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PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-1 Goals and Objectives	Last Reviewed: 8-9-10 Next Review: 7-1-12
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Since education of the youth of Preston County is the business of the Preston County Board of Education, the Board believes that it must utilize the financial resources available to it to provide a quality education to the students enrolled in the various schools within the county. It is a well recognized fact that a 21st Century education is a costly endeavor. It is also true that there is an increasing competition for the tax dollar at all levels of government. Consequently, it is imperative that the administration of the Preston County Schools establish and practice sound fiscal management procedures which guarantee a maximum return from each dollar expended.

In accordance with WVC §18-9B-12 and §18-9A-17, the Preston County Board of Education has instituted fiscal management policies and regulations designed to assure the citizens of the county as well as the West Virginia Board of Education that sound business practices are being followed. The Board has instituted a uniform financial accounting system with guidance from the State Code and the State Board of Education.

The Board has instituted and shall continue to utilize competitive bidding procedures, written requisitions, pre-numbered purchase orders, certified receiving functions, and an accurate supply and equipment inventory system.
(WVC §18-9B-12, §18-9A-17)

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Adopted: June 19, 1984
Amended/Revised: August 9, 2010

<p>PRESTON COUNTY BOARD OF EDUCATION</p> <p>FILE: 5 – FINANCIAL MANAGEMENT</p> <p>File: 5-2 Appointment of School Board Treasurer and Fiscal Responsibilities</p>	<p>Last Reviewed: 8-9-10</p> <p>Next Review: 7-1-12</p>
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The Preston County Board of Education, pursuant to WVC §18-9-6, shall appoint a Treasurer who shall have those fiscal responsibilities as defined in the procedures section of this policy. Such appointment shall be in effect until such time a different individual is appointed Treasurer.

Fiscal Responsibilities

- ❖ Establish and supervise the accounting system necessary to provide school officials with accurate financial data as the basis for formulating policies and decisions;
- ❖ Report financial data locally and statewide as required by law;
- ❖ Utilize data processing to provide better and more thorough accounting records; and
- ❖ Assist in obtaining educational funds from private foundations, from state education agencies, or from federal government sources.

Payroll and Accounts Payable

- ❖ Establish sound practices to properly care for all phases of the County payroll (i.e., attendance reports, check writing, fringe benefits);
- ❖ Assume responsibility for all reports as related to payroll deductions and fringe benefits;
- ❖ Establish sound practices to properly care for all phases of the County accounts payable (i.e., invoices, check writing, discounts, verification of receipts); and
- ❖ Maintain records and files for payroll and accounts payable as required by law and the Records Retention Manual provided by the West Virginia Department of Education.

(WVC §18-9-6; SBP 1224.1; SBP 8200; SBP 8210)

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PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-3 Signatories	Last Reviewed: 8-9-10 Next Review: 7-1-12
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All orders drawn on accounts of the Preston County Board of Education shall be signed by the President, countersigned by the Secretary and by the Treasurer of the Board of Education. Such signatories may be made by means of such mechanical or electrical device as the Board may select. The mechanical or electrical device and facsimile signature plates for the making of the signatories shall be safely kept so that no one shall have access thereto except the President, the Secretary, and the Treasurer of the Board and such of their respective employees as may be authorized by the Superintendent for the signatures for the President and Secretary and by the Treasurer for the signature of the Treasurer.

The above signatory requirements are essentially the same as those required by WVC §18-9-3, except that this section specifically requires the signature of the Treasurer and further mentions the presence of facsimile signature plates. WVC §18-9-3 requires the Treasurer of the Board to pay money only upon order of the Board. It is the Treasurer's function and responsibility to disburse the money and s/he must be responsible for the management of the cash flow in performance of his/her responsibilities. *(WVC §18-9-3; §18-9-4)*

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<p>PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-4 Depository for Funds</p>	<p>Last Reviewed: 8-9-10 Next Review: 7-1-12</p>
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A demand depository for the Board’s funds must be selected. The approved fiscal officer of the Board shall review services available from the various banks within the county and make a recommendation to the superintendent and board for the designation of a depository.

The depository should be selected for a period of not less than one year in order to simplify accounting procedures.

The bank or banks selected as depositories for school district investment funds shall be selected on the basis of return offered on money deposited, bank size, convenience, and security of investment. Such depositories or banks shall provide a bond 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 following requirements:

- ❖ The funds are invested through a designated state depository selected by the Board;
 - ❖ The selected depository arranges for the deposit of the funds in certificates of deposit in one or more banks or savings and loan associations wherever located in the United States, for the account of the Board;
 - ❖ The full amount of principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation;
 - ❖ The selected depository acts as custodian for the Board with respect to such certificates of deposit issued for the county’s account; and
 - ❖ At the same time that the Board’s funds are deposited and the certificates of deposit are issued, the selected depository receives an amount of deposits from customers of other financial institutions wherever located in the United States equal to or greater than the amount of the funds invested by the Board through the selected depository .
- (WVC §18-9-3; §18-9-6)**

WVC §18-9-6 also enables counties, municipalities, the state and county boards of education to deposit public funds into deposit accounts that are swept periodically into multiple federally fully insured deposit accounts through a deposit placement program with full federal insurance in lieu of a bond or other collateral required of the depository institution

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PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-5 Investment of Funds	Last Reviewed: 8-9-10 Next Review: 7-1-12
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It shall be the policy of the Preston County Board of Education to invest all surplus funds. The Treasurer is directed by the Board to invest all surplus money for the maximum amount of time and interest available in legally secured investments. Funds shall be invested in the best interest of the school system at the discretion of the Treasurer in conjunction with the Superintendent and subject to approval by the Board of Education. Surplus funds may be invested 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 deposits issued either by the United States Government or by a banking institution in which federal and state guarantees are applicable. The Treasurer shall credit all interest earned on such investments to the fund from which the moneys were available for investment.

The best rate of interest is to be ascertained by firm bidding processes. Tabulations of bids and bid documents must be retained by the Treasurer in order to maintain three full fiscal years of records plus the current fiscal year. Records are to be additionally maintained as long as annual audits by the State Tax Commissioner are not fully certified.
(WVC §18-9-6 and §18-9-6a)

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Adopted: June 19, 1984
Amended/Revised: August 9, 2010

<p>PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-6 Sources of School Revenues</p>	<p>Last Reviewed: 8-9-10 Next Review: 7-1-12</p>
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The responsibility for financing public schools lies with three levels of government, the local school district, the state, and the federal government.

R 5-6-1 Local Tax Sources

Regular Levy Rates

For the purposes of levies, property in the State of West Virginia is classified into four classes. Levy rates for each class are established annually by the Legislature.

CLASS I: All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture (including livestock) while owned by the producer.

CLASS II: All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.

CLASS III: All real and personal property situated outside of municipalities, exclusive of Classes I and II.

CLASS IV: All real and personal property situated inside of municipalities, exclusive of Classes I and II.
(WVC §11-8-5; §11-8-6c)

Special Levy

The question of the additional levy must be submitted to the voters with the county at a primary, general or special election. If more than fifty percent of the voters cast their ballots in favor, the additional levy may be imposed. The special levy cannot exceed one hundred percent of the regular levy rates authorized by law. The proposed number of years may not exceed five.
(WVC §11-8-16; §11-8-17)

Bonds

The Board has the authority to issue voter approved bonds for the construction or acquisition of a structure or building for educational purposes. The West Virginia Constitution fixes the maximum bonding potential of counties for school construction at five percent of the assessed valuations for tax purposes. No debt can be contracted or bonds issued, unless the question is first submitted to a vote of the qualified electors of the county and receives a fifty percent favorable vote.
(WVC §13-1-3; 13-1-4)

School Debt Levy rates shall be calculated each year to raise the necessary funds for any outstanding bonds and interest due during the ensuing fiscal year.

R 5-6-2 State Aid

State Aid Formula

The legislature is required by the state constitution to establish and maintain a system of free public schools. The major effect of state funding for public education is through the state aid formula or foundation program. State Aid formula allowances are determined by reports submitted by counties on staff, pupils, and pupil transportation. The county's entitlement is the sum of seven steps minus the "local share" as determined by WVC §8-9A-11. The basic foundation program is computed using the following seven steps:

- ❖ Allowance for professional educators;
- ❖ Allowance for service personnel;
- ❖ Allowance for fixed charges;
- ❖ Allowance for transportation;
- ❖ Allowance for professional support services;
- ❖ Allowance for other current expense & substitute employees; and
- ❖ Allowance to improve instructional programs.
(WVC §18-9A-1 through §18-9A-23)

Other State Revenue

The county receives other state funds primarily for vocational education and special education.

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R 5-6-3 Federal Revenue

Most of the monies from the federal government come from categorical grants which are targeted for specific populations or specific purposes.

The Preston County Board of Education shall apply for and participate in any (and all) programs of federal aid available to its schools at such time and for such reasons it may deem desirable. Application shall be in the manner and method as set forth by the government of the United States of America. It shall be done in compliance with the rules and regulations of the United States Office of Education and the West Virginia State Department of Education.

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R 5-6-4 Revenues from Nontax Sources

All fees, payments or rentals are quasi-public monies and remain within the authority of the Board of Education. Pursuant to State law, the Board requires that records be kept of all receipts and disbursements of all funds collected or received by any principal, teacher, student or other person in connection with, any programs, activities or other endeavors of any nature operated or carried out by or in the name of the school, or any organization or body directly connected with the school, to audit such records, and to conserve such funds. Any rental fees paid to the Board of Education shall be received and used for general expenses unless otherwise designated for a specific purpose.
(WVC §18-5-13)

R 5-6-5 Tuition Income

The Preston County Board of Education may charge all non-state residents, full-time, day students the actual cost per pupil expenditure for the school year which is payable in advance. Inter-county transfer of students will be regulated according to the West Virginia Code and agreements developed between individual counties.

The Board has the authority to provide special classes for adult education and to charge tuition for members of such classes over 21 years of age. The tuition charged shall not exceed the cost of operation and maintenance of such classes.

Likewise, the Board has the authority to establish summer and after school programs and charge tuition for students who attend the summer and after school programs. The amount of tuition charged shall not exceed the actual cost of operation of the summer school, including plant maintenance.

Any funds accruing from such tuition shall be credited to and expended within the existing framework of the general current expense fund of the Preston County Board of Education.
(WVC §18-5-16a and §18-5-19b)

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PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-7 Budget Adoption Procedures	Last Reviewed: 8-9-10 Next Review: 7-1-12
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No function of a public school system can exceed the importance of careful and prudent budgeting. The school system's budget translates educational needs into a financial plan which reflects the kind of educational program desired by the community. The budget is both an instrument of educational planning and an instrument of control.

