

# AGENDA

## Municipal Pensions Oversight Board **Meeting of the Board of Trustees**

January 25, 2011 – 1:00 P.M.  
500 Virginia Street East – Suite 200  
Charleston, WV

- I. Call to Order and Roll Call
- II. Approval of Minutes of meeting on December 6 and recessed to December 10, 2010
- III. Legislative discussion to include upcoming Legislature and proposal by City of Charleston
- IV. Staffing of MPOB office
- V. Budget of MPOB office
- VI. Discussion of future actuarial studies
- VII. Unfinished Business
- VIII. New Business
- IX. Adjournment

# **MUNICIPAL PENSIONS OVERSIGHT BOARD**

## **Minutes of Meeting**

**January 25, 2011**

The Municipal Pensions Oversight Board (MPOB) met on January 25, 2011 at 1:00 p.m. at 500 Virginia Street, East - Suite 200, Charleston, West Virginia. The Chair, Mr. Neddo, called the meeting to order.

### **ATTENDEES**

#### **Trustees:**

- Lisa Dooley, present
- Donald Lucci, absent
- John Kee, present
- Terasa L. Miller, present
- Stephen Neddo, present
- David Palmer, present
- Craig Slaughter, present
- Darren Williams, absent
- Seth Wilson, present

#### **Staff:**

- Blair Taylor, Executive Director

#### **Guests:**

- Danny Jones, Mayor of the City of Charleston
- David Molgaard, Manager of the City of Charleston

#### **Minute Taker:**

- Jo Ann Harrison

### **APPROVAL OF MINUTES**

Ms. Dooley moved that the minutes be approved as submitted. Mr. Palmer seconded the motion which passed unanimously.

***RESOLVED*, that the minutes of December 6, 2010 be approved.**

## **LEGISLATIVE DISCUSSION**

The Chair opened the meeting for discussion of legislative matters pertaining to the Board. Mr. Taylor noted that he has discussed the organic statute for the MPOB with Senator Dan Foster and Ms. Sharon Steorts, Legal Counsel to Senate Pensions Committee. The Board discussed the possibility of introducing legislation (reopening SB-4007) for the purpose of cleaning up the current code and perhaps adding new provisions.

Mayor Jones, attending on behalf of the City of Charleston, opened discussion regarding a proposal submitted to the MPOB by the City for its municipal police and fire employees. Mayor Jones inquired about a study which was prepared by Gabriel Roeder Smith & Company (GRS), consultants and actuaries. Mr. Taylor noted that the information in the report, which was commissioned by the Legislature, has not officially been released to the public. Mr. Taylor gave a brief overview of the proposal from the City of Charleston as well as the report prepared by GRS. The Mayor asked that the Board officially accept or reject the City's proposal. It was determined that the City's proposal would first need to be introduced through the Charleston City Council and approved by a resolution. The resolution to accept the proposal would then be presented to the Consolidated Public Retirement Board, which would, in turn, refer it to the Legislature for implementation into law. After further discussion, Mayor Jones and Mr. Molgaard left the meeting at 1:33 p.m.

## **STAFFING**

Mr. Taylor presented a plan for the next six to nine months. He suggested hiring an administrative assistant, accountant and education coordinator. He said that he has met with the State's budget office and it does not believe the MPOB's operational funds need to be appropriated through the Legislature. Mr. Taylor said that he has budgeted \$150,000 in salary for these three positions. He addressed hiring an actuary at approximately \$192,000 (including benefits), who would perform up to 53 actuarial studies each year. The Board discussed contracting/outsourcing this position. Mr. Taylor noted that the current law states that the Treasurer's office must perform the actuarial studies until the MPOB is ready to provide actuarial services to municipal pension plans. This contract may be extended, which would give the MPOB time to consider its future needs in this area.

Mr. Slaughter moved, seconded by Mr. Wilson and passed unanimously, the following motion:

***RESOLVED*, that the MPOB draft a letter requesting the Treasurer's office to extend the actuarial contract with Gabriel Roeder Smith & Company (GRS) for one year with the understanding that the MPOB is the responsible party.**

Mr. Slaughter also moved, seconded by Ms. Dooley, and passed unanimously, the following motion:

***RESOLVED*, that Executive Director be authorized to propose language which would exempt the MPOB from State purchasing regulations to be included in the proposed legislation currently being prepared for introduction to the Legislature.**

## **BUDGET**

Mr. Taylor proposed a budget of \$794,000 for the first year of operation, which would be used to secure office space with an allotment of \$66,000 for office equipment. He noted that this figure also includes a budget amount for legal expenses.

