

**School Finance Hot Topics  
Spring ASBO  
May 14, 2015**

**Excess Levy Audit Schedule**

As a reminder, all county boards are required to include the “Schedule of Excess Levy Revenues and Expenditures” in their audited financial statements. The schedule is presented as Other Supplementary Information in the financials. It does not have to be included as Required Supplemental Information (RSI).

**Mileage Reimbursement**

WV Code 18A-2-14 is the code section that pertains to mileage reimbursement for school personnel. It states the following:

**§18A-2-14. Mileage reimbursement for school personnel.**

A county board shall 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 county board shall reimburse at the same rate for all employees in that county. The rate of reimbursement shall be at least the lesser of, and not more than the greater of, the federal standard mileage rate and the rate authorized by the travel management rule of the Department of Administration.

The current federal standard mileage rate as of January 1, 2014 is \$0.56 per mile. The current rate authorized by the travel management rule of the WV Department of Administration is \$0.47.

All counties need to review their travel reimbursement policy to ensure they are in compliance with this code requirement.

**Mentor Grants**

The allocation methodology for the teacher and principal mentor grants changed beginning with FY2014. Instead of county boards applying for mentor funds for a particular individual, the teacher mentor funds were distributed based on the number of teachers with zero to three years of experience as reported on the Certified List of Personnel. The principal mentor funds were distributed based on the total number of administrators (headcount) in the county as reported on the Certified List of Personnel. The Office of Professional Preparation is working on the electronic grant awards, so all counties should receive the grant awards in the near future.

## Multiple Worksite Report

The Multiple Worksite Report (MWR) is a fairly new Workforce West Virginia reporting requirement for county boards of education. The reporting requirement began for the first quarter of 2013, with that first report being due in April 2013. All county boards of education should have received a notification letter regarding the report. The letter would have been sent to whoever is listed as the Unemployment Compensation contact for the county board, which could be anyone from a payroll clerk/supervisor to the CSBO or maybe even the Superintendent.

There are penalties for failure to file the reports, ranging from fines between \$500 and \$25,000 and prison terms of up to two years for repeat offenders. Some county boards have failed to file the reports in the past but now appear to be compliant.

Please note that the quarterly MWR report should agree in total to your Quarterly Contributions Report that you submit for WV unemployment compensation.

Below are links to resources that may be helpful. The first link takes you to a copy of the actual MWR report for the State of West Virginia. Please note that while this report is specific to our state, the reporting is actually required by the federal Bureau of Labor Statistics (BLS). The second link below takes you to the BLS website that discusses the report and provides FAQs.

[http://www.bls.gov/cew/forms/mwr\\_wv.pdf](http://www.bls.gov/cew/forms/mwr_wv.pdf)

<http://www.bls.gov/cew/cewmwr00.htm>

The sequel queries described below were developed to assist county boards of education with the preparation of the MWR. They can be found in the SEQUELKIM library. Counties can copy the queries into their own sequel library and update the queries to pull information for their county. Assistance with the queries can be obtained from either Kim Harvey or the RESA assigned to the county.

- F.QTRPYRUN will provide the payroll run numbers for each quarter. Make a note of those run numbers when running the next query. If you already know the payroll run numbers, this query is not necessary.
- F.QTREMP will provide the total employees by location by month based on the run numbers entered. Each run number is entered, separated by a comma for each month. Only include the payroll run for the 12<sup>th</sup> of the month. If you list all runs during each month, it will double the employee count.
- F.QTRWAGES will provide quarterly wages by location.

It is important that each basic record has a location. Otherwise, their totals will not be included in the queries.

## **Tuition and Fee Reimbursement Process**

The tuition and fee reimbursement process for both state tuition reimbursement funds and national teacher reimbursement funds changed effective with FY13. Prior to that time, the teachers applied to WVDE for reimbursement and, once approved, were reimbursed directly by WVDE. Beginning with FY13, once the applications for reimbursement are approved by WVDE, the county board of education that employs the individual approved is responsible for making the reimbursement to the employee. WVDE then issues grant awards towards the end of the fiscal year to reimburse each county for any approved applications for the year.

Although we are almost two years into the new process, WVDE routinely receives complaints from the individuals who have been approved for reimbursement that their county board has not yet paid them for their tuition and/or fees. County boards of education are expected to provide the reimbursements to approved individuals in a timely manner.

Because approval for such a reimbursement is a rare instance in some counties and because monitoring the WOW system for the approvals on a daily basis was not efficient, WVDE now sends an email notification to the county of employment when an individual is approved for reimbursement. Counties were able to select who receives the notification email.