R 5-7-1 Preliminary Budget

The Superintendent or his/her designee shall prepare the preliminary operating budget in the form prescribed by the West Virginia Department of Education for local board adoption.

Budget Calendar

- Friday of the third week of February** – Budget requests due to Treasurer.
- †
- First week of March** – Work-session with various administrators.
- †
- Second week of March** – Work-Session with the Executive Council.
- †
- Third week of March** – Work-session with the Board.
- †
- No later than March 28** – Statutory Meeting to ascertain levy of taxes. This session stands adjourned until the third Tuesday in April.
- †
- No later than March 28** – Schedule of Proposed Levy Rate forwarded to the State Auditor and the State Board of Education.
- †
- Fourth week of March** – Work-session with the Board.
- †
- No fewer than 10 days prior to the second Tuesday of April** – Budget available for public inspection.
- †
- Second Tuesday of April** – Public Hearing on the proposed budget.
- †
- Third Tuesday of April** – Reconvene March adjourned meeting to enter levies.
- †
- No later than Friday of the first week of May** – Proposed Budget submitted to WVDE.

Special Note: Responding to existing circumstances, the State Board may establish a different timeline for budget completion in any given year.

Prior to March 28, the Superintendent shall seek input from members of the Board, the administrative staff, other administrators, teachers, service personnel and the public. Budget requests must be submitted in writing to the Superintendent or his/her designee for consideration prior to the adoption of the preliminary budget.

Between March 7 and March 28, the Superintendent and Board President shall schedule the Statutory Meeting to ascertain the fiscal condition of the school system and determine the amount to be raised by the levy of taxes. Following the laying of the levies, the meeting is to then stand adjourned until the third Tuesday in April.

No later than March 28, the Superintendent is required to forward immediately one copy of the Schedule of Proposed Levy Rates (WVDE 11-20-36) to the state auditor and one copy to the State Board of Education. (Do not submit a copy of the proposed budget at this time.)

The Board is required to publish the Schedule of Proposed Levy Rates (WVDE 11-20-36) forthwith after submission to the state auditor as a Class II-O legal advertisement in the county newspapers for two consecutive weeks.

Special Note: The Board may extend the time for the required March meeting until the first day of June if a special levy is being placed on the ballot for consideration during a primary election.

(WVC §11-8-9; §11-8-12)

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R 5-7-2 Final Budget Adoption Procedures

Public Review of the Proposed Budget and Public Hearing on Same

No fewer than 10 days prior to the second Tuesday of April, the Board shall make a copy of its proposed budget available for public inspection at least 10 days prior to holding the public hearing. This can be done by publishing the proposed budget document, by posting the proposed budget on the district's website or on the Board's bulletin board, or by providing access to a copy of the proposed budget in the business office during normal business hours.

The Board shall hold a Public Hearing on the Proposed Budget on the second Tuesday of April. In the event the final computations are not available from the State Board of Education in time to hold the Public Hearing on this date, the Board will adhere to the revised timetable established by the State Board of Education. The Board is also required to publish a notice of the budget hearing at least 10 days prior to the hearing. Notice of the budget hearing must be published as a Class I legal advertisement in compliance with the provisions of WVC §59-3-1 et seq. If the budget document is published at least 10 days prior to the budget hearing, the notice of the hearing may be included in the same publication as the proposed budget document.

Any person, or persons, desiring the opportunity to speak shall be allowed to make their presentation to the Board of Education at this public hearing and shall also have the opportunity to submit any written documents regarding the preliminary budget if they so desire.

Reconvening of March Adjourned Meeting

The Board must reconvene the adjourned budget meeting that was held on or before March 28 on the third Tuesday in April for the purpose of officially entering all levies, after having received approval from the state auditor.

Within 3 days after levies have been laid, the Board is statutorily required to forward certified copies of the Levy Order and Rate Sheet (WVDE11-20-37) to the state auditor. Copies of the Levy Order and Rate Sheet **MUST** also be mailed to the Department of Education, Office of School Finance.

After the hearing, the board must formally **ADOPT** its proposed budget for the subsequent year, pending approval by the State Board. The proposed budget must also be published as a Class II-O legal advertisement in compliance with the provisions of WVC §59-3-1 et seq. There is no statutory requirement that the proposed budget be published 10 days prior to the budget hearing.

Since this is a continuation of the statutory meeting held between March 7 and 28, board members shall not receive payment for attendance nor shall any other business be conducted. However, this meeting may be terminated and a new meeting convened at which other business may be considered and for which members may be paid.

Submission of the Proposed Budget to the State Board

No later than Friday of the first week of May, the Board **MUST** submit its proposed budget electronically to the State Board for approval by the date specified by the State Board of Education. Do not mail printed copies of the budget document; mail only the two copies of the blue covers with the signatures of the Board President and Superintendent as ex officio board secretary. Also, do not mail copies of the proposed budget to the State Auditor's Office.

(WVC §11-8-12; §11-8-12a; §11-8-13; §18-9-1; §18-5-4; §18-9B-6 and §18-9B-6a)

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PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-8 Expenditure of Funds	Last Reviewed: 8-9-10 Next Review: 7-1-12
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The Preston County Board of Education will follow its adopted budget as closely as possible. The treasurer, at each board meeting, shall submit to the Board for its approval a listing of all itemized invoices s/he has received from entities which have provided services, materials or equipment to the school system

All bills which have a discount period are to be paid before the end of that period, and all discounts shall be taken whenever possible.

If sufficient funds are not available in a line item of the budget, a recommended transfer or supplement shall be submitted to the Board of Education for approval.
(WVC §18-9B-10)

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PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-9 Budget Line Item Transfer Authority	Last Reviewed: 8-9-10 Next Review: 7-1-12
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Transfers within the budget are made only in accordance with WVC §18-9B 10. County boards of education may only authorize the expenditure of funds and incur obligations in accordance with the budget and expenditure schedule which have been approved by the State Board of Education and formally adopted by the Board. Transfers between items of appropriation shall only be made with prior written approval of the State Board of Education with the exception that line item transfers within the 0200 expenditure code series (instruction) from one valid budget code to another valid budget code within the same major project code may be affected by the county without prior formal approval by the state board. These transfers are to be reported to the state department as soon as they are affected.

A supplemental appropriation made possible through collection of receipts in excess of those anticipated may only be made with prior written approval of the State Board of Education.
(WVC §18-9B-10; §18-9B-11)

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PRESTON COUNTY BOARD OF EDUCATION	Last Reviewed: 8-9-10
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The overall objective of the purchasing function is to obtain the goods and services necessary to operate the district in an economic and efficient manner, always seeking ways to gain the maximum educational benefit for each dollar spent. The Treasurer, under the direct supervision of the Superintendent, shall administer the purchasing functions in a manner which fulfills the mandates of *SBP 8200 Purchasing Procedures for Local Educational Agencies* which supersedes Section E of SBP 8100, *Handbook for School Finance in West Virginia*

The purpose of the guidelines and regulations which follow is to establish the minimum requirements and procedures to be followed by the Preston County Board of Education in the purchasing, receiving, safeguarding and disposal of goods and services obtained for use in its operations. In **all** instances, the procedures outlined in *SBP 8200, Purchasing Procedures for Local Educational Agencies* shall be consulted and followed.

The state of West Virginia does not recognize individual schools as legal entities; therefore, principals do not have the legal authority to enter into contracts. All contracts must be entered into with the Board serving as the legal entity. Detailed procedures and appropriate forms are available from the Treasurer/Financial Officer/Director of Purchasing office.
(WVC §5A-3-37; §5A-3-37a; §11-8-26; §18-5-5; §18-5-13; §18-9B-12; §61-10-15; SBP 8100 and SBP 8200)

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R 5-10-1 Bidding Procedures

Informal Bidding - Estimated Purchases up to \$1,000:

An informal bid is neither sealed, nor opened at a pre-determined time, nor required to be in writing. Prices for informal bidding may be obtained by telephone, contacts with salespersons, catalogs, or any other source. Informal bidding of items less than \$1,000.00 is encouraged whenever feasible but not required.

Semiformal Bidding - Purchases Estimated Between \$1,000 and \$5,000:

A semiformal bid is rendered with a predetermined time for a bid opening. The vendor then has the choice of returning the bid by telephone prior to the time of the bid opening or delivering a bid in writing by either mailing it or delivering it so that it will be received prior to the time of the bid opening. Semiformal bidding of individual items costing less than \$250 on purchases estimated between \$1,000 and \$4,999 is encouraged whenever feasible but will not be required.

Formal Bidding:

A formal bid consists of furnishing specifications in writing to all eligible bidders who have indicated a desire to bid on the county schools' requirements for the category being bid. The specifications shall include a time for the opening of the bids. All bids must be received in a properly identified and sealed envelope. All bids shall be opened in the presences of three persons. All bids above \$25,000.00 must be approved by the Preston County Board of Education. This process shall be used for the purchase of all commodities which fall in the following categories:

Purchases of commodities costing \$5,000 or more but less than \$10,000:

- ❖ Competitive bids are required.
- ❖ A minimum of three (3) verbal quotes must be obtained, whenever practical.
- ❖ Bids may be solicited by telephone, internet, mail, or by visiting the vendor.
- ❖ Documentation must be maintained of all quotes obtained, recording the name of the vendor, name of the vendor's representative, name of the Board's representative seeking the quote, date, commodity, and price.
- ❖ 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.
- ❖ A sample form for recording these quotes is included in Appendix C of SBP 8200.
- ❖ An approved purchase order is required before the merchandise or service is ordered.

Purchases of commodities costing \$10,000 or more but less than \$25,000:

- ❖ Competitive bids are required.
- ❖ A minimum of three (3) written bids must be obtained, whenever practical.
- ❖ Bids may be solicited by telephone, internet, or mail, but a written bid must be submitted by the vendor.
- ❖ 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.
- ❖ 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.
- ❖ An approved purchase order is required before the merchandise or service is ordered.

Purchases of commodities costing \$25,000 or more but less than \$50,000:

- ❖ 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 appropriate media or mass mailings.
- ❖ If a vendor list is maintained, this requirement may be met by submitting the bid request to the vendors on the list.

- ❖ 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.
- ❖ 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.
- ❖ The Board 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 Board, 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 Superintendent.
- ❖ Any and all bids may be rejected if there is a sound documented reason.
- ❖ 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.
- ❖ An approved purchase order is required before the merchandise or service is ordered.