The Board also discussed the following items:

- Hiring its own legal counsel, contracting with the Attorney General's office or outsourcing as needed.
- The Board suggested that a letter be sent to participating municipalities from Chairman Neddo announcing the MPOB's new executive director and provide contact information.
- The Executive Director suggested working with the following timeframe:
  - Create job descriptions for the proposed positions in February with interviews scheduled in April;
  - July through September focusing on trustee education;
  - April through June interview and select staff members and set ranges of salaries;
  - Gather data from municipalities after July 1, collect funds, allocate funds, and share results with Treasurer's office;
  - October through December focus on training.
- The Executive Director will continue to watch closely over proposed legislation.

- Mr. Taylor indicated that staff will be required to do multiple tasks and will require a lot of training during the first year.
- Mr. Taylor will continue to work on legislation to exempt the MPOB from purchasing restrictions.
- It was clarified for the record that the Code provides that municipalities do not need to hire their own actuaries since that service will be provided by the State. The MPOB should restate the concept of using the State's actuary with the Board setting the assumptions.

Mr. Taylor assured the Board that the MPOB will meet its deadlines. Staff will have multiple tasks, but the fiscal agent will do accounts payable/receivable and payroll. Mr. Slaughter suggested combining the administrative assistant's position and educational coordinator, with a combined pay of a higher salary. The Board again discussed the possibility of contracting for legal counsel. Mr. Taylor will check on whether the MPOB would be required to follow a "request for proposal" process to hire legal counsel. The Board agreed that the office staff would not have to be in the office all day and may use an answering machine to cover the office telephone. The Executive Director will provide job descriptions for the Board to review so that the Board members may provide their input.

#### **UNFINISHED BUSINESS**

Mr. Neddo suggested that disability pension matters be assumed by staff as soon as practicable. It was reconfirmed that the MPOB will pay for the doctor visits up to four times. It was also determined that the Board will only get a summary report and not actual reports from examining physicians, therefore, avoiding the need to comply with HIPAA (Health Insurance Portability and Accountability Act of 1996) laws. Mr. Wilson suggested Mr. Taylor get a formal opinion that the board is not covered by HIPAA laws. Compliance may require getting waivers signed and confidentiality agreements.

Ms. Dooley asked about the progress of moving funds into an account for investment purposes. Mr. Taylor said he was working on this matter and that the account should be set up and money transferred within the next two weeks. *(Note: Mr. Wilson left the meeting at 2:55 p.m.)*

**NEW BUSINESS**

Mr. Taylor pointed out that once the spending account is set up, authority needs be given to him so that he would not have to come back to Mr. Neddo for every transaction. Mr. Palmer moved the following motion, seconded by Mr. Slaughter and passed unanimously:

***RESOLVED, that the Chairman be given authority to grant the Executive Director signatory authority on behalf of the Board.***


Ms. Miller then moved, seconded by Ms. Dooley and passed unanimously, the following resolution:

***RESOLVED, that signatory authority is given to the Executive Director to approve expenditures up to \$25,000.***

**ADJOURNMENT**

Due to the urgency of pending legislative matters, the Board's next meeting was set for February 8, 2011 at 1:00 p.m. Having concluded its business, Ms. Dooley moved to adjourn the meeting. Mr. Palmer seconded the motion, which passed unanimously.

***RESOLVED, that the meeting of the MPOB is adjourned at 3:10 p.m.***



\_\_\_\_\_  
Stephen Neddo, Chairman

Minutes approved 2/8/11.

(date)

Attachments: None

# AGENDA

## Municipal Pensions Oversight Board **Meeting of the Board of Trustees**

February 8, 2011 – 1:00 P.M.  
500 Virginia Street East – Suite 200  
Charleston, WV

- I. Call to Order and Roll Call
- II. Approval of Minutes of meeting on January 25, 2011
- III. Legislative Discussion
- IV. Unfinished Business
- V. New Business
- VI. Adjournment

# **MUNICIPAL PENSIONS OVERSIGHT BOARD**

## **Minutes of Meeting**

**February 8, 2011**

The Municipal Pensions Oversight Board (MPOB) met on February 8, 2011 at 1:00 p.m. at 500 Virginia Street, East - Suite 200, Charleston, West Virginia. The Chair, Mr. Neddo, called the meeting to order.

### **ATTENDEES**

#### **Trustees:**

- Lisa Dooley, absent
- Donald Lucci, present
- John Kee, present
- Terasa L. Miller, present by conference call
- Stephen Neddo, present
- David Palmer, present
- Craig Slaughter, present
- Darren Williams, present by conference call
- Seth Wilson, absent

#### **Staff:**

- Blair Taylor, Executive Director (*arrived at 1:20 p.m.*)

#### **Minute Taker:**

- Jo Ann Harrison

### **APPROVAL OF MINUTES**

Mr. Palmer moved that the minutes be approved as submitted. Mr. Kee seconded the motion which passed unanimously.