As a reminder, at the OSF Cents and Sensibility Conference held in July 2013, information regarding the IRS rules and tax implications of tuition reimbursement was provided to county boards of education. The handout from that session is still posted on the WVDE website and can be found at the link below.

<http://wvde.state.wv.us/finance/workshops/2013/july-cents-sensibility/Educational%20Assistance%20Handout.pdf>

## **Medicaid Update**

During discussions with the West Virginia Department of Health and Human Resources (DHHR), the WVDE learned that the federal Centers for Medicare and Medicaid Services (CMS) has verbally indicated that the agency would be agreeable to delaying the effective date of the proposed amended plan to the School Based Health Services (SBHS) program for a year, from July 1, 2012 to July 1, 2013. In addition, because of the continuing delays that have been experienced in getting the amended plan approved, DHHR is going to request that the effective date be delayed for two years, until July 1, 2014.

Delaying the effective date has the following two benefits for the county boards of education: (1) Due to the CMS-mandated changes to the transportation methodology under the revised plan, county boards were projected to owe DHHR approximately \$12.6 million statewide for the 2012-13 year during the cost settlement process. Delaying the effective date means that county boards of education would no longer owe these funds but would instead receive Medicaid funding under the old fee-for-service methodology for this service; (2) Under the old fee-for-service methodology, the development of IEPs were an allowable claim, but not under the new plan. Delaying the effective date means that county

boards who stopped billing for IEPs during the 2012-13 or 2013-14 years could bill and receive payments for IEP development services, as long as the claims are timely filed.

Because of this, county special education directors and the RESA billing specialists were instructed by the WVDE Office of Special Programs to go ahead and bill electronically for any 2012-13 IEP claims that were still within the one-year billing window and to prepare paper claims for any IEPs with dates of service beyond the one-year window. WVDE's understanding at the time was that DHHR would be able to honor all claims filed, even those that were outside of the one-year window. However, DHHR has subsequently decided, based on advice from legal counsel, that it would not be able to make an exception to the timely filing requirement and honor claims that were more than one year old from date of service. The requirement is contained in federal regulations under 42 CFR 447.45.

It is unfortunate that DHHR felt that it could not legally make an exception to the timely filing requirement for this situation, but county boards will still receive more of a benefit in Medicaid reimbursements than were lost by delaying the effective date of the plan. For example, the reimbursement claims filed ultimately totaled only \$939,297 with the federal portion amounting to \$667,747. By delaying the effective date by one year, county boards of education will receive an additional \$12.6 in benefits due to the transportation claims that they would not be able to receive under the new plan, and the amount for just the county boards that elected to stop billing for IEPs for the 2012-13 year was \$6.7 million.

If CMS approves DHHR's request to extend the effective date by two years until July 1, 2014, the IEPs for the 2013-14 year would be considered allowable claims if filed in a timely manner. Therefore, WVDE is recommending that all county boards of education submit their IEP claims for all services provided to date during the current fiscal year as soon as possible to avoid another denial due to the time limitation. However, because there is no guarantee that CMS will approve to moving the effective date to July 1, 2014, it is recommended that all reimbursements received for IEP development be reserved until final approval is received.

### **Payment for Commodities or Services**

Please be reminded of the following requirements in Section 26 of State Board Policy 8200, The Purchasing Policies and Procedures Manual for Local Educational Agencies.

- 26.1. 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.
- 26.2. 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.

- 26.3. 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.
- 26.4. 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.

### **Step 7b Funding for 21st Century Technology System Improvements**

This is a reminder that the Step 7b funding allocated under the Public School Support Program for 21st Century Technology System Improvements for the 2014-15 year will be distributed to the county boards, the same as the funds were distributed during the current year. The funds will be distributed in on August 20, 2014. As you may be aware, beginning with the 2014-2015 year, the growth in the amount appropriated for this purpose increased from 15% to 20% of the growth in local share over the previous year. Consequently, the total amount appropriated for FY 15, statewide, is \$13,750,026, and the amount will continue to increase at 20% of the growth in local share each year. As the funding continues to grow each year, it may necessitate distributing in two or more installments.

The distribution is in compliance with WVC §18-9A-10(a)(2) which was revised during the 2013 legislative session and now states, in part, that:

“ ... The sum of these amounts shall be distributed to the counties as follows: (A) Thirty thousand dollars shall be allocated to each county; and (B) Distribution to the counties of the remainder of these funds shall be made proportional to the average of each county’s average daily attendance for the preceding year and the county’s second month net enrollment. Effective July 1, 2014, moneys allocated by provision of this subdivision shall be used to improve instructional technology programs according to the county and school strategic improvement plans;...”