Purchases of commodities costing \$50,000 or more:

- ❖ The solicitation for bids must specify that the bids are to be received in the form of sealed bids.
- ❖ 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.
- ❖ 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.
- ❖ All bids will be publicly opened at the time and place specified in the invitation for bids.
- ❖ The Board 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 Board, 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 Board.
- ❖ Any and all bids may be rejected if there is a sound documented reason.
- ❖ 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.
- ❖ An approved purchase order is required before the merchandise or service is ordered.

Bidder List

A bidder list of eligible bidders selected for their ability and desire to furnish the needs of the county schools shall be maintained. The opportunity to bid, quote, and submit estimates shall be given to all eligible bidders who have indicated a desire to bid on the county schools' requirements. At least three competitive vendors should be contacted for each purchase.
(SBP 8200)

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R 5-10-2 Open Ended Contracts, Price Agreements, and Blanket Purchase Orders

The Preston County Board of Education 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.

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

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.
(SBP 8200)

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R 5-10-3 Alternative Procurement Procedures

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

- ❖ The item cannot be obtained through ordinary purchasing procedures, such as in situations where no bidders respond to a request for bids;
- ❖ 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;
- ❖ The item is available from the State or another LEA, provided the price, availability, and quality are comparable to those in the open market;
- ❖ The item is available from a statewide contract and “piggybacking” by local governmental entities is permitted in the contract;

- ❖ The item is available from a federal or GSA contract and the supplier is willing to sell to an LEA in the state at the same or lower price;
- ❖ The item is available from a sheltered workshop;
- ❖ The item is available from an internet website maintained by a legitimate government purchasing cooperative, such as the one maintained by the Government Purchasing Alliance or the Southern Region Education Board, or from a vendor who participates in a government purchasing cooperative, and where competitive bids have already been obtained; or
- ❖ 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.

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

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R-5-10-4 Exemptions from Competitive Bid Requirements

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

- ❖ Accounting services and audits of individual schools - Does not include the annual audit of the LEA's financial statements.
- ❖ 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.
- ❖ Artwork and Historical Items – Includes purchase of and service to artwork and historical items.
- ❖ Attorneys and Law Firms.
- ❖ Auditing Contracts between Governmental Agencies.
- ❖ Entertainers.
- ❖ Facilities Rentals – Expenses including food beverages, entertainment and other expenses related to conducting a meeting.
- ❖ 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.
- ❖ Postage – Stamps, metering, overnight services.
- ❖ Software maintenance.
- ❖ Student activities – (Lecturers, entertainers, athletic events, referees, teachers for staff development, etc.).

- ❖ Investigative Services, Subject Matter Experts and Witnesses – For administrative hearings and legal procedures.
- ❖ Subscriptions and publications - Newspapers, textbooks, and publications (electronic and hard copy) purchased directly from the publisher.
- ❖ Training Activities – Lecturers, honorariums, copyrighted test and training materials, test monitors, examination proctors, etc., where competition is not available.
- ❖ Tuition, Stipends, Accreditation and Registration Fees.
- ❖ Utilities – Regulated by the Public Service Commission.
- ❖ Livestock and fish stock for vocational programs.

Documentation of the justification for not following competitive procurement procedures must be maintained.
(SBP 8200)

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R 5-10-5 Requisitions and Purchase Orders

All purchases for individual schools must first have an approved requisition signed by the building principal. The principal's signature shall denote review and recommendation for purchase. A central office department head shall then approve or reject such requisitions. Purchase orders for approved materials must then be duly executed with the Superintendent's or designee's signature.

A signed purchase order or budget control form must be issued for each and every purchase. The Treasurer has been authorized to utilize electronic signatures to process purchase orders. Items will not become an obligation of the Preston County Board of Education until a purchase order has been issued.

- ❖ To comply with the requirements of WVC §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.
- ❖ 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.
- ❖ 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 WVC §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 SBP 8200 related to the purchase card program must be followed, including individual transaction limits, monthly transaction limits, and maximum number of transactions.
- ❖ 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.

- ❖ 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.
(SBP 8200)

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R 5-10-6 Emergencies

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 WVC §5-5-6(g). In the event of a Governor declared emergency, the Treasurer (or other person designated by the Superintendent) shall consult and follow the guidelines defined in Section 28 of SBP 8200.

In the event of an emergency at the local level that has not been declared an emergency by the Governor, the following procedures will be in effect:

- ❖ The Superintendent, Treasurer/Financial Officer/Director of Purchasing or other 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.
- ❖ Competitive bids must be obtained whenever possible. If, in the opinion of the Board using sound judgment and discretion, time does not permit verbal bids to be received, the Board must secure written approval from the Superintendent to secure necessary services and supplies without bids for only that period of time absolutely necessary to abate the emergency.
(SBP 8200)

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R 5-10-7 Resident Vendor Preference

According to WVC §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.

On all purchases made by semiformal and formal bids, such purchases shall be made from a vendor resident in West Virginia if such bid does not exceed the lowest qualified bid from a nonresident vendor by more than five percent and if such resident vendor has made written claim for such preference at the time the bid was submitted. However, anticipated bids of One Hundred Thousand dollars (\$100,000.00) or more are exempt from the five percent preference.

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.

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:

- ❖ Is authorized to transact business within the State by appropriate authorities;
- ❖ Maintains an office in the State;
- ❖ 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;
- ❖ Has paid business taxes to the State and to municipalities; and
- ❖ When selling tangible personal property, has available for delivery a stock of materials of the type being offered and of a reasonable quantity.
(WVC §5A-3-37; SBP 8200)

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R 5-10-8 Construction Contract Change Orders

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:

- ❖ Construction change orders should be issued only when it is determined they are absolutely 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.
- ❖ 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.
- ❖ All construction change orders must be implemented in writing.
- ❖ All construction change orders must be reviewed by the architect who will submit a recommendation to the Board for its review.

- ❖ All construction change orders which have an impact on the cost or scope of the project must be reviewed and approved by the Treasurer.
- ❖ All construction change orders must be approved by the Board.
- ❖ The submission and approval process for construction change orders must be completed in a timely fashion in order to minimize disruption of the construction project.
- ❖ Project records should be maintained to clearly reflect the accumulative costs resulting from change orders.

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Adopted: June 19, 1984
Amended/Revised: August 9, 2010

<p>PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-11 Payroll Procedures</p>	<p>Last Reviewed: 8-9-10 Next Review: 7-1-12</p>
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Salaried regular employees shall be paid on the fifth and the twentieth day of the month. Payday shall be the preceding regular business day when the fifth day or the twentieth day of the month falls on a Saturday, Sunday or holiday. Substitutes shall be paid on the first payday of the calendar month following the receipt of the substitute time sheets in the Central Office. These time sheets are due within five days after the end of the school calendar month.

As prescribed by the laws of the state and the nation, the Preston County Board of Education shall have deducted from each employee's payroll check: State and Federal Income Taxes, Social Security Taxes and State Teachers' Retirement Contributions. In addition, the Board of Education may authorize payroll deductions, upon the request of the employees concerned, for premiums for group health and accident insurance, optional life insurance, dependent life insurance, credit union, group cancer insurance, tax sheltered annuities, U. S. Savings Bonds, group disability or loss of time insurance, supplemental life insurance, and association dues. The Board will also make deductions prescribed by law such as suggested executions and federal levies. No additional deductions other than those required by law will be made after the adoption of this policy without formal action to the Board of Education.

Upon the written request of any employee, the Board of Education shall have the employee's compensation deposited directly into a demand or time deposit or time account in a bank, credit union, or savings and loan association. The written request shall specifically identify the employee, the financial institution, the type of account, and the account number. Employees receive a check voucher on the pay date which contains the same information as a check stub.

Pursuant to the provisions of West Virginia Code §18A-4-9, the Preston County Board of Education can determine the number of pays to be made during a school year to the various classes of employees, and may defer a portion of the annual salary to be paid to the personnel employed less than 12 months per year and pay their salary over the full year. The Internal Revenue Service (IRS) calls this practice “annualized compensation”.

Commencing with the 2009-2010 fiscal year, the Preston County Board of Education requires that each employee receive annualized compensation to be paid in pro-rata amounts over 12 months. Annualized compensation is irrevocable unless severance of employment should occur.

Employees who start mid-year will receive annualized compensation to be paid in pro-rata amounts over the remaining period like other employees of similar contracts (i.e. 200, 210, 220, etc.).
[WVC §7-7-22; §18A-4-9, IRC 409(a)]

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Adopted: August 20, 1990
Amended/Reviewed: August 9, 2010

PRESTON COUNTY BOARD OF EDUCATION

FILE: 5 – FINANCIAL MANAGEMENT

File: 5-12 Tax Sheltered Annuities

Last Reviewed: 8-9-10

Next Review: 7-1-12

Pursuant to WVC §18-25-1, the Preston County Board of Education may provide by written agreement between the Board and any of its employees, a service whereby tax deferred investments may be automatically made from their salary. The program selected by the employee must qualify for tax deferral under the United States Internal Revenue Code.

(WVC §18-25-1; Federal Internal Revenue Code Section 403)

Tax Sheltered Annuities Regulations

All tax sheltered annuities shall be subject to the following policy provisions:

- ❖ All solicitation will be allowed in school buildings and on school time contingent upon Superintendent and principal approval.
- ❖ The only companies authorized to offer tax sheltered annuities in Preston County are as follows:
 - Franklin Life Insurance Company;
 - American Express;
 - Horace Mann;
 - Etna;
 - Northern Life/ Reliastar;
 - Metropolitan Life;
 - Sec First/Met Life;
 - Oppenheimer;
 - Putnam;
 - Washington Life; and
 - Tarrell Ries – 403B ASP

Any company not listed above must present at least five (5) applications from individual employees for tax sheltered annuities before that particular company may be added to the list of authorized companies.

- ❖ All deductions for tax sheltered annuities will be made in the same number of deductions as the number of pays for that individual.
- ❖ Any individual purchasing an annuity contract shall sign a salary reduction agreement as required by the Internal Revenue Service on forms provided by the Board of Education or by the company.
- ❖ Each insurance company must supply each individual signing a contract with supporting evidence that the plan offered is within the Internal Revenue Service guidelines.

- ❖ All tax sheltered policies shall be effective only after approval of the Board's agent and subsequent acceptance by the insurance company. All such applications must be received twenty (20) days prior to the employee's pay date at which such deduction would normally be made.
- ❖ Companies must adequately explain their tax sheltered program to employees in their presentation and must make it clear that they are in no way representing the Board of Education. Any company failing to comply with any of the above provisions may be removed from the list of approved companies.