***RESOLVED*, that the minutes of January 25, 2011 be approved.**



## **LEGISLATIVE DISCUSSION**

The Chair opened the meeting for discussion of legislative matters pertaining to the Board. The Chair noted that Mr. Taylor has been meeting with Senator Dan Foster and Ms. Sharon Steorts, Legal Counsel to Senate Pensions Committee. The Board members recapped some of the issues in the proposal from the City of Charleston which was discussed at the January 25, 2011 meeting and which was evaluated by Gabriel Roeder Smith & Company (GRS) and determined to be actuarially unsound. Mr. Neddo noted that the proposal is still being reviewed by the Legislature. After discussion, the Board members were in agreement that they would not support legislation that would benefit only one municipality. Mr. Neddo said he extended an invitation to the representatives of the Firefighters Association and the Fraternal Order of Police to attend this meeting. The Board members agreed that it is going to be very difficult to make any plan work without an influx of cash and that the plans are at a stagnate level. The Board felt that the actuaries may need to reevaluate their current assumptions or reevaluate all 53 municipal plans to determine whether each plan can meet these assumptions or perhaps have different contribution levels. *(Note: Mr. Taylor joined the meeting at this time.)*

Mr. Taylor said he has talked with Senator Foster who has asked his legal counsel and GRS to look at the City of Charleston's proposal to determine if it can be made actuarially sound and subsequently applicable to all plans. Mr. Taylor said this report should be completed by next week and he will provide this information to the Board members once it is available. The MPOB agreed that it will not be taking any action on this matter at this time. It was reiterated that there must be economic growth for the cities to be able to sustain future contributions. It was agreed that this has been a problem for many years but no one in the past had a solution or wanted to address it for obvious political reasons.

## **UNFINISHED BUSINESS**

Mr. Taylor reported that he has drafted a letter to ask the Treasurer's office to extend its contract with GRS on behalf of the MPOB.

Mr. Taylor said that he is working on getting the MOPB's spending account set up through the Treasurer's office. He read a specific resolution, which is made a part of these minutes, prepared by the State to set up the account and which needs to be executed by the Chair and Secretary. Mr. Taylor recommended that funds only be put into the WV Money Market pool at this time to ensure meeting the Board's cash liquidity needs. Mr. Slaughter moved that the following resolution be approved. Mr. Lucci seconded the motion, which passed unanimously.

**RESOLVED, that WHEREAS, *W.Va. Code §12-6C-6* authorizes spending units and political subdivisions of the State of West Virginia to participate and invest in the Consolidated Fund, which is administered and managed by the Board of Treasury Investments and used to purchase securities and other investments authorized by law; and**

**WHEREAS, the members of the West Virginia Municipal Pensions Oversight Board, the governing body of the West Virginia Municipal Pensions Oversight Board, a spending unit or political subdivision of the State of West Virginia, has reviewed the Investment Policy of the West Virginia Board of Treasury Investments and the provisions of all applicable agreements, applications, state and local laws, policies, rules or ordinances; and**

**WHEREAS, the governing body has made an independent determination that investment in the Consolidated Fund in accordance with the provisions of the aforesaid statute is in the best interests of the spending unit or political subdivision and is within the scope of activities and investments for which it is authorized by law;**

**NOW THEREFORE BE IT RESOLVED: That the West Virginia Municipal Pensions Oversight Board is hereby authorized to participate in the Consolidated Fund for the purpose of investment, and its treasurer or designated financial officer is further authorized to do all things necessary in order to participate in the investment pools in the Consolidated Fund as selected below:**

**WV Money Market  
WV Government Money Market  
WV Short Term Bond Pool**

Mr. Slaughter moved the following motion which was seconded by Mr. Lucci and passed unanimously:

**RESOLVED, that the Executive Director be directed to invest MOPB funds in the WV Money Market fund.**

It was determined that if legislation is not introduced by the City of Charleston, the MPOB will not introduce its own legislation solely for the purpose of cleaning up the current legislation with regard to hiring actuaries.

After discussion, Mr. Slaughter moved the following resolution, seconded by Mr. Lucci and which passed unanimously:

**RESOLVED, that the MPOB be allowed to invest in the WV Money Market fund; the WV Government Money Market fund; and the WV Short Term Bond Pool, as appropriate and necessary.**

**ADJOURNMENT**

The Executive Director said that he would set the next regularly scheduled quarterly MOPB meeting in the April to June time period. Having concluded its business, Mr. Slaughter moved to adjourn the meeting. Mr. Lucci seconded the motion, which passed unanimously.