Some school districts have inquired whether it would be possible to have the WVDE expend the funds on their behalf, as the Tools for Schools funds are expended, to make it easier for the county boards to meet e-rate requirements. In order to comply with the statute, this cannot be done; the funds must be distributed to each district for expenditure. Each district will be responsible for expending the Step 7b funds in a manner that maximizes e-rate funding.

If there are any questions, please do not hesitate to contact Sterling Beane at 304.558.7880 or the Office of School Finance.

### **Expanded Use of Retired Teachers in Areas of Critical Need and Shortage**

Please be aware that the authority granted by WVC §18A-2-3(c) that allowed county boards to expand the use of retired teachers in areas of critical need and shortage to an unlimited number of days without affecting the retired teachers' retirement benefits is set to expire June 30, 2014 and the Legislature did not pass legislation to continue this authority.

Consequently beginning July 1, 2014, retired teachers will no longer be able to work beyond 140 days per fiscal year as a temporary, part-time or substitute employee with a Teachers Retirement System (TRS) participating public employer without affecting their TRS retirement benefits. If you have any questions, please do not hesitate to contact Joe Panetta at 304.558.2691, Heather Hutchens at 304.558.3667, or the Consolidated Public Employees Retirement Board (CPRB) at 304.558.3570.

### **State Minimum Wage**

WVC §21-5C-1 et seq. establishes the minimum wage and maximum hours standards for employees employed in West Virginia. The minimum wage and maximum hours standards specified in the Code apply to all employees employed in the State of West Virginia, full-time as well as temporary, part-time employees.

The Legislature passed legislation to increase the minimum wage during the 2014 legislative session. The increase is as follows:

- After January 1, 2015, every employer in West Virginia is required to pay to every employee wages at a rate not less than \$8.00 per hour;
- After January 1, 2016, every employer in West Virginia is required to pay to every employee wages at a rate of not less than \$8.75 per hour;

The salaries of all full-time employees of county boards of education, RESAs and MCVCS are above these new minimum wage standards, but the hourly wages of some temporary, part-time employees may not be. These could include parent volunteers who are paid an hourly wage, daycare workers, etc.

### **Additional Buses Applications Under PSSP**

Under the Public School Support Program (PSSP), WVC §18-9A-7 includes a provision that county boards of education that have experienced an increase in net enrollment over the previous year may submit an application for funding for additional buses. Please note that the code section requires that the county

boards of education must apply for federal funding for additional buses before they can be considered eligible for state funding. If a county board of education indicates on the application that they did not apply for federal funding, the application is automatically denied no matter what the increase in enrollment for the year and no matter what the reason provided on the application as to the needs of the county.

**§18-9A-7(a)(3). Foundation allowance for transportation cost.**

“...In addition, in any school year in which its net enrollment increases when compared to the net enrollment the year immediately preceding, a school district may apply to the State Superintendent for funding for an additional bus or buses. The State Superintendent shall make a decision regarding each application based upon an analysis of the individual school district's net enrollment history and transportation needs: *Provided*, That the superintendent shall not consider any application which fails to document that the county has applied for federal funding for additional buses. If the State Superintendent finds that a need exists, a request for funding shall be included in the budget request submitted by the state board for the upcoming fiscal year;”

**Special Education Maintenance of Effort**

The Office of Special Programs will soon be sending out the IDEA Maintenance of Effort (MOE) calculations that compare the FY13 and FY12 state and local expenditures. The calculation will be performed in Excel and financial data for each county will be provided to assist with the completion of the spreadsheet. The calculation will be due on **June 16, 2014** but the Office of Special Programs will accept extension requests. Please remember that Dr. Sandra McQuain, who handled the MOE calculations for WVDE for many years is now retired. Although she is working a very limited schedule to assist the Office of Special Programs with certain tasks, she will not be available to respond to questions regarding the MOE calculations. At this point, questions regarding the MOE calculations should be directed to Janice Hay in the Office of Internal Operations at [jehay@access.k12.wv.us](mailto:jehay@access.k12.wv.us) or 304-957-9833.