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Adopted: August 14, 2000
Amended/Revised: August 9, 2010

<p>PRESTON COUNTY BOARD OF EDUCATION</p> <p>FILE: 5 – FINANCIAL MANAGEMENT</p> <p>File: 5-13 Fiscal Accounting System and Reporting</p>	<p>Last Reviewed: 8-9-10</p> <p>Next Review: 7-1-12</p>
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The Preston County Board of Education follows the procedures for fiscal control, accrual accounting, and investment reporting as prescribed by the *Uniform Financial Accounting Handbook II* (effective July 1, 1985), *Accounting Procedures Manual for County Boards of Education* and other fiscal requirements established by law or policy of the West Virginia Board of Education.
(WVC §18-9B-9; §18-9B-12; SBP 1224.1; SBP 8100; 8200 and SBP 8210)

R 5-13-1 District Treasurer Reports

The Treasurer shall maintain a checklist of all reports required by the State Financial Office and the Preston County Board of Education. Such checklist shall note the title of the report, the due date and the date submitted to the Superintendent.

A paramount responsibility of The Treasurer is to prepare for the Board of Education a monthly report showing current expenditures, year-to-date expenditures, encumbered amounts, budgeted amounts, and unencumbered balances for each budget item as of the end of each calendar month.

An annual financial statement shall be prepared for the Board within 90 days after the end of each fiscal year. This statement is to include:

- ❖ The receipts and expenditures of the Board during the previous fiscal year arranged under descriptive headings;
- ❖ The name of each firm, corporation, and person who received more than \$250 dollars in the aggregate from all funds during the previous fiscal year; together with the aggregate amount received from all funds and the purpose for which paid;
- ❖ A specific description of all debts of the Board, the purpose for which each debt was contracted, its due date, and to what date the interest thereon has been paid.

Such statement shall be published as a Class I-O legal advertisement in compliance with the provisions of WVC 59-3-1, and the publication area for such publication shall be the county. As soon as possible following the close of the fiscal year, a copy of the statement shall be filed with the State Tax Commissioner and the State Superintendent of Schools.

The Board shall transmit to any resident of the county requesting the same a copy of the published statement for the fiscal year designated, supplemented by a list of the names of all school personnel employed by the board during such fiscal year showing the amount paid to each, and a list of the names of each firm, corporation, and person who received less than \$500 from any fund during such fiscal year showing the amount paid to each and the purpose for which paid.

(WVC §18-9-3a and §18-9B-20)

R 5-13-2 Audits

The State Auditor's Chief Inspector Division ensures that financial accountability is present at the local level of government by conducting and overseeing audits of counties, municipalities, boards of education and other miscellaneous local boards and authorities. The Chief Inspector Division also stands ready to initiate necessary action when advised of inappropriate or illegal activity at the local government level.

Audits Conducted by the Chief Inspector's Office

State law requires that each school district undergo an annual review of its financial affairs the Chief Inspector or a person s/he has designated to perform the service. Such review shall be under the direction of the Chief Inspector Division.

When required for compliance with regulations for federal funds received or expended by county boards of education the Chief Inspector or his or her designee, including any certified public accountant approved by the Chief Inspector shall conduct and issue an audit report within the time specified in controlling federal regulations.

Audits Conducted by a Certified Public Accountant

The Board may elect, by the first day of May of the fiscal year to be audited, to have its annual examination performed by a certified public accountant approved by the Chief Inspector to perform the examinations. When this election is made, a copy of the order of the Board making the election shall be filed with the Chief Inspector and the State Board of School Finance. The Board is allowed to contract with any certified public accountant on the Chief Inspector's then current list of approved certified public accountants, unless the State Board of School Finance or the prosecuting attorney submits to the Chief Inspector a written request for the examination to be performed by the Chief Inspector or a person appointed by the Chief Inspector, or the Chief Inspector determines that a special or unusual situation exists. The Board shall follow the audit bid procurement procedures established by the Chief Inspector in obtaining the audit.

The CPA making the examination shall follow all of the prescribed procedures set forth by the Chief Inspector and the West Virginia Code. Upon completion of the review, the CPA shall prepare a report that includes the identification of procedures and practices found to be out of compliance with the requirements of the State Board, West Virginia Code, and the Chief Inspector Division procedures. Two copies of the certified report shall be sent to the Board and that body must file one copy with the federal audit clearinghouse. The Board shall take immediate steps to comply with the corrective instructions given in the report. The CPA is also required to send one copy of the certified report to the State Board of Education and one copy to the Chief Inspector.

If any examination discloses misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee, the certified public accountant shall submit his or her recommendation to the Chief Inspector regarding the legal action the approved certified public accountant considers appropriate, including, but not limited to, whether criminal prosecution or civil action to effect restitution is appropriate, and three additional copies of the certified audit report. After review of the recommendations and the audit report, the chief inspector shall proceed as provided in the Code.

Audits of School Accounts

In addition to the required school financial reports, all school accounts must be audited at least annually in the Finance office of the Preston County Board of Education. School accounts shall be audited according to the prescribed procedures outlined in SBP 1224.1 *Accounting Procedures Manual for the Public Schools in the State of West Virginia*.

Access to Financial Records and Audit Reports

The State Board of Education, through the Department of Education, is also authorized to have full access to all books, records, papers and documents of the county board of education **(WVC §6-9-7; §18-9-3a and §18-9B-13)**

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Adopted: June 19, 1984
Amended/Revised: August 9, 2010

PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-14 Bonded Employees	Last Reviewed: 8-9-10 Next Review: 7-1-12
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The Preston County Board of Education shall purchase annually a faithful performance bond on the Treasurer of the Board in an amount fixed by the Board not to exceed the amount of school funds which it is estimated it will handle within any period of two months.

The Superintendent and the Board President shall be bonded in the amount to be determined by the board but not less than \$10,000 nor more than \$50,000.

Certified copies of the bonds of the board president, the Superintendent, and the treasurer shall be filed in the office of the Clerk of the County Clerk.

The Board shall also purchase annually a blanket faithful performance bond in an amount fixed by the Board covering each employee exclusive of those separately bonded.
(WVC §18-9-6 and §6-2-10)

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Adopted: June 19, 1984
Amended/Revised: August 9, 2010

<p>PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-15 Individual School Funds Management</p>	<p>Last Reviewed: 8-9-10 Next Review: 7-1-12</p>
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The business functions performed by a principal are important to the total school program; therefore, all principals in the county are required to utilize the uniform accounting system approved by the State Department of Education. Specifically, to assure the proper handling of school funds the *Accounting Procedures Manual for the Public Schools in the State of West Virginia* shall be utilized by all county schools. The principal shall be directly responsible to the Board of Education for the financial management of the school; therefore, No items of any nature shall be sold in the school without the principal’s authorization. A copy of this manual shall be furnished for each school.

Each school’s financial records shall be maintained on a computerized accounting system, which must be approved by the Chief School Business Official.

Each school must maintain a General Fund that will include Faculty Senate funds, Athletic funds and Child Nutrition funds.

Additionally, it must be noted that the state of West Virginia does not recognize individual schools as legal entities; therefore, principals do not have the legal authority to enter into contracts. All contracts must be entered into with the Board of Education serving as the legal entity.
(WVC §18-5-5; §18-5-13 and SBP 1224.1)

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R 5-15-1 Required Accounting Records

Only financial activities of the school are to be recorded in the school's accounting records; personal transactions of the staff, such as coffee or flower fund collections, are not to be entered in the school's accounting records or mixed in with the revenues of the school.

School Accounts shall include all monies which involve students of the school, such as FFA and band accounts. School groups may not have outside accounts. Monies raised by students may not be turned over to groups such as P.T.O. or Band Boosters. The school accounting system shall cover all monies for which the school has the responsibility and control.

The school principal is responsible for the financial management of the school. The principal must ensure that all provisions of *Accounting Procedures Manual for the Public Schools in the State of West Virginia* and local board policies and procedures are complied with, that all accounting records are maintained accurately, and that all financial reports are prepared and submitted in a timely manner.

A separate set of accounting records and a separate bank depository account must be maintained for each fund maintained by a school.

A school may establish as many separate sub-accounts within each fund as is considered necessary to accurately account for the financial activity of the school.

The following account records must be maintained for each fund:

- ❖ Pre-numbered receipt forms which must be issued for all monies received;
- ❖ Transaction (receipts and disbursements) Journal;
- ❖ Requisition and purchase orders for all transactions;
- ❖ Bank Checkbook;
- ❖ Bank deposit slips;
- ❖ Monthly financial statements; and
- ❖ Annual financial statements.

All financial transactions must be completed through the principal's office. Each student organization shall receive a monthly statement of the balance of its account.

Annual financial statements and records for each individual school are to be submitted to the County Business Office at the end of the school year. Records shall be reviewed over the course of the summer months with recommendations, if any, for improvement provided to the principal at the start of the next school year.

Copies of the school's annual financial statements and audit reports are to be retained permanently. The transaction journals, bank statements, and canceled checks are to be retained for at least five (5) years, or until all instances of noncompliance are resolved. All other financial records are to be retained for at least three (3) years.

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R 5-15-2 Banking and Bank Accounts

All school funds must be deposited in an insured bank or one that provides adequate bonding to cover the deposits. The account must contain the name of the county board of education, the school name, the fund name, and the county board's Federal Employer Identification Number (FEIN). Schools that apply for a business registration certificate must be assigned the same basic FEIN as the county board.

Bank signature cards for individuals who have signature authority shall include the school principal, the county school Business Manager/Treasurer and a second party at the school (i.e. secretary). All schools shall use preprinted checks, which have the school name and address, name of the fund, check number and two blank spaces for signatures.

All monies collected from school activities must be remitted to the principal or a designee daily. Monies collected after school hours or on weekends shall be remitted the next school day. Principals shall see that bank deposits are made regularly.

The total amount of money remitted to the principal or designee must be reconciled to the detailed records that support the collections.

Certain types of collections from students, such as for field trips and meals, will require the preparation of a detailed record in which is listed each student's name and amount remitted.

Detailed records are also to be maintained for all fund raisers conducted in the name of the school. See Appendix X for a sample copy of the form.

To decrease the risk of theft, each check received by a school is to be stamped on the back with a restrictive endorsement at the time of receipt. The endorsement stamp should state the following:

- ❖ For deposit only;
- ❖ The name of the school;
- ❖ The name of the fund; and
- ❖ The account number.

It is recommended that deposits be made daily. Bank deposits must be made whenever total collections on hand exceed \$500 or before an extended holiday. Deposits must be made at least weekly regardless of the amount of collections. Personal checks may not be cashed from these collections.