**RESOLVED, that the meeting of the MPOB is adjourned at 2:05 p.m.**

  
\_\_\_\_\_  
Stephen Neddo, Chairman

Minutes approved May 24, 2011 .  
(date)

Attachments: Resolution Authorizing Investment in Consolidated Fund

# RESOLUTION AUTHORIZING INVESTMENT IN CONSOLIDATED FUND

**WHEREAS**, *W. Va. Code* §12-6C-6 authorizes spending units and political subdivisions of the State of West Virginia to participate and invest in the Consolidated Fund, which is administered and managed by the Board of Treasury Investments and used to purchase securities and other investments authorized by law; and

**WHEREAS**, the Members of the W.Va. Municipal Pension Oversight Board  
Name of Governing Body  
the Governing Body of the W.Va. Municipal Pension Oversight Board  
Name of Spending Unit/Political Subdivision

a spending unit or political subdivision of the State of West Virginia, has reviewed the *Investment Policy* of the West Virginia Board of Treasury Investments and the provisions of all applicable agreements, applications, state and local laws, policies, rules or ordinances; and

**WHEREAS**, the undersigned Governing Body has made an independent determination that investment in the Consolidated Fund in accordance with the provisions of the aforesaid statute is in the best interests of the spending unit or political subdivision and is within the scope of activities and investments for which it is authorized by law; **NOW THEREFORE BE IT:**

**RESOLVED:** That the W.Va. Municipal Pension Oversight Board  
Name of Spending Unit/Political Subdivision

Is hereby authorized to participate in the Consolidated Fund for the purpose of investment, and its treasurer or designated financial officer is further authorized to do all things necessary in order to participate in the investment pools in the Consolidated Fund as selected below:

<b>WV Money Market</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<b>WV Government Money Market</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<b>WV Short Term Bond Pool</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

**ADOPTED** on the 8<sup>th</sup> day of FEBRUARY, 2011 by the

MUNICIPAL PENSIONS OVERSIGHT BOARD  
Name of Governing Body

SIGNED: [Signature] TITLE: CHAIRMAN  
ATTEST: [Signature] TITLE: \_\_\_\_\_

Please return to: West Virginia State Treasurer's Office, Attn: Participant Accounting, 1 Players Club Drive, Charleston, WV 25311 Telephone (304)340.1573 or (304)340.1577

Mr. Taylor, acting on the motion duly made and passed at the January 25, 2011 meeting of the MPOB provides board members with two suggested code changes:

Mr. Slaughter also moved, seconded by Ms. Dooley, and passed unanimously, the following motion:

***RESOLVED*, that the Executive Director be authorized to propose language which would exempt the MPOB from State purchasing regulations to be included in the proposed legislation currently being prepared for introduction to the Legislature.**

1. Proposed legislation exempting the MPOB from State Purchasing regulations is as follows:

§8-22-18a(b)

- (6.) Do all things necessary and appropriate to implement and operate the board in performance of its duties. The provisions of article one-b, chapter five, and articles three and seven, chapter five-a of this code shall not apply for the purchase of goods and services, unless requested by the Municipal Pensions Oversight Board.

2. Proposed legislation exempting the MPOB from State Purchasing regulations for the procurement of **actuarial services** is as follows:

§8-22-20

- (a) The oversight board shall contract with or employ a qualified actuary to annual prepare an actuarial valuation report on each pension and relief fund. The Municipal Pensions Oversight Board shall competitively bid the selection of vendors needed to provide the necessary actuarial services, and the provisions of article one-b, chapter five, and articles three and seven, chapter five-a of this code shall not apply, unless requested by the Municipal Pensions Oversight Board.

# RESOLUTION AUTHORIZING INVESTMENT IN CONSOLIDATED FUND

WHEREAS, W. Va. Code §12-6C-6 authorizes spending units and political subdivisions of the State of West Virginia to participate and invest in the Consolidated Fund, which is administered and managed by the Board of Treasury Investments and used to purchase securities and other investments authorized by law; and

WHEREAS, the Members of the W.Va. Municipal Pension Oversight Board  
Name of Governing Body  
the Governing Body of the W.Va. Municipal Pension Oversight Board  
Name of Spending Unit/Political Subdivision

a spending unit or political subdivision of the State of West Virginia, has reviewed the *Investment Policy* of the West Virginia Board of Treasury Investments and the provisions of all applicable agreements, applications, state and local laws, policies, rules or ordinances; and