## Amy Willard

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**From:** Amy Willard <awillard@access.k12.wv.us>  
**Sent:** Friday, September 06, 2013 1:52 PM  
**To:** K12-CFO@listserv.wvnet.edu  
**Subject:** Property Tax Coding

CSBOs,

It has come to our attention that some counties are not using the proper revenue source codes for a portion of their property tax revenues. The Chart of Accounts changed several years ago, but the revenue coding was never changed at that time and has continued in error. I ask that all counties please review the property tax revenue source codes from the chart of accounts (included at the bottom of the email for your convenience) and make sure that revenue is being coded properly for FY14.

Specifically, some counties do not appear to be utilizing the 01113 and 01114 codes, which are for Supplemental Taxes. These codes are important to help counties compare back to their original property tax estimates from the levy order and rate sheets. Supplemental tax tickets were not included in the assessed valuations provided by the county assessors, so these taxes are in addition to the amounts on the levy order and rate sheets. If you are not utilizing these codes, please begin doing so for FY14. The amounts should be broken out on the statement you receive from the Sheriff.

Revenue source code 01131 (Public Utilities Tax Loss Restoration Fund) also appears to have been used improperly by some counties. That revenue source code is only for revenue received from the State Auditor's Office under WVC §11-6-27 as outlined below. It should not be used to record your normal property tax collections on public utilities. Normal property tax collections on public utilities belong in the 0111X series depending on whether the collection is regular levy, excess levy, prior year, etc.

**§11-6-27. Public utilities tax loss restoration fund.**

The auditor shall establish a special revenue fund in the state treasury entitled the "Public Utilities Tax Loss Restoration Fund". The auditor shall pay into the fund up to one percent of the gross receipts deposited in the public utilities operating fund created in section twenty-six of this article and up to one percent of the gross receipts deposited in the operating fund of the interstate commerce division created in section seventeen, article six-g of this chapter. The proceeds of the tax loss restoration fund shall be distributed quarterly on a proportional basis to counties, districts and municipalities that have lost assessed value from the prior year's assessment and the method of distribution is based upon the county, district or municipality's percentage loss compared to the total loss of all counties, districts and municipalities that have lost assessed value from the prior year's assessment: *Provided*, That the calculation to the adjustments shall exclude loss in tax revenue attributed to the school current levy, as set forth in section six-c, article eight, chapter eleven of this code: *Provided, however*, That the proceeds received by any county, district or municipality shall not be greater than the loss of tax revenue caused by the decrease in assessed value.

### Chart of Accounts Revenue Source Code Data

#### 01 Revenue From Local Sources

- 0111 Ad Valorem Taxes.** Taxes levied by an LEA on the assessed valuation of real and personal property located within the LEA which, within legal limits, is the final authority in determining the amount to be raised for school purposes.



- 01111 *Ad Valorem Taxes – Regular Levy – Current Year.* Taxes levied by an LEA on the assessed valuation of real and personal property located within the LEA which is assessed locally. Penalties and interest on ad valorem taxes should be included in account 01141. This account also includes current year public utility tax collections, bond levy collections, and permanent improvement collections.
- 01112 *Ad Valorem Taxes - Excess Levies – Current Year.* Excess taxes levied by an LEA on the assessed valuation of real and personal property located within the LEA. Penalties and interest on ad valorem taxes should be included in account 01141.
- 01113 *Ad Valorem Taxes – Supplemental – Regular Levy – Current Year.* Taxes levied by an LEA on the assessed valuation of real and personal property located within the LEA which is collected with a supplemental tax ticket. The taxes collected are for the regular, permanent improvement, or bond levies. The assessed valuation of the property was not included in the county assessor’s Certificate of Assessed Valuation on which the LEA’s proposed budget for the year was based.
- 01114 *Ad Valorem Taxes – Supplemental – Excess Levy – Current Year.* Taxes levied by an LEA on the assessed valuation of real and personal property located within the LEA which is collected with a supplemental tax ticket. The taxes collected are for excess levies only. The assessed valuation of the property was not included in the county assessor’s Certificate of Assessed Valuation on which the LEA’s proposed budget for the year was based.
- 01115 *Ad Valorem Taxes –Regular Levy - Prior Years.* Taxes levied by an LEA on the assessed valuation of real and personal property located within the LEA. Included here are also prior year public utility tax collections.
- 01116 *Ad Valorem Taxes - Excess Levies – Prior Years.* Excess taxes levied by an LEA on the assessed valuation of real and personal property located within the LEA.
- 01117 *Sales/Redemptions.* Proceeds from the sale and redemption of land sold by the sheriff for delinquent ad valorem taxes from regular or excess levies.
- 01118 *Delinquencies/Nonentered Lands.* Proceeds from the distribution, if any, of the Delinquent Nonentered Land Fund, the source of which is the proceeds from the sale of delinquent or nonentered lands sold by a deputy commissioner of delinquent and nonentered lands from regular or excess levies.

