in support of the county-level comprehensive system of support for improving professional practice as outlined in §18A-3C-3. These state systemic improvement plans (SSIP) are completed in GPS each fall. If you are not responsible for completing the plan, determining who in the office does complete the plan and working with the individual on potential expenditures that can be associated to being in support of the plan are imperative. County boards are experiencing large balances under project code 08Y7X due to an inability to find professional growth-related expenditures to account for under the project. County boards are encouraged to begin putting more thought into the completion of the SSIP plans in order to provide the board with flexibility in expending the funds.

WVSIPP Funding Details

Jackson County Schools (035) Public District - FY 2024 - LEA Strategic Plan - Rev 0

Go To

WVSIPP Component	Funding Amount
Induction of beginning teachers	* \$ 50,000.00
Support for experienced teachers	* \$ 50,000.00
Support for student teachers	* \$ 50,000.00
Support for other staff	* \$ 10,000.00
Professional development	* \$ 150,000.00

Services Rendered to Public Charter School Students

In accordance with WV Code §18-5G-3(b), if a public charter school does not sponsor an extracurricular athletic and/or academic interscholastic activity for the students enrolled in the public charter school, the public charter school students may participate on the same basis as other public school students in those activities that are sponsored by the noncharter public school serving the attendance area in which the student resides.

The key word within this statute is “interscholastic” not “co-curricular.” Upon guidance from WVDE Legal Counsel, there has to be an interscholastic competitive aspect to the course for them to be allowed to take it from county public schools. Otherwise, there’s nothing that allows a charter school student to just take any academic class at a county public school.

If a public charter school student is taking a course at a county board of education as a part of an interscholastic activity due to the course/activity offering being unavailable through the public charter school, the student must be dually enrolled with both the public charter school and the county board of education based on the FTE split created by this scheduling process. This will ensure the state aid appropriated for the student is appropriately allocated to both the public charter school and the county board.

Textbook Adoption Follow Up

As a reminder, guidance has been provided to county boards regarding a change to the process of supplemental material procurement. The district is advised to first negotiate with the publisher the option of entering into a one-year contract with additional renewals necessary to complete the adoption at the same rate in which the publisher had originally offered to cover a five-year adoption under the historical procedures that have now been determined to be unallowable. This is the most cost-effective solution for the district. If the publisher is not willing to honor the original rate on an annual basis, the district is advised to execute a contract to procure five-years’ worth of product in year one of the adoption period. The county board will have to analyze whether there is necessary storage space within the district to store these materials over the adoption period as well as if there is a financial benefit in doing so. If it is determined there is not, county boards have the ability to utilize the services of a state approved depository (James and Law is the only depository currently recognized by WVDE), as outlined in WVC 18-2A-7, as a storage and inventory management system that will aid in the annual distribution of the product. **It is imperative that the workbooks are not purchased directly from the depository but rather from the publisher to ensure proper accounting procedures are in place.** The county board will execute an MOU that will detail storage terms of the product as well as controls in place to receive and maintain product inventory. This service will involve a charge to the district, but the cost has been determined to be significantly less than the upcharge experienced in some cases for the annual purchase of product.

This solution was determined to be the only route that satisfies both accounting and procurement procedural requirements. By utilizing the services of a depository and clearly delineating the product/services offered by the publisher and depository, proper controls can be enforced while also ensuring a county board is not paying for services before being rendered due to the fact that the

depository is operating as the receiving function of the procurement process as a contracted service of the district.

Local Finance Policies Required through State Board Policy

Please see **Attachment #6** for a complete list of local finance policies that are required to be established in WVBE Policy 1224.1, 8100, or 8200.

Chart of Accounts Update

Project Code Changes/Additions:

08Y9X – MOE Compliance Grants

13Y1X – Country Roads Codes: Grant to support students in computer science classrooms utilize deeper critical thinking and analytical skills, making them well-rounded learners and eventual adults who can contribute to the future of the WV.

28Y8X – Grow Your Own Reimbursements: To provide counties required textbooks, manuals, license fees for required software, etc., for dual credit courses taken by Grow Your Own WV participants. The Textbook and Materials grant is not to supplant existing funding sources.

46Y97 – Twenty-First Century – Local – Parent Fees

46Y98 - Twenty-First Century – Local – Other Program Incomes

46Y99 – State Childcare Subsidy Payments Received from the Federal Government

New Guidance Regarding Twenty-First Century “Program Income”

2 CFR §200.1 defines program income as the gross income earned by the non-Federal entity that is directly generated by a grant-supported activity or earned as a result of the Federal award during the period of performance. Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds.