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R 5-15-3 Petty Cash

Petty cash accounts are discouraged. However, when a principal determines that such an account is needed, s/he is authorized to open an account not to exceed \$50. These funds may be used to purchase incidental items of nominal value. The receipts and cash in the petty cash drawer must always equal \$50. Personal checks may not be cashed from this account. The petty cash drawer is to be replenished periodically by a check made payable to the principal for the amount required.

R 5-15-4 Payment for Personal Services

All payments made by a school to an individual for services rendered are to be considered wages and are to be paid through the normal payroll process at the central office, unless it can be clearly shown that the individual is an independent contractor in accordance with Internal Revenue Service Guidelines (i.e., ticket takers, chaperones, part-time help are wage earners; athletic officials are independent contractors).

Procedures established by the county Business Manager/Treasurer shall be followed in reporting wage earners and independent contractor payments to the central office.

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R 5-15-5 Gate Receipts

Pre-numbered tickets are to be used at any event where an admission fee is charged or a donation accepted for admittance. Whenever practical, separate individuals should be used to sell and collect the tickets. Tickets should be torn in half, one half being kept by the individual and the other for school records.

A ticket reconciliation report must be prepared for each event. The report shall include beginning cash, number and type of ticket (i. e. adult, student), first and last number of tickets sold, price of each ticket, total sales, and ending cash balance. Advance sales of tickets must be a part of the report. The report must also show the type of activity and date and must be signed by the preparer and the principal. (See Appendix A of the afore-mentioned accounting procedures manual for a sample form)

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R 5-15-6 Athletic Funds

Athletic funds are to be accounted for in the same manner as all other school funds as described in the foregoing regulations. All athletic collections and disbursements must be recorded in a separate sub-account within the school's general fund.

Change Drawer for Athletic Events

Schools may establish a change drawer to be used as starting cash for athletic events or other school activities. The authorized maximum of this fund is \$500. The cash in the drawer must equal the established amount at all times. Personal checks are not to be cashed from this drawer. The balance in the drawer must be deposited in the school's bank account at the end of each school year.

SSAC Tournaments

Schools acting as a host for SSAC events shall deposit all proceeds collected at such events into a school depository account and pay all expenses associated with the event by checks from that account. A separate sub-account must be established in the transaction journal to account for all collections and disbursements.

Uniforms, Equipment and Team Merchandise

All such items purchased with school funds are property of the school; therefore, an inventory of all items must be maintained. Uniforms provided to athletes and coaches must be returned to the school at the end of the season.

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R 5-15-7 School-Based Fund Raising Accounting

All proceeds from fundraisers conducted by and in the name of the school must be receipted and deposited into one of the depository accounts. Merchandise purchased for resale must be purchased by checks issued for that purpose. A profit and loss statement that shows gross proceeds, cost of goods sold, and net proceeds must be prepared and made available for public inspection for each fund raising activity. (See Appendix A of the afore-mentioned accounting procedures manual for sample copy of form)

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R 5-15-8 School Support Organization Guidelines

Every school support organization (i.e., P.T.O, Band Boosters, Athletic Boosters, and Academic Booster) must be officially organized with a set of published by-laws and be governed by an elected board of directors consisting of at least a president, a vice president, a secretary and a treasurer. These groups may organize in one of three ways:

- ❖ They may utilize the school's FEIN number that requires financial records be maintained at the school.
- ❖ They may organize under an established state parent organization's (i.e. P.T.O. FEIN number that requires an annual dues payment to the parent organization).
- ❖ They may organize as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Service that may require annual filings with the IRS and other financial record keeping requirements.

School support organizations shall abide by the same regulations county schools follow for fund raising projects and shall practice the same accounting procedures. The governing officials of all school support groups should read carefully the foregoing sections relating to funds management by the schools.

All school support organizations that will be collecting funds in the name of any school must be approved, in advance, by the county board of education. The organization must also notify and gain the school principal's approval prior to each fund raising activity being held. At a minimum, the following financial procedures must be followed:

- ❖ Annual Financial Statement:
 - The Board has the authority, pursuant to the provisions of WVC §18-5-13(1), to examine the financial records of any support group collecting money in the name of the school, or to require the organization to provide the county with financial statements that have been examined by an independent accountant.
 - Annual financial statements must be presented to the Board for review. They are to be prepared on the fiscal year basis of July 1 through June 30 each year. At a minimum, the financial statement must list the beginning cash balance, revenues collected during the year, expenditures for the year, and the cash balance at the end of the year. A list of all outstanding invoices and all uncollected revenues should be submitted also. The preparer and the organization's president must sign the financial statement. (See Appendix A of the accounting procedures manual for a sample form)

- If any reportable conditions are noted in the report, the president must provide the Board with a corrective plan, and those corrections must be made as soon as practical but not later than six months after receipt of the report.
- ❖ Retention of Records:
 - Copies of the organization's annual financial statements and minute books shall be retained permanently. The transaction journal, bank statements and canceled checks shall be retained for at least five years. All other financial records shall be retained for at least three years.

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R 5-15-9 Vending Machine Sales

In order to generate funding for necessary programs and supplies, the Board may permit vending machine sales in schools provided that such sales are conducted in compliance with the rules of the national school lunch program, the school breakfast program of the State Board, and the Nutrition Service of the United States Department of Agriculture.

If vending machines are maintained at a school, it is recommended that the vendors stock the machines and remove all sales proceeds. In this manner the school will not be responsible for purchasing, storing and safeguarding the inventory, removing and accounting for the sales or remitting the corresponding sales tax. If the school stocks the machine and removes the sales proceeds, local school procedures must be established to ensure that the stock is safeguarded and that all proceeds are receipted and deposited into the appropriate school depository accounts.

All proceeds from vending machine sales are to be receipted and deposited into the appropriate school fund and account. Merchandise purchased for resale is to be purchased by check issued for that purpose. The purchase invoices are to be retained as supporting documentation for the disbursements.

Periodically, a profit and loss statement is to be prepared to compare actual sales proceeds to the expected.

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R 5-15-10 Sale of Healthy Drinks and Soft Drinks in High Schools

Soft drinks beverages may only be sold in the high school and they may not be sold there during the school day. The high school shall also offer healthy beverages for sale. Of the total beverages offered for sale, at least fifty percent shall be healthy beverages.

During a school day, soft drinks **may not** be sold in areas accessible to students in an elementary school, middle school or junior high school through vending machines on the premises, in school stores or in school canteens or through fund raisers by students, teachers, student groups or by any other means.

Seventy-five percent of the profits from the sale of healthy drinks and soft drinks shall be allocated by majority vote of the Faculty Senate of each school and 25 percent of the profits from the sale of soft drinks shall be allocated to the purchase of necessary supplies by the principal of the school.

Vending machines containing healthy beverages shall be in the same location or substantially similar location as vending machines containing soft drinks.
(WVC §18-2-6a)

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R 5-15-11 Sale of Healthy Beverages and Foods in Schools Pre-K-12

While the sale of soft drinks is not permissible in elementary, middle and junior high schools, healthy beverages may be sold to these students in vending machines on the premises, in school canteens or through fund raisers by students, teachers, and student groups or by any other means. Nothing in WVC §18-2-6a shall be construed to prohibit or limit sale or distribution of any food or beverage item through fund-raising activities of students, teachers or educational groups when the items are intended for sale off the school grounds.

Healthy beverages include water, 100% fruit and vegetable juice, low-fat milk, and other juice beverages with a minimum of 20% real juice. Vending machines containing healthy beverages shall be in the same location or substantially similar location as vending machines containing soft drinks.

"School day" means the period of time between the arrival of the first student at the school building and the end of the last instructional period.

Beginning with the arrival of the first student at school and lasting until the departure of the last regularly scheduled school bus, all fund raising activities on school premises involving foods and beverages shall comply with the standards set forth in *SBP 4321.1—Standards for School Nutrition* and Preston County procedures.

- ❖ Except for foods served in the school nutrition programs, no food or beverage shall be sold, served or distributed to students in elementary schools from the time the first child arrives at school until 20 minutes after all students are served lunch.
- ❖ Foods and beverages shall not be offered as a reward or used as a means of punishment or disciplinary action for any student during the school day.
- ❖ Foods and beverages may not be sold, served or distributed in competition with the federal child nutrition programs in the food service areas during the meal service periods.
- ❖ Other foods and beverages may not be sold, served or distributed in such a way as to encourage the distribution or purchase of these items as a ready substitute for, or in addition to, reimbursable meals.
- ❖ Wherever and whenever foods are sold, served or distributed on school premises, outside the school day, such foods shall include nutritious choices.
(WVC §18-2-6a; SBP 4320; SBP 4321.1)

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R 5-15-12 Concession Sales

All proceeds from concession sales by a school or school organization are to be receipted and deposited intact into the school's General Fund. Merchandise purchased for resale is to be purchased by check issued for that purpose. The purchase invoices are to be retained as supporting documentation for the disbursements.

Periodically, a profit and loss statement is to be prepared to compare actual sales proceeds to the expected sales proceeds.

R 5-15-13 Clearing of Class Accounts

All class accounts are to be cleared at the time of the class graduation. As soon as all bills from the senior class have been received, the class officers and advisors shall meet with the principal to arrange the closing of the account. The administration will not approve the establishment of class reunion accounts with school class funds. Any money left in a class account after that class graduates will be transferred to the general school account at the beginning of the next school year, or to a school project account.

(WVC §18-5-13)

R 5-14-14 Funding of Recognition and Awards Programs

Schools are empowered to spend funds for student, parent, teacher and community recognition programs. However, the funds must be generated through fund-raising or donation-soliciting activity and once generated must be designated for recognition programs. Before beginning the fund-raising or donation-soliciting, the school must publicize that the funds are being raised or solicited for that purpose. These funds MAY NOT be diverted for other expenses. Likewise, other public funds MAY NOT be used for recognition programs.

Federal funds (i.e. Title I) may be used for recognition and awards program if the federal grant SPECIFICALLY and EXPRESSLY permits expenditures for that purpose, but only in accordance with all the terms and conditions of the grant.