WHEREAS, the undersigned Governing Body has made an independent determination that investment in the Consolidated Fund in accordance with the provisions of the aforesaid statute is in the best interests of the spending unit or political subdivision and is within the scope of activities and investments for which it is authorized by law; **NOW THEREFORE BE IT:**

**RESOLVED:** That the W.Va. Municipal Pension Oversight Board  
Name of Spending Unit/Political Subdivision  
is hereby authorized to participate in the Consolidated Fund for the purpose of investment, and its treasurer or designated financial officer is further authorized to do all things necessary in order to participate in the investment pools in the Consolidated Fund as selected below:

WV Money Market	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
WV Government Money Market	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
WV Short Term Bond Pool	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

ADOPTED on the 8<sup>th</sup> day of FEBRUARY, 2011 by the

MUNICIPAL PENSIONS OVERSIGHT BOARD  
Name of Governing Body

SIGNED: [Signature]

TITLE: CHAIRMAN

ATTEST: [Signature]

TITLE: \_\_\_\_\_

[Signature]

Sec-Treasurer

Please return to: West Virginia State Treasurer's Office, Attn: Participant Accounting, 1 Players Club Drive, Charleston, WV 25311 Telephone (304)340.1573 or (304)340.1577

# AGENDA

## Municipal Pensions Oversight Board **Meeting of the Board of Trustees**

May 24, 2011 – 9:00 A.M.

500 Virginia Street East – Suite 200  
Charleston, WV

- I. Call to Order and Roll Call
- II. Approval of Minutes of meeting on February 8, 2011
- III. Old Business
  - a. Position Descriptions
  - b. Service Agreement
  - c. Lease
  - d. Investment of Funds
- IV. New Business
  - a. Board Policies and Procedures
  - b. Contracts
  - c. Actuarial Assumptions for July 1, 2010
  - d. Actuarial Valuations as of July 1, 2011
  - e. House Bill 2012
  - f. Fiscal agent for MPOB
  - g. Requests from Municipal Pension Boards
- V. Setting Date and Time of Next Board Meeting
- VI. Adjournment

# **MUNICIPAL PENSIONS OVERSIGHT BOARD**

## **Minutes of Meeting**

**May 24, 2011**

The Municipal Pensions Oversight Board (MPOB) met on May 24, 2011 at 9:00 a.m. at 500 Virginia Street, East - Suite 200, Charleston, West Virginia. The Chair, Mr. Neddo, called the meeting to order.

### **ATTENDEES**

#### **Trustees:**

- Lisa Dooley, present
- Donald Lucci, present (*arrived at 9:12 a.m.*)
- John Kee, present
- Terasa Miller, absent
- Stephen Neddo, present
- David Palmer, present
- Craig Slaughter, present
- Darren Williams, absent
- Seth Wilson, present by teleconference (*joined at 9:50 a.m.*)

#### **Staff:**

- Blair Taylor, Executive Director

#### **Guests:**

- Judy Kermans, Gabriel Roeder Smith & Company
- Alex Rivera, Gabriel Roeder Smith & Company
- Silas Taylor, West Virginia Attorney General's Office
- Lance Weiss, Gabriel Roeder Smith & Company

#### **Minute Taker:**

- Jo Ann Harrison

### **APPROVAL OF MINUTES**

Mr. Palmer moved that the minutes be approved as submitted. Ms. Dooley seconded the motion which passed unanimously.

***RESOLVED*, that the minutes of February 8, 2011 be approved.**



In order to accommodate guests from Gabriel Roeder Smith & Company (GRS), the Chair asked the Board's permission to move out of the order of the agenda and proceed to Actuarial Assumptions for July 1, 2010 under New Business. Ms. Kermans, Mr. Rivera and Mr. Weiss joined the meeting and went over presentation materials provided to the MPOB and which is made a part of these minutes<sup>1</sup>. (Note: Mr. Don Lucci joined the meeting at 9:12 a.m.) GRS staff went over the valuation process, assumptions, statutory changes, format and general time lines. During discussion members of the Board asked questions and ultimately decided to form a subcommittee to further review actuarial assumptions. (Note: Mr. Seth Wilson joined the meeting by teleconference at 9:50 a.m.) Ms. Dooley moved the following, seconded by Mr. Palmer and approved unanimously:

***RESOLVED*, that the MPOB appoint an Actuarial Assumptions Committee consisting of Mr. Kee, Ms. Miller and Mr. Slaughter and authorized this committee to further authorize Gabriel Roeder Smith & Company to adjust actuarial assumptions as necessary; and**

***FURTHER RESOLVED*, that the MPOB will change from the Group Annuity Mortality (GAM) 1983 table to the Group Annuity Mortality (GAM) 1994 table for the actuarial valuations to be performed as of July 1, 2010.**

The MPOB and GRS will make every effort to get data from all plans (especially the six named plans that have closed their existing municipal plans to new entrants) as soon as possible. GRS will revise timelines once they have been provided the necessary data.