This guidance applies to subgrantees who have received prior written approval from the United States Department of Education to earn program income on the 21st CCLC grant awards and account for the program income under the addition method detailed in 2 CFR §200.307(e)(2). Program income typically occurs in local 21st CCLC programs in connection with selling student products as part of a training or entrepreneurial project. (21st CCLC NRG E-26) It may also occur in the form of parent fees or state childcare subsidy payments.

Any program income generated by a 21st CCLC subgrantee must be used within the subgrant period (e.g., the 5 years granted by the WVDE) for the purposes and under the conditions of the subgrant. (21st CCLC NRG E-27) WVDE requires subrecipients to follow the below four steps as evidence the subrecipient has met this requirement:

1. Program income must be accounted for in the subrecipients accounting system as a separate revenue source. Per the West Virginia Department of Education Local Education Agencies Chart of Accounts, LEAs should use the below codes:
 - a. Fund Code 61 Special Revenue Fund - District
 - b. Project Code 46YXX for 21st CCLC (Y is used to designate the fiscal year; XX may be used to subdivide projects)
 - c. Revenue codes:
 - i. 01982 for parent fees
 - ii. 04711 for state subsidy payments
 - iii. 01989 for other program income
2. Program income may be spent only on allowable activities of the 21st CCLC program regulations and the Uniform Guidance Subpart E (Cost Principles) Fiscal Treatment of Program Income in 21st CCLC Federal Grant Programs.
3. Program income must be expended prior to requesting federal 21st CCLC grant reimbursement through the WVDE.
4. Program income earned must be spent on current grant year expenses.

If you have any questions regarding the treatment and accounting for program income earned as the result of the federal 21st CCLC grant award please contact a WVDE 21st CCLC Coordinator.

Sworn Statements

WV Code 12-4-14, which is the section of code that speaks to the additional state grant reporting requirements and sworn statement of expenditures, also requires that any grantee seeking any state grant provide a sworn statement to their grantors stating that they have fulfilled all reporting requirements of WV Code 12-4-14. If your county board has not already submitted sworn statements due June 30, 2024, or prior, please do so immediately.

Please keep in mind the following:

- State grants are still being extended on a case-by-case basis. Please do not send state funds back to WVDE prior to contacting the awarding official located at the top right corner of the grant award regarding a possible extension.
- The law states the following in regard to the due date for these statements: “The grantee shall submit the sworn statement of expenditures within two years after the end of the fiscal year in which the grantor disbursed state grants to the grantee”. This means that grants received in FY 2022 would require that you submit a sworn statement by the end of FY 2024.
- In most situations, each grant received will need only one sworn statement of expenditures completed. This statement should only be completed when:

- You have expended the total amount of the grant, or
- When you reach the liquidation date of the grant or the due date for the sworn statement and you have not completely expended the funds.
- If an extension request has been granted, a sworn statement is to be completed each year following the original liquidation date assigned to the grant award. This guidance is to be followed even if the county board has incurred no expense on the grant award at the time in which the sworn statement is due.
- Please scan completed sworn statements into an e-mail and send them to your assigned coordinators.
 - Barbour – Jackson: Lori Elliott (lori.elliott@k12.wv.us)
 - Jefferson – Pendleton: Lacey Pettry (lacey.pettry@k12.wv.us)
 - Pleasants – Wyoming: Justin Hannah (justin.hannah@k12.wv.us)

WVC 12-4-14(d)(1), requires WVDE or the State Auditor to issue stop payment orders for failure to file required reports. Any grantee failing to file a required report or sworn statement of expenditures within the two-year period as provided in this section for state grant funds is barred from subsequently receiving state grants until the grantee has filed the report or sworn statement of expenditures.

Please email your assigned coordinator if you have additional questions regarding this process.

**COUNTY BOARDS OF EDUCATION, ESCs, MCVCS, and Public Charter Schools
TREASURERS/CHIEF SCHOOL BUSINESS OFFICIALS/FINANCE CONTACTS
FOR THE 2024-25 YEAR**

**COUNTY BOARDS OF EDUCATION
CENTRAL SCHOOL BUSINESS OFFICIALS**

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**COUNTY BOARDS OF EDUCATION, ESCs, MCVCS, and Public Charter Schools
TREASURERS/CHIEF SCHOOL BUSINESS OFFICIALS/FINANCE CONTACTS
FOR THE 2024-25 YEAR**

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EDUCATIONAL SERVICES COOPERATIVES

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Mountain State Educational Services Cooperative (MSESC)	Tinessa Williamson	tdwilliamson@k12.wv.us	304-766-0011

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**COUNTY BOARDS OF EDUCATION, ESCs, MCVCs, and Public Charter Schools
TREASURERS/CHIEF SCHOOL BUSINESS OFFICIALS/FINANCE CONTACTS
FOR THE 2024-25 YEAR**