[WVC §185-13(a)(2)]

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Adopted: August 14, 2000
Amended/Revised: August 9, 2010

PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-16 Quasi-Public Funds	Last Reviewed: 8-9-10 Next Review: 7-1-12
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The funds of any school-related organizations are quasi-public funds and, therefore, may be audited by the Board; and the Board may establish by its policies control measures it deems advisable over such funds. The board may monitor, audit, and control the flow as well as the use of such funds. (State Superintendent's Interpretation March 6, 1973)

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Adopted: June 19, 1984
Amended/Revised: August 9, 2010

<p>PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-17 Sale of School Property</p>	<p>Last Reviewed: 8-9-10 Next Review: 7-1-12</p>
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It is necessary from time to time to dispose of used, damaged, surplus, or excess school property. The following policies shall govern the sale of such property:

R 5-17-1 Disposal of Real Property

According to the provisions of WVC §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:

- ❖ The state or political subdivisions, including county commissions or agencies thereof, for an adequate consideration;
- ❖ 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;
- ❖ 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.

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.

Public auctions shall be announced in the county newspapers for two weeks preceding the date of the sale. No real property shall be sold until the Board's attorney has examined the deeds and appropriate statutes and ascertained that the Board has the right to sell the property.

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R 5-17-2 Disposal of Personal Property

At any time the Board 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 Treasurer/Financial Officer/Director of Purchasing may declare the property surplus and dispose of the property in the most economical method for the benefit of the Board.

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, sold on line by means of the Board's website, by competitive bid to the highest bidder, by fixed price, or contributed to:

- ❖ The state or political subdivisions, including county commissions or agencies thereof; or
- ❖ 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.

Board employees and members of their immediate family are not eligible to buy or receive surplus property belonging to the Board unless the surplus property is offered to the general public for sale.

The sale of the surplus property must be conducted by the business manager or designee at a central location.

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.

If public auctions are held, the sale shall be announced in the county newspapers for two weeks preceding the date of the sale. The Superintendent and his staff, subject to Board review, shall determine the items to be sold. The high bidder on surplus school buses, trucks, automobiles, or other valuable items may not claim such items until their sale has been approved by the Board.

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R 5-17-3 Procedure for Disposing of Surplus Property Having an Appraised Value of Less than \$300

- ❖ The Treasurer/Financial Officer/Director of Purchasing shall prepare a notice of "Items for Sale." This notice shall state that required sealed bids will be received at the county office location for the items listed and that the Board reserves the right to reject any and all bids.
- ❖ No single item with a value of over \$300 should be listed as board policy requires items in excess of that amount must be sold at a public auction sale.
- ❖ This list shall be submitted to the Superintendent for approval.
- ❖ Following appropriate county office approval, the Business Manager shall post the notice in the school or schools in a prominent place and two public places within the community. A notice should also be sent to community groups such as fire departments, ambulance services, etc.
- ❖ A notice shall also be posted on the Board's webpage and announced in the county newspapers.
- ❖ All bids shall be opened at the Central Office in the presence of two persons.
- ❖ Funds obtained from items sold from a specific school may be remitted to that school's general account. Funds from items sold at the central office level shall be placed in the general account of the Board of Education.
- ❖ Funds for sale of any school lunch equipment must be deposited in the school lunch fund.

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R 5-17-4 Disposal of Equipment Purchased From a Federal Grant

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.

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.

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Amended/Revised: August 9, 2010

PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-18 Business Franchise Certificate	Last Reviewed: 8-9-10 Next Review: 7-1-12
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All schools are required to file an "Application for Business Franchise Certificate" to cover each location where any sales are made. Schools are exempt, though, under state law from a \$15.00 fee for such certificate.

(WVC §11-12-1 thru §11-12-17)

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<p>PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-19 Faculty Senate Funds</p>	<p>Last Reviewed: 8-9-10 Next Review: 7-1-12</p>
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The Faculty Senate Fund shall be maintained as a sub-category in each school’s General Fund; however, care must be taken that these funds are expended in the manner prescribed by law and the Preston County Board of Education procedures defined in this policy.

R 5-19-1 Allocation of Faculty Senate Funds

General Guidelines:

Every faculty senate is to prepare an annual budget approved by the membership that defines how the faculty senate funds are to be expended. The budget is to be made a part of the official minutes.

Faculty senate funds are to be accounted for in the same manner as all other school funds. The same accounting practices and procedures described in the accounting procedures manual for the general activity funds of the school are to be followed for faculty senate funds.

Control of Funds:

Faculty senates are to control the funds allocated to each school from the legislative appropriations of \$200 per Professional Instructional Personnel and Professional Support Personnel or funds donated to the faculty senate. The Board is required to distribute the faculty senate funds received from legislative appropriations to each faculty senate during the month of September each year.

All Professional Instructional Personnel and Professional Support Personnel are eligible to receive faculty senate funds for the purchase of academic materials, supplies and equipment. Of the total allocation received by each faculty senate, \$50 is to be allocated to each eligible professional instructional employee for expenditure during the instructional year for academic materials, supplies or equipment that in the judgment of the individual will assist him/her in providing instruction. This includes expenditures for programs and materials that, in the opinion of the teacher, enhance student behavior, increase academic achievement, improve self-esteem and address the problems of students-at-risk.

- ❖ Payment will be made directly to the teacher, counselor, or librarian.
- ❖ Receipts must be provided by each recipient to the Faculty Senate.
- ❖ Recipients should be instructed that funds would have to be refunded if the entire amount were not expended during the school year; if the funds were expended for unauthorized purposes; or if itemized receipts were not submitted.

The remainder of funds (\$150) shall be expended only for academic materials, supplies and equipment in accordance with a budget approved by the faculty senate. Accounts shall be maintained of the allocations and expenditures of such funds for the purpose of financial audit. Expenditures will be made via purchase orders.

Funds not expended in one school year shall be available for expenditure in the next school year.

Funds allocated to classroom teachers, counselors or librarians are to remain with the faculty senate to which the individual was originally assigned; the funds are not to be transferred among faculty senates.

A Faculty Senate may also solicit, accept, and expend any grants, gifts, bequests, donations, and any other funds made available to the Faculty Senate.
(WVC §18-5A-5; §18-9A-9)

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R 5-19-2 Open Governmental Meetings Requirements

A June 7, 2001 opinion issued by the West Virginia Ethics Commission has declared that the Faculty Senate is a public agency and is subject to the provisions of the Open Meetings Act when it is exercising executive or legislative power in taking official public action on behalf of the school. Instances where the Faculty Senate would be exercising executive power include the following:

- ❖ Creating and adopting a budget;
- ❖ Allocating funds received through a grant;
- ❖ Authorizing the expenditure of funds for academic supplies, materials and equipment (this would not apply to the \$50 per person which is allocated for expenditure by individual educators; and
- ❖ Adopting specific policies such as the plans for integrating special needs students in the regular classroom.

Each Faculty Senate must adopt a policy for giving notice to the public, which includes the date, time, place and agenda of all meetings that deal with the above issues. Such notice shall be given two days prior to the meeting and shall be made available to the public through the news media and postings at the school site.

Each Faculty Senate must also provide for the preparation of written minutes of all of its meetings, which shall be available to the public within a reasonable time after each meeting and shall include at least the following information:

- ❖ The date, time and place of the meeting;
- ❖ The name of each member of the governing body present and absent;
- ❖ All motions, proposals, resolutions, orders, ordinances and measures proposed, the name of the person proposing the same and their disposition; and
- ❖ The results of all votes.

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PRESTON COUNTY BOARD OF EDUCATION

FILE: 5 – FINANCIAL MANAGEMENT

File: 5-20 Credit Cards

Last Reviewed: 8-9-10

Next Review: 7-1-12

The Board, at its discretion and with the Superintendent’s recommendation, may authorize the procurement and use of credit cards on a limited basis. It is the Board’s position that the most prudent expenditure of funds is through the procedures established in *File: 5-10 Purchasing Procedures* of this policy manual. However, in the event the Superintendent and the Treasurer/Financial Officer/Director of Purchasing determine that the limited uses of credit cards for certain Central Office personnel will expedite the purchasing practices of the school system, the Board will entertain and act upon proposals presented to it.

Credit cards usage in the Preston County School System shall be in accordance with the guidelines promulgated in *SBP 8200 Purchasing Procedures for Local Educational Agencies*.

Credit cards will not be authorized for individual schools.

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R 5-20-1 General Guidelines for Credit Card Use

All credit cards issued on behalf of the Preston County Board of Education must be approved and recommended by the Superintendent. The purchasing practices outlined in *File: 5-10 Purchasing Procedures* shall be observed, especially those related to requisitions, purchase orders and receipts. Personnel authorized to utilize credit cards shall adhere to the following guidelines:

Prohibitions and Restrictions

- ❖ For cards issued in the name of designated employees, each designated employee must complete and sign an acknowledgement form provided by the Board (See Appendix C of SBP 8200) in which the employee acknowledges the responsibilities associated with becoming a cardholder.
- ❖ 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.
- ❖ 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.
- ❖ Cards must be surrendered immediately upon termination or separation of employment. Upon surrender, the card is to be canceled and the card destroyed.
- ❖ 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.

- ❖ 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.

Receipts

- ❖ 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:
 - 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;
 - Receipts must show no balance due or be marked "paid";
 - Receipts must be totaled;
 - Receipts must show that the payment was a credit card; and
 - All receipts should be kept in chronological order by date of purchases.

Reconciliations and Reviews

- ❖ Each cardholder is responsible for reconciling his/her statement every month.
- ❖ Upon completion of reconciliation, the cardholder must forward his/her documentation to the Treasurer for review.
- ❖ Individual and master statements must be examined carefully for billing errors, debits due to erroneous billings, or credits to correct a previously disputed item.
- ❖ The Treasurer 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.
- ❖ 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.

Unauthorized Use

- ❖ 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 Board and subject to civil action by the credit card company for personal liability.
- ❖ 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.

R 5-20-2 Types of Credit Cards Which May be Issued

Vendor Issued Credit Cards:

- ❖ 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.)
- ❖ Vendor issued credit cards may be issued either in the name of Preston County Schools without an authorized employee's name printed on the card, or in the name of the school system and each individual cardholder's name also printed on the card.
- ❖ 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, a requisition and/or a purchase order must be approved by the Superintendent or his/her designee prior to the purchasing of goods or services.
- ❖ In the cases where a vendor issued card is issued only in the name of the school system, to maintain accountability and control, the Superintendent or his/her designee shall 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 of SBP 8200.
- ❖ 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.
- ❖ 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 of SBP 8200 for a sample form).

Corporate Credit Card for the Payment of Travel Related Expenses:

The Board may obtain a corporate credit card for designated employees to use in charging authorized travel related expenses. The cards must be issued in the name of the Preston County Schools and the individual cardholder.