The Executive Director discussed a supplemental benefits letter regarding COLAs (cost of living adjustments). It was also decided to put all plans on a calendar year for reporting and auditing purposes. Mr. Palmer moved the following resolution, seconded by Mr. Lucci and passed unanimously:

***RESOLVED*, that the MPOB will use the calendar year for reporting COLA increases.**

With no further questions, GRS representatives left the meeting at 10:10 a.m. The Chair returned to the regular order of the agenda.

## UNFINISHED BUSINESS

**Position Descriptions** – The MPOB discussed the draft job descriptions previously provided to them for their review prior to the meeting. With the suggested changes and elimination of the evaluation process, Mr. Kee moved to approve the job descriptions. Mr. Lucci seconded the motion which passed unanimously.

**RESOLVED, that the job descriptions be approved as amended.**

During discussion that followed with regard to the Administrative Specialist/Trainer position, it was agreed to put more emphasis on the administrative requirements than on the training duties. The Board discussed giving the Executive Director discretion to hire staff with the Board's recommendation. Mr. S. Taylor raised the issue of whether the Board needs to approve hiring or if it can delegate this authority. Mr. S. Taylor will review the statute and report his findings.

**Office Space Lease** – The Executive Director went over the details of a lease for space in the Columbia Gas Building. He noted that Mr. Lucci and Mr. Neddo visited the premises. It was agreed that the facilities would meet the MPOB's needs and Mr. Slaughter moved to approve the lease. It was noted that the State has reviewed and sent the lease to Columbia Gas Transmission Corporation for their signature. Ms. Dooley seconded the motion which passed unanimously.

**RESOLVED, that the MPOB execute its lease with Columbia Gas Transmission Corporation for office space in its building.**

**Service Agreement** – Continuing with office space matters, the Executive Director pointed out that it is necessary to sign an agreement with the State Treasurer's office for temporary office facilities for the MPOB. The State Treasurer's office has provided a memorandum of understanding which provides for services to be performed on behalf of the MPOB at the rate of \$175 per month from January 16, 2011 through June 30, 2011. Mr. Palmer moved the following motion, seconded by Mr. Slaughter and passed unanimously:

**RESOLVED, that the MPOB approve the memorandum of understanding with the State Treasurer's office with regard to office space and services.**

**Novation Agreement** – Mr. S. Taylor gave a progress report on an agreement between the State Treasurer's office and the MPOB to assume its contract with GRS, which expires June 2012. He noted that he has been in discussion with the Treasurer's representative, Ms. Diana Stout, regarding this agreement. He will continue working on a draft agreement.

**Investment of Funds** – The Executive Director stated that, based on a motion passed at the MPOB's February 2011 meeting, a letter was sent requesting the State Treasurer to transfer a portion (money collected in 2010) to the Municipal Pension Security Fund so it could be invested and begin earning interest for the MPOB. The Treasurer's office did not transfer the money due to the fact it currently has statutory authority to invest the money. The Treasurer's office requested a letter from the MPOB, which the Executive Director provided, requesting the total amount of MOPB funds, approximately \$34.5 million, to be invested in the Municipal Pensions Protection Fund. The funds can be accessed daily for the operational expenses of the MPOB.

**Budget and Actuarial Reports** – The Executive Director provided spreadsheets to the Board members showing MPOB expenses to date, allocations to pension plans, funded status of various funds and other unaudited information as of May 20, 2011. He stated that his calculations do not agree with the WV Financial Information Management System (WVFIMS) account balance by \$97,800. The Executive Director suggested there be an audit performed by the Legislative Auditor's office when the Board requests the funds be transferred from the Municipal Pensions and Protection Fund in the State Treasurer's office to the West Virginia Municipal Pensions Security Fund in the MPOB. He suggested the audit be requested before the MPOB is setup to receive the funds and before the funds are transferred on approximately July 1, 2011. Discussion ensued regarding the issue and it was suggested that the Executive Director approach the staff of the State Treasurer's office to make them aware of the situation prior to requesting

an audit from the Legislative Auditor's office. Mr. Palmer moved the following motion, seconded by Mr. Kee and passed unanimously:

**RESOLVED**, that the MPOB request a financial audit of the Municipal Pensions and Protection Fund by the Legislative Auditor's office when funds are requested to be transferred by the State Treasurer to MPOB's West Virginia Municipal Pensions and Security Fund for the purposes set forth in *West Virginia Code* §8-22-18a, §8-22-18b, and §33-3-1 et seq.