**PUBLIC CHARTER SCHOOL
FINANCE CONTACTS**

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Eastern Panhandle Prep	Xiaofei Pei	xpei@accelschools.com	(240) 506-1643
Virtual Prep Academy	Ed DePersis	edepersis@accelschools.com	(703) 861-1464
	Stephen Narcisse	snarcisse@accelschools.com	(703) 206-6287
West Virginia Academy	Suji Kwon	suji.kwon@k12.wv.us	(304) 449-4375
West Virginia Virtual Academy	Melinda Rodgers	mrodgers@k12.com	(724) 602-8240
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WIN Academy	Cathy Aquino	cathy.aquino@bridgevalley.edu	(304) 734-6611

CSBO 25
7/12/24

**W. Va. 126CSR200, Policy 8100, Public School Finance
Executive Summary**

**West Virginia Department of Education
Office of School Operations and Finance / School Finance**

Policy Cycle: 30-day Comment Period Adoption of Policy

Policy Process: Revision Repeal and Replace New

Introduction: Policy 8100, Public School Finance, is being repealed and replaced to incorporate numerous changes in public school finance since its last revision.

Background: Policy 8100 was last updated in 1990. The policy outlines fiscal management, receipts, disbursements, budgeting, and reporting requirements of county boards of education. Subsequent to the policy's last revision, several school finance related statutes have passed through the WV Legislature including many changes to the Public School Support Plan and personnel laws impacting the finances of the county board. Additionally, there have been many changes to the industry standard regarding payroll, disbursement, and the receipting of revenue. Virtual stakeholder meetings were held on August 12, 2021 and September 23, 2021 to discuss the various changes to public school finance over the past 30 years. Prior to these meetings, there were several in-person meetings with stakeholders to discuss the repeal and replace policy.

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

Impact: There should be limited impact due to the policy revision. The policy incorporates federal and state laws and regulations as well as school finance best practices which county board finance staff should already be following.

Action:

- Release for 30-day public comment.
 - Approve by WVBE with effective date 30 days from filing.
-

Response to Comments: The comments received during the comment period resulted in changes to the policy (see Attachment J-1).

Comments were received by the following groups:

- Teachers
- 2 Administrators (including principals and county staff)
- Higher Educators
- Parents/Grandparents
- Others

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 **must 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.

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.

Another form of non-cash fringe benefit is the use of employer-purchased cell phones. However, this benefit might be excludable from income because of the De-Minimum benefits rule referenced in IRS Publication 15.

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 **existing** 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

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 ~~unassigned~~ 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

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 **may 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

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 county commission and countersigned by the clerk of the county commission~~ 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 proceeds of the bonds are used for certain types of improvements and services by a board, or an academic program within a board, having a significant low-income student body below the postsecondary level, defined as a *qualified zone academy*. QZABs are interest-free to the issuing boards. In effect, the United States government subsidizes the interest cost through income tax credits.~~

To: West Virginia Board of Education (WVBE)
Date: July 8, 2024
Re: WVBE Policy Waiver Request / July 8, 2024 Board Meeting

1) Policy Number and Name recommended to be waived:

Policy 8200, Purchasing Policies and Procedures Manual Policy

2) Policy Section Number of Language to be Waived:

3.2.3.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.

The policy language waiver is specific to the procurement of contracted services of screeners whose services are mandated by WVC §18-2E-10.

Note: Yellow Highlighting denotes recommended language to be waived.

3) School Year/s for which the waiver is requested:

July 2024 until revised Policy 8200 becomes effective with an estimated revision timeline of the 2024-25 school year. Policy 8200 is tentatively scheduled for revision in November 2024.

4) Waiver Rationale:

The Policy 8200 waiver request is recommended for the WVBE's consideration as a statewide waiver. The policy language waiver is specific to the procurement of contracted services of screeners in English Language Arts, dyslexia, and mathematics for K-3 students which must complete screenings in the first 30 days of school then repeat this screening at mid-year and at the end-of-year. These services are mandated by WVC §18-2E-10. The policy waiver ensures that contracted services of these screeners are not competitively bid, and the selection of screeners can be made from the approved screener list maintained by WVDE.

5) WVDE Recommendation:

Uriah Cummings, School Financial Operations Officer, and staff have reviewed this statewide waiver request and recommend approval to waive the language of Policy 8200, Section 3.2.3.a until the revised Policy 8200 becomes effective during the 2024-25 school year.

To: West Virginia Board of Education (WVBE)
Date: July 8, 2024
Re: WVBE Policy Waiver Request / July 8, 2024 Board Meeting

1) Policy Number and Name recommended to be waived:

Policy 8200, Purchasing Policies and Procedures Manual Policy

2) Policy Section Number of Language to be Waived:

7.11.1 & 7.11.2:

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.

d. 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.

e. 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.

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

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

Note: Yellow Highlighting denotes recommended language to be waived.