- ❖ Authorized Card Holders:
 - Corporate credit cards for the payment of travel related expenses may be issued only to the Board's regular, full-time employees;
 - 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 Board;
 - 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; and

- 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.
- ❖ 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 Board employees, cannot be charged to another employee's card.
- ❖ The monthly statement shall be issued to the Board for payment. The cardholder shall assist the Treasurer in reconciling the monthly statement to assure that only authorized expenses are being paid.
- ❖ 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 even if all expenses incurred for the travel were charged on 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 purpose.

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Amended/Revised: August 9, 2010

<p>PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 11-27 File: 5-21 Activity Fees and Fund Raising</p>	<p>Last Reviewed: 8-9-10 Next Review: 7-1-12</p>
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Activity Fees

Student activities are not to become profit-making organizations. Their purpose is to enrich the experiences of the student population. Therefore, fees charged by any organization or club shall be no greater than the amount needed to sustain its normal function and provide for unexpected expenses. The fees charged by an organization, club or activity shall not be such that they automatically discriminate between those students financially able to participate in the activity and those who cannot participate because of limited financial resources.

Fund Raising

The Board realizes that some school groups such as bands, junior and senior classes, and other similar groups sometimes find it necessary to appeal to the community for support through fund raising activities. The Board also recognizes that its patrons cannot support unlimited solicitations from school groups; therefore, it shall be the responsibility of the school principal to evaluate the needs of his/her school groups and approve only those fund raising activities that are essential.

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R 5--21-1 General Guidelines and Regulations

The guidelines listed below are intended to allow the school community an opportunity to support school activities and at the same time they will protect the patrons of our schools against an unreasonable amount of solicitations.

- ❖ All fund raising organizations must be approved by and registered annually with the Treasurer/Financial Officer/Director of Purchasing.
- ❖ The principal shall have the responsibility of determining which organizations on campus will be permitted to conduct fund raising activities. All fund raising activities must be approved in advance by the principal.
- ❖ All fund raising activities must be approved by the Treasurer/Financial Officer/Director of Purchasing prior to proceeding with the activity.
- ❖ All schools within a given attendance area should coordinate fund raising activities to eliminate concurrent fund drives.
- ❖ All parents/guardians shall be informed of the fund raising activity and that the participation of their child is optional.
- ❖ No fundraiser should be approved that requires or expects minimum sales from each student.
- ❖ Before beginning the fund-raising activity, the school must publicize the purpose for which the funds are being raised. These funds MAY NOT be diverted for other expenses.

- ❖ All students participating in the fundraisers shall have specific information available for potential customers regarding the purpose of the fundraiser including the name of the sponsoring group and the firm supplying the product. All participating students shall be provided, and carry with them while involved in fund raising activities, a copy of the currently approved information form.
- ❖ Major fund raising drives are defined as those that involve the selling of chances, magazine sales, going door-to-door selling goods, and other similar efforts.
- ❖ The number of major fund raising drives which will be allowed per school per calendar year are:
 - Elementary Schools – 1
 - Middle Schools – 2
 - Senior High School - 3
- ❖ Service related fund raising activities will not be restricted since the public will be volunteering to purchase the service or goods. Examples of Service Related Fund Raisers are: Car washes, bake sales and dinners.
- ❖ All schools should be sure they are selling "quality" items.
- ❖ It is recommended that dues be collected whenever possible in lieu of fund raising activities.
- ❖ The selling of concessions at athletic contests is not restricted.
- ❖ Funds that are raised in the name of the school shall be expended for projects to enhance school activities. Surplus funds shall not be returned to individual students, nor shall they be expended to purchase personal items for students. Organizations that cease to be active and are disbanding or graduating classes that have surplus funds shall turn them over to the principal to be used for a worthy project in the school. The organization or class may designate the project.
- ❖ Fund raising activities shall be listed on the school calendar of events.
- ❖ School groups will not be permitted to solicit money by stopping travelers on the highways of Preston County.
- ❖ Schools may reward students through an established prize program for selling products; however, schools may not permit students to receive a percentage of all sales for selling the products as funds are being raised in the name of the school and should be expended for school activities.
- ❖ All fund raising activities will be comprised of offering a product or a service. Fund raising activities based solely on soliciting funds are not permitted.

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R 5-21-2 Criteria for Approval of Major Student Sales Vendors

- ❖ The profit margin for the school should be approximately 40%.
- ❖ The product or goods must be available for inspection.
- ❖ The description of the sales program shall be available with all contractual obligations clearly specified.
- ❖ The quality/quantity of the product shall be deemed appropriate and in accordance with that available locally.
- ❖ The sales shall be considered appropriate for the class or organization conducting the sales.

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Adopted: December 12, 1983
Amended/Revised: August 9, 2010

<p>PRESTON COUNTY BOARD OF EDUCATION</p> <p>FILE: 5 – FINANCIAL MANAGEMENT</p> <p>File: 8-26</p> <p>File: 5-22 Travel Regulations</p>	<p>Last Reviewed: 8-9-10</p> <p>Next Review: 7-1-12</p>
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Employees shall only be eligible for mileage reimbursement after they have reported to their assigned work station within the county. Should their duties and responsibilities require them to travel to additional locations in the county; they will be reimbursed for the mileage to that work station(s) and back to their assigned work station.

The standard form "Traveling Expense Account" will be used for all claims for traveling expense. All expenses shall be itemized in detail, and no items shall be designated as miscellaneous. Expense accounts must be signed by the employee and approved by the employee's supervisor before submission to the Treasurer's Office for payment. The Superintendent or designee shall approve all expenditures.

The Board shall reimburse any school personnel, or Board Member, for each mile traveled when s/he is required to use a personal motor vehicle in the course of employment or Board business. The Board shall reimburse at the same rate for all persons eligible for reimbursement. The rate of reimbursement shall be at least the lesser of, and not more than the greater of, the federal standard mileage rate or the rate authorized by the Travel Management Office.

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R 8-26-1

R 5-22-1 Travel within the County

- ❖ The rate of mileage reimbursement for the use of privately owned vehicles shall be at least the lesser of, and not more than the greater of, the federal standard mileage rate or the rate authorized by the Travel Management Office. Detailed itemization of places visited and reasons therefore must be shown.
- ❖ Members of the Central Office Staff (Professional and service employees) shall be reimbursed for their necessary travel expenses. All mileage is paid round trip from Kingwood except that a person leaving directly from his home for a work location will be paid mileage to or from his home or to or from Kingwood, whichever is lesser.
- ❖ Employees who are assigned to more than one school will be paid mileage as indicated below:
 - No mileage will be paid to employees who spend an entire day in the same school.
 - Employees serving more than one school in a day shall be reimbursed for the extra mileage s/he incurs in serving schools other than his/her base school.
 - The base school shall be the school in which the employee is assigned for the major portion of the school day.
 - In the event certain specialist spend an entire school day at different schools on different days during the school week, those employees shall submit a schedule of their work week to their supervisor and their assigned work station for any work day shall be the location shown on their schedule for that day.

- ❖ Vocational teachers will be reimbursed for county travel that is part of their vocational work. All mileage will be paid round trip from the home school except that a person leaving directly from his home for a work location or returning directly to his home from a work location will be paid mileage to or from his home or to and from his school, whichever is less.
- ❖ Instructional personnel will be reimbursed for home visits made to the home of their students for instructional purposes. The mileage will be calculated from the work station to the student's home and back.
- ❖ No reimbursement will be made for meals or lodging incurred within Preston County.

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R 8-26-2

R 5-22-2 Travel Outside of Preston County

❖ **Authorization**

- Request for out-of-county travel for attendance and participation in meetings should be in the Superintendent's or Superintendent's designee's office 10 work days prior to the event.
- The Preston County Board of Education shall pay the reasonable travel expense incurred by board members and employees in the execution of duties previously authorized by the Superintendent or Board of Education.
- The Superintendent shall have the authority to approve out-of-county travel including adjoining states within a 100 mile radius.
- Vocational teachers may travel within their trading areas with approval of the Director of Vocational Education.
- Board of Education must approve all travel outside the state of West Virginia except for travel to adjoining states within a 100 mile radius.
- Copies of approved authorizations must be attached to the "Traveling Expense Account" claim form.

❖ **Reimbursable Items**

➤ **Ground Transportation**

When a personal car is used, expenses are allowed at the designated rate per mile. Turnpike and bridge tolls are allowable as well as parking expenses. To claim turnpike and bridge tolls, receipts must be attached to the expense sheet.

➤ **Air Transportation**

Expense for air transportation is allowable only for tourist or coach fare. The passenger coupon from the airline ticket and the purchaser's receipt must be attached to the expense sheet.

➤ **Lodging**

The maximum expense allowable for lodging is the rate of a single occupancy. When a Preston County Board of Education employee is accompanied by a non-employee, none of the expenses for a non-employee are allowable expenses. When a Board of Education employee is lodged in a room with a non-employee; the maximum allowable expense is for the cost of a single occupancy. Whenever two employees of the Board are lodged in the same room, each employee shall request a bill for one-half of the total cost. A hotel/motel receipt or invoice must be submitted with the travel claim.

➤ **Authorized meal allowances:**

- Authorized Daily Rate for Meals - State of West Virginia up to a maximum of \$25.00 per 24 hour day;
- Authorized Daily Rate for Meals - National Conferences \$35.00 per 24 hour day

➤ **Registration Fees**

Fees or charges for the attendance at conferences, meetings, seminars, and/or workshops, as well as event related materials, are reimbursable expenses to the traveler.
(WVC §18A-2-14; §18A-5-4)

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Adopted: June 23, 1999
Amended/Revised: August 9, 2010

PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 12-1-4 File: 5-23 In Lieu of Student Transportation Fees	Last Reviewed: 8-9-10 Next Review: 7-1-12
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Circumstances and conditions may sometimes exist that justify the payment of an in lieu of transportation fee to the parents/guardians of certain students. In such cases the parent/guardian shall receive the same county reimbursement rate per loaded mile that employees and other persons receive for performing services for the school system (**loaded mile means transporting students to and from school**)

The Superintendent shall make a recommendation to the Board after s/he, in collaboration with the Coordinator of Transportation, has investigated the existing conditions. The appropriate school officials shall fully explain the circumstances to the parents/guardians of the student and secure their approval of the plan. The plan must be in writing, signed by the Superintendent and the parents/guardians and shall be executed annually if the need for such an arrangement extends beyond the current school term.