### NEW BUSINESS

**Administrative Travel Rule** – The Executive Director provided the Board with a draft of proposed travel rules. Mr. S. Taylor gave some background on the travel rules and made some suggestions. After discussion, Mr. Slaughter moved the following motion, seconded by Ms. Dooley and unanimously approved:

**RESOLVED**, that the Administrative Travel Rules be adopted as amended: (1) Section 2.1 delete “and will only reimburse for expenses” (2) Section 6.3 delete the first sentence, “Reimbursement is limited to actual hotel charges for the least expensive single room rate available including all applicable taxes and surcharges.” and replace with, “The traveler shall choose a reasonably priced facility....” (3) Section 10.1 is changed in its entirety to the read, “The Board Chairperson reserves the right to restrict travel or to grant an exception or waiver to any provision to this rule, to prevent undue hardship to an employee or Board member.”

**Policies and Benefits** – The Executive Director presented a proposed benefits package similar to the benefits paid by the State of West Virginia. The Board agreed to change the wording regarding reference to a 40-hour work week, overtime and compensatory time and to also change the bereavement time to three days. Mr. S. Taylor will continue working on the benefits package. The Board formed a committee consisting of Ms. Dooley, Mr. Slaughter and Mr. Wilson to develop its benefits package. The Board tabled this matter at this time.

**Contracts** – No discussion.

**Actuarial Valuations as of July 1, 2011** – The Executive Director has prepared a draft request for proposal to hire an actuary. The Board decided to address this at its next meeting after July 1, 2011. (Note: Mr. Wilson left the meeting at 11:50 a.m.)

**Fiscal Agent for MPOB** - The Executive Director noted that the Department of Administration provides services for \$25 per hour to process invoices and do payroll. He estimates that the cost to the MPOB would be approximately \$200 to \$300 per month. Mr. Kee moved the following motion, seconded by Mr. Slaughter and unanimously approved:

***RESOLVED, that the MPOB contract with the Department of Administration to serve as its fiscal agent.***

**Requests from Municipal Pensions Boards** – The Chair presented the issue of retirement pensions possibly not being calculated correctly and the lack of actions taken to correct these situations. It was agreed the MPOB should use the State Code requirements to create a standard spreadsheet with formulas and instructions to be used by all funds. The Board asked the Executive Director to prepare the spreadsheet and send it to GRS for their review from an actuarial perspective. Further, the Board asked the Executive Director to prepare a response to the letter received from the Pension Board Chair of the Wheeling Policemen’s Pension and Relief Fund and Wheeling Firemen’s Pension and Relief Fund. The letter is to be reviewed by Mr. S. Taylor prior to being sent to the Wheeling Municipal Policemen’s and Firemen’s Pension Board Chair.

**House Bill 2012** – Mr. S. Taylor discussed House Bill 2012 as it relates to salary increases for MPOB employees.

#### **ADJOURNMENT**

The next meeting of the MPOB was set for June 22, 2011 at 10:00 a.m. Having concluded its business, Mr. Palmer moved to adjourn the meeting. Mr. Kee seconded the motion, which passed unanimously.

**RESOLVED**, that the meeting of the MPOB is adjourned at 12:25 p.m.



\_\_\_\_\_  
Stephen Neddo, Chairman

Minutes approved June 22, 2011.  
(date)

\_\_\_\_\_  
<sup>i</sup> Gabriel Roeder Smith & Company Valuation Process Presentation



# Municipal Policemen's and Firemen's Pension and Relief Funds

## Valuation Process for June 30, 2010 Actuarial Studies

### May 24, 2011

# GRS

Gabriel Roeder Smith & Company  
Consultants & Actuaries  
[www.gabrielroeder.com](http://www.gabrielroeder.com)



# Agenda

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- ◆ Purpose of actuarial valuation
- ◆ Key statutory changes
- ◆ Assumptions and methods
- ◆ Report format
- ◆ Timeline





# Actuarial Valuation

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- ◆ Primary purpose of actuarial valuation is to assess the adequacy of the current funding policy:
  - ▶ Measure funded status by comparing plan assets to liabilities
  - ▶ Calculate statutory contribution requirements
  - ▶ Determine if selected funding policy appropriately reflects investment and/or demographic gains/losses in annual contributions
- ◆ Valuation depends on:
  - ▶ Definition/amount of benefits
  - ▶ Actuarial assumptions for investment return, salary increases, likelihood of retiring, and life expectancy after retirement
  - ▶ Cost method used to develop actuarial liabilities and contribution patterns