**0112 Interstate Registration Plan (IRP) Fee.**

- 01121 *Interstate Registration Plan (IRP) Fee – Regular Levy.* Fees collected by the Department of Motor Vehicles from interstate trucking companies through the IRP for regular levy property taxes.
- 01122 *Interstate Registration Plan (IRP) Fee – Excess Levy.* Fees collected by the Department of Motor Vehicles from interstate trucking companies through the IRP for excess levy property taxes.

**0113 Public Utilities Tax Loss Restoration Fund.**

- 01131 *Public Utilities Tax Loss Restoration Fund.* Proceeds received from the Tax Loss Restoration Fund pursuant to the provisions of WV State Code § 11-6-27 as the result of a decrease in the assessed valuation of public utility property from the assessed values of the previous year.

**0114 Penalties and Interest on Taxes.**

01141 *Penalties and Interest on Current Year Taxes.* Revenue from penalties for the payment of current year taxes after the due date and the interest charged on the current year delinquent taxes from the due date to actual payment.

01142 *Penalties and Interest on Prior Year Taxes.* Revenue from penalties for the payment of prior year taxes after the due date and the interest charged on the prior year delinquent taxes from the due date to actual payment.

**0119 Other Taxes.**

01191 *Other Taxes.* Other forms of taxes the school district levies/assesses, such as licenses and permits.

Thanks for your assistance with this request.

Amy Willard, CPA MPA

*Executive Director*

*Office of School Finance*



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**Amy Willard**

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**From:** Chief Financial Officers <K12-CFO@LISTSERV.wvnet.edu> on behalf of Terry Harless <tharless@access.k12.wv.us>  
**Sent:** Friday, March 07, 2014 8:24 AM  
**To:** K12-CFO@LISTSERV.wvnet.edu  
**Subject:** OASIS and Fiscal Year End Preparation

# Memorandum

**To:** Chief School Business Officials  
**CC:** Superintendents and RESA Directors  
**From:** Terry Harless, Chief Financial Officer  
**Date:** March 7, 2014  
**Re:** OASIS Implementation

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**IMPORTANT NOTIFICATION ABOUT DEPARTMENTAL FINANCIAL SYSTEMS! PLEASE READ.**

As you may have heard, the State of West Virginia is implementing a transformation from its current accounting system to an Enterprise Resource Planning (ERP) system, known as wvOASIS. OASIS – short for Our Advanced Solution with Integrated Systems is scheduled to take the place of approximately 100 other state systems. WVEIS, however, will not be replaced at this point.

Presently, it is our understanding that the scheduled implementation or “go live” date for this system will be July 8, 2014. The West Virginia Department of Education has been involved in this process and will also make this switch. It is expected that the transferring of data from the old system into the new will occur sometime around mid-June. Therefore, only essential transactions will occur after that time through the point when the new system becomes available for use. It is our understanding that entry into FIMS will be minimal after mid-June and will be totally unavailable after June 30, and the new system will not be available until July 8, 2014. All systems—old and new with the exception of WVEIS—will be unavailable statewide from July 1 through July 7, 2014. It also appears that we will not be able to set up accounts for new funds (FY 15) until the new system becomes available.

We are suggesting that cash draws be kept current and are requested for all expenditures incurred up to this time. In addition, counties may want to plan ahead and obligate and expend funds for activities that are planned for the summer as soon as possible so those funds can also be requested. Of course, the obligation and liquidation guidelines within EDGAR §75.707 and the CMIA must be followed for federal awards.

Another possible delay in availability and potential processing will involve the modules implemented by the Department that read FIMS data. For example, the transmittal inquiry and eGrant modules read the

old accounting system (FIMS) and will have to be redirected to the new system. Existing FIMS grant IDs and commitment numbers will be replaced with different numbers. While these will be a priority, all questions have not been answered and the potential for delays exist.

Simply put, OASIS is the largest, most complex financial recording and reporting venture ever undertaken in the State's history. It is advisable to accelerate financial activities a full month where possible as we near the end of this fiscal year. As more information becomes available, additional updates will be provided as applicable. At this time, the system continues to be built and tested. Little training has occurred. In the meantime, if you would like to read more about the new accounting system, you can review the information on the website at [www.wvoasis.gov](http://www.wvoasis.gov). Feel free to contact me if I can be of assistance.

Terry Harless, CPA  
*Chief Financial Officer*



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