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Adopted: August 9, 2010
Amended/Revised:

PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-24 Purchase of Safety Work Boots and Safety Glasses for Mechanics and Maintenance Employees	Last Reviewed: 8-9-10 Next Review: 7-1-12
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The safety of its employees is a primary concern for the Preston County Board of Education. Two groups of employees (maintenance garage mechanics and general maintenance employees) are especially vulnerable to accidents involving falling, heavy pieces of equipment, large objects and flying objects as they perform their duties. Therefore, the Board will contribute toward the purchase of the following safety items annually for all mechanics:

- ❖ Up to \$100 for one pair of steel-toe safety boots; and
- ❖ One pair of safety glasses. Employees requiring prescription safety glasses shall be reimbursed for the amount of the glasses not covered by the Board's Vision Insurance Plan.

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Adopted: August 9, 2010
Amended/Revised:

<p>PRESTON COUNTY BOARD OF EDUCATION FILE: 5 – FINANCIAL MANAGEMENT File: 5-25 Endnotes</p>	<p>Last Reviewed: 8-9-10 Next Review: 7-1-12</p>
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ENDNOTES

File: 5 Financial Management

U.S. Constitution:

Fourteenth Amendment – Guarantees equal protection under the law to all citizens residing within the borders of the state (that includes the children of illegal aliens).

West Virginia Constitution:

Article X – Establishes taxation and financing system for supporting the state school system.

Article XII – Section 1 requires the legislature to provide a thorough and efficient system of free schools.
Section 5 requires the legislature to establish a support mechanism for the free schools.
Section 7 prescribes the method of laying levies and collecting them.

West Virginia Codes:

<u>Code</u>	<u>Topic of the Code</u>
§ 5A-3-19 -----	Purchasing from federal government and other sources.
§ 5A-3-37 -----	Preference for resident vendors.
§ 5-22-1 -----	Specifications regarding construction bids and exceptions.
§ 6-9-7 -----	Examinations into affairs of local public officers.
§ 7-7-22 -----	Direct deposit of county officials’ and employees’ compensation into designated accounts in financial institutions.
§ 11-8-5 -----	Classification of property for levy purposes.
§ 11-8-6c -----	Maximum levies on each classification by county boards of education.
§ 11-8-6f -----	Effect on regular school board levy rate when appraisal results in tax increase.
§ 11-8-7 -----	Increase of current expense levies when debt levies not required.
§ 11-8-9 -----	Meetings of local levying bodies.
§ 11-8-12 -----	Levy estimate by board of education; certification and publication.
§ 11-8-12a -----	Adjourned session of board of education to hear objections to proposed levies.
§ 11-8-13 -----	Certification of levy order to tax commissioner and county superintendent.
§ 11-8-16 -----	Immediate levies authorized pursuant to Better Schools Amendment.
§ 11-8-17 -----	Special levy elections; notices; election officers; conduct of election; supplies; canvass of returns; form of ballot.
§ 11-8-25 -----	Funds expended only for purposes for which I was raised.
§ 11-8-26 -----	Unlawful expenditure by local fiscal body.
§ 11-8-29 -----	Personal liability of official participating in unlawful expenditure.
§ 11-8-31 -----	Criminal liability of official violating provisions of article; proceeding for removal.

- § 11-12-1 thru 17 ----- Business franchise certificate.
- § 13-1-2 ----- Purposes for which bonds may be issued.
- § 13-1-3 ----- Amount and purpose of indebtedness for which bonds may be issued.
- § 13-1-4 ----- Bond issue proposal to be submitted to voters; election order.
- § 18-2-6a ----- Sale of soft drinks.
- § 18-5-4 ----- Budget hearings.
- § 18-5-5 ----- Corporate character and general powers of the board.
- § 18-5-7 ----- Sale of school property at public auction; rights of grantor of lands in rural communities.
- § 18-5-13 ----- Authority of boards generally.
- § 18-5-16a ----- Transfer of pupils; tuition, transportation and maintenance.
- § 18-5-19 ----- Adult education classes and programs; tuition; authority of county boards to contract with federal agencies.
- § 18-5-19b ----- Adult education classes and programs; tuition.
- § 18-5-47 ----- Flood insurance.
- § 18-5A-5 ----- Public school faculty senates established; election of officers; powers and duties.
- § 18-8-5 ----- Duties of principal, administrative head or other chief administrator.
- § 18-8-6 ----- Expenditure of school funds for driver education courses; appropriations.
- § 18-9-1 ----- School levies, when levy election necessary; special election.
- § 18-9-2 ----- Elections under this chapter; procedure.
- § 18-9-2a ----- Levies.
- § 18-9-3 ----- Collection and disbursement of school money by sheriff.
- § 18-9-3a ----- Preparation, publication and disposition of financial statements by county boards of education.
- § 18-9-4 ----- Nonpayment of order; liability of treasurer of county board.
- § 18-9-6 ----- Transfer of moneys; appointment of treasurer, bonding of treasurer; approval of bank accounts; authority to invest; security for funds invested.
- § 18-9-6a ----- County board of education treasurer authorized to make funds available to state board of investments.
- § 18-9A-1 thru 26 ----- Public School Support.
- § 18-9B-5 ----- School district budgeting.
- § 18-9B-6 ----- Submission and approval of budget.
- § 18-9B-6a ----- Delaying submission of budget.
- § 18-9B-7 ----- Determination by the board of finance before final approval of budget; length of term.
- § 18-9B-8 ----- Projected expenditures order of revision in budget.
- § 18-9B-9 ----- Uniform accounting systems for school districts.
- § 18-9B-10 ----- Restrictions on county boards.
- § 18-9B-11 ----- Emergency and supplemental appropriations.
- § 18-9B-12 ----- Practices of fiscal administration.
- § 18-9B-13 ----- Inspection and audit of school finance administration.
- § 18-9B-14 ----- Establishment of permanent improvement fund; contents and use of fund.
- § 18-9B-17 ----- Duties of county board and county superintendent.
- § 18-9B-19 ----- Withholding of state aid for noncompliance by county board.
- § 18-9B-20 ----- Fiscal reports to board of finance.
- § 18A-2-14 ----- Mileage reimbursement for school personnel.
- § 18A-4-2 ----- State minimum salaries for teachers.
- § 21-5-4 ----- Employees separated from payroll before payday.
- § 21-5A-2 ----- Policy declared for fair minimum rate of wages.
- § 21-5A-3 ----- Fair minimum rate of wages.
- § 21-5A-5 ----- Prevailing wage.

State Board Policy:

Policy

Topic of the Policy

- SBP 1224.1 ----- Accounting Procedures Manual for Public Schools
- SBP 4320----- Child Nutrition Program
- SBP 4321.1 ----- Standards for School Nutrition
- SBP 8200 ----- Purchasing Policies and Procedures Manual Policy
- SBP 8210 ----- Emergency Purchasing Procedures**

Relevant Court Cases:

Cooper v. Board of Educ., 478 S.E.2d 341 (1996) – County boards of education may choose to provide school bus services to parochial schools; however, there is no constitutional requirement to do so, nor does legislation require it. Should a board choose to provide such services, it must be done adequately.

Byrd v. Board of Educ., 467 S.E.2d 142 (1995) – Pursuant to WV Code §11-8-16, the better practice of school boards is to offer their taxpayers in special levy and bond elections a delineation of the purposes in terms that are specific enough to provide taxpayers with notice of what they are being asked to approve along with accompanying specific amounts for each purpose.

State ex rel Boards of Educ. v. Chafin, 376 S.E. 2d 113 (1988) – The authority of county residents to vote for an excess levy for the support of public schools in the county, pursuant to the WV Constitution, is not subject to equal protection principles.

Pauley v. Kelly, 255 S.E.2d 859 (1979) – State financing of education must ensure a thorough, efficient and nondiscriminatory system of free schools. The plaintiffs in this case argued that the existing mechanism for financing the State’s educational system was discriminatory in that students from one area of the state received educational benefit that students in another locale did not.

Thomas v. Board of Educ., 261 S.E.2d 66 (1979) – The true interpretation of the language of a special levy proposal is the meaning given it by the voters of the county, who, by their approval of the special levy, consent to be taxed more heavily to provide the necessary funds. Any expenditure of levy funds in an unauthorized manner or for unauthorized purposes constitutes an unlawful diversion of funds.

Lane v. Blair 250 S.E.2d 124 (1978) – Members of a board of education occupy a fiduciary position and are under duty to make detailed inquiry into any matter, which appears to be wrong. Failure to do so is negligence and if such negligence causes or compounds violation of statute providing that no local fiscal body shall expend money for unauthorized purposes members can be removed from office.

Edwards v. Hylbert, 118 S.E.2d 347 (1960) – Boards of education may not incur obligations, which can be met only out of funds to be realized from levies of a subsequent year.

Jarrell v. Board of Educ., 59 S.E.2d 442 (1948) – It is unlawful for a board of education to divert the funds from some unfinished projects that were specified in the levy call to other projects that were also specified in the call. Nor may a board of education spend said funds on projects that were not mentioned in the levy call. The fact that the funds raised by the special levy are insufficient to fund all of the specified projects is irrelevant.

Dooley v. Board of Educ., 93 S.E.2d 766 (1917) – A board of education may dispose of property no longer needed for school purposes only in the manner prescribed in §18-5-7 of the WV Code.

Attorney General Opinions:

- 1983 – Members of county boards of education should not be held liable for any sanctions for the incurring of a deficit which results from a substantial reduction in state aid, in the absence of clear and convincing evidence that such members permitted or caused such a deficit in a willful or negligent manner.
- 1974 – Mobil homes that are not so attached to the land as to become a part thereof and the owner has no firm intention to permanently affix them to the land should be assessed on the personal property books as Class II property.
- 1974 – The language of §18-9-6 of the WV Code permits a board of education to deposit its funds in a duly designated county depository in which one of its members has a pecuniary interest, provided that, that particular board member does not participate in the determination of the depository.
- 1969 – It is the duty of the County Court (Commission) to provide polling places in special elections for school purposes.
- 1963 – In implementing a long-term program of capital improvement, a county court may not incur obligations beyond the current fiscal year. The same restrictions would apply to boards of education.
- 1951 – Poultry should properly fall into Class I for the purpose of assessment.

West Virginia Ethics Commission Advisory Opinion:

Opinion No. 2001-09 – The Faculty Senate is a public agency and is subject to the provision of the Open Meeting Act. The Commission also found that not all of its meetings will necessarily be subject to the provisions of the Act. Only those meetings that include matters on which the Senate exercises executive power to take official action. Such actions include:

- ❖ Creating and adopting a budget.
- ❖ Allocating funds received through a grant.
- ❖ Authorizing the expenditure of funds for academic supplies, materials and equipment (this would not apply to the \$50 per person, which is allocated for expenditure by individual educators.
- ❖ Adopting specific policies such as the plans for integrating special needs students in the regular classroom.

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