3) School Year/s for which the waiver is requested:

July 2024 until revised Policy 8200 becomes effective with an estimated revision timeline of the 2024-25 school year. Policy 8200 is tentatively scheduled for revision in November 2024.

4) Waiver Rationale:

The Policy 8200 waiver request is recommended for the WVBE's consideration as a statewide waiver. The policy language waiver increases the minimum dollar threshold required to

competitively procure goods and services to \$10,000. The dollar threshold is consistent with the federal micro-bid threshold. The timing of the waiver allows for the competitive bid threshold to be consistent for all purchases made during fiscal year 2025 which will aid in the feasibility of monitoring and auditing these purchases.

5) WVDE Recommendation:

Uriah Cummings, School Financial Operations Officer, and staff have reviewed this statewide waiver request and recommend approval to waive the language of Policy 8200, Section 7.11.1 & 7.11.2 until the revised Policy 8200 becomes effective during the 2024-25 school year.

Vendor Registration Memorandum

Prior to engaging in a business transaction with _____ (school district), vendors shall complete and certify the following (check one):

I, _____ (vendor) hereby attest to be a registered vendor authorized to conduct business within the State of West Virginia in accordance with West Virginia Code §148-1-6.1.7 and §11-12-3 and have submitted applicable forms to _____ (school district) verifying registration.

Or

I, _____ (vendor) hereby attest to be exempt from vendor registration requirements in order to be authorized to conduct business within the State of West Virginia in accordance with West Virginia Code §148-1-6.1.7 and §11-12-3. Specifically, the business activity conducted by _____ (vendor) is considered to be _____ which is included under exemption ___ found on page 2 of this document.

After the date of this signed memorandum, _____ (vendor) agrees to notify _____ (school district) upon the occurrence of any event that would cause the above attestation to be false or incorrect.

Vendor Representative Signature

School District Representative Signature

Date

Date

EXEMPTION INFORMATION

Exemption 1 – Small Seller

Beginning January 1, 2019, remote sellers, as defined below, are required to collect West Virginia State and municipal sales and use taxes on sales delivered in West Virginia on or after January 1, 2019, unless the small-seller exception applies. This requirement was in direct response to the “Wayfair decision” set forth by a case law of the US Supreme Court on June 21, 2018, in South Dakota v. Wayfair, Inc., et al.

“Remote seller” means a person selling tangible personal property and/or services for delivery in West Virginia who does not have a physical presence in West Virginia and who has not voluntarily agreed to collect West Virginia sales and use taxes.

Smaller remote sellers that have no physical presence in West Virginia will not be required to collect West Virginia State and municipal sales and use taxes when the remote seller has annual sales of products and services into the state of (1) no more than \$100,000 and (2) has less than 200 separate transactions for goods and services delivered in West Virginia.

<https://tax.wv.gov/Business/SalesAndUseTax/ECommerce/RemoteSellers/Pages/RemoteSellersAndWestVirginiaTax.aspx>

Exemption 2 – Business Structure Exemption

Based on information provided by the WV SOS, the following business structures are exempt from registration with the agency: Sole Proprietorship, General Partnership, Joint Venture, and Association. All other business structures are required to register with the WV SOS. This exemption is specific to filing requirements with the WV SOS; thus, registration with the WV State Tax Department is required for the listed incorporation types.

<https://sos.wv.gov/FormSearch/Business/Documents/BusStructuresList.pdf>

Exemption 3 – Certain Business Activity Exemptions

Persons engaged in the following activities are not required to register with the WV SOS and WV Tax Department if they engage solely in these activities.

- Judicial sales directed by law or court order.
- Sales for delinquent taxes of real or personal property.
- Licensed charitable raffles.
- Horse or dog race meetings by any licensed racing association under W. Va. Code § 19-23-1.
- Operation of the pari-mutuel system of wagering during a licensed horse or dog race meeting.
- Sale of commodities during a horse or dog race meeting.
- Occasional or casual sales of property or services by persons not engaged in a business activity.

- Any person engaging in a business activity who meets all three following conditions:
 - a. Is not required by law to collect or withhold a tax;
 - b. Does not claim exemption from payment of the West Virginia Consumers Sales and Service Tax or Use Tax; AND
 - c. Had a gross income from business activity of \$4,000 dollars or less from operations in all states during the income tax year most recently completed.

tsd360.pdf (wv.gov)

Exemption 4 – Activities not constituting transacting business

In accordance with WVC §31B-10-1003 and WVC §31D-15-1501, there are several exemptions to WV SOS registration requirements afforded to foreign limited liability companies and foreign corporations that do not constitute “transacting business” by the definition of the term found in WV Code. Those code sections can be found at the following links. West Virginia Code | §31B-10-1003 (wvlegislature.gov) West Virginia Code | §31D-15-1501 (wvlegislature.gov)