## Actuarial Valuation (cont.)

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- ◆ Long-term projections used to:
  - ▶ Evaluate if funding policy can support future obligations and benefit payments
  - ▶ Review sensitivity of assumptions, e.g. investment return
- ◆ Actuarial valuation also used for:
  - ▶ Financial reporting under GASB 25 (plan) and GASB 27 (employer)
  - ▶ Other statutory compliance, e.g. premium tax allocation
  - ▶ Measuring the impact of proposed legislative changes



# Recent Statutory Changes

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- ◆ Senate Bill No. 4007 - Passed November 19, 2009
  - ▶ Establishes the Optional Funding Policy
  - ▶ Establishes the Municipal Pensions Oversight Board
  - ▶ Allows Plan Sponsors to:
    - Close current local Plan to new employees
    - Cover new employees in a newly established statewide cost sharing pension plan called the *Municipal Police Officers and Firefighters Retirement System*
    - For sponsors using the standard policy, continue to fund the existing local closed Plan under the standard method: normal cost plus amortization of unfunded liability over a 40-year closed amortization period from July 1, 1991
    - For sponsors using the alternative method, fund the existing local closed plan under the optional method: normal cost plus amortization of unfunded liability over a 40-year closed amortization period from January 1, 2010



# Recent Statutory Changes

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- ◆ Senate Bill No. 544 - Passed March 11, 2011
  - ▶ Establishes an optional Conservation Method Funding Policy for Alternative plans as of April 1, 2011.
  - ▶ Allows Plan Sponsors to:
    - Close current local Plan to new employees
    - Cover new employees in the *Municipal Police Officers and Firefighters Retirement System*
    - Fund the existing local closed plan by directing 1.5% of employee's compensation and an actuarially determined portion of the premium tax allocations to a trust sufficient to fully fund the plan in 35 years from the time of adoption
    - The minimum municipality contributions, when added to the employee's contributions and the premium tax allocations not directed to the trust, must be sufficient to meet the annual benefit and administrative expenses from the fund, or the normal cost, whichever is greater



# Assumptions and Method

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## ◆ Economic assumptions

- ▶ Investment return based on asset allocation and future expected returns
- ▶ Salary increases based on wage inflation (4%) plus seniority/merit/promotional component
- ▶ Price inflation (3%)

## ◆ Demographic assumptions

- ▶ Retirement, termination, disability rates are generally based on experience of plan
- ▶ Mortality rates based on industry-wide tables

## ◆ Last assumption study was performed in 2003

- ▶ Statute requires updating assumptions and methods every 5 years

## ◆ Cost method

- ▶ Entry age normal cost method is recommended



# Report Format

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- ◆ Key valuation results as of July 1, 2010
  - ▶ Snap shot measurement of assets and liabilities
  - ▶ Experience gain/loss analysis from July 1, 2009, valuation
  - ▶ Projection of assets and liabilities for solvency projections used to establish supplemental benefits (COLA)
- ◆ Open and closed group projections under various policies
  - ▶ Sponsors under Standard Policy –
    - Close local plan and select the Optional policy and cover new members in newly established statewide plan or
    - Retain open Standard Plan
  - ▶ Sponsors under Alternative policy –
    - Close local plan and select either Optional or Conservation policy, and cover new members in newly established statewide plan, or
    - Retain open Alternative Plan
  - ▶ Sponsors under Optional policy –
    - Retain Optional Plan



# Actuarial Assumptions and Methods to be Reviewed

Discount Rate	6.00%, 6.50%, or 7.00%
General Inflation	3.0%
Expected Salary Increase	General Inflation: 3.00% <i>plus</i> Wage Inflation: 1.00% <i>plus</i> Service Based Increase: 3.00% at 1 year of service graded down to 1.00% after 4 years of service
Post-retirement COLA	3.00% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.
Increase in STO pension contribution derived from premium tax	3.0%
Cost Method	Entry-Age Level-Percentage-of-Pay
Asset Method	Market Value



# Actuarial Assumptions and Methods to be Reviewed

Turnover	Sample Rates –	
	<u>Age</u>	<u>Rates</u>
	25	6%
	35	4%
	45	2%
Retirement	Sample Rates –	
	<u>Age</u>	<u>Rates</u>
	50	50%
	51-54	20%
Mortality	Healthy : 1983 Group Annuity Mortality, set forward 2 years	
	Disabled: Healthy rates set forward 10 years	
Disability	Sample Rates –	
	<u>Age</u>	<u>Rates <sup>a</sup></u>
	30	0.2%
	40	1.0%
	50	2.0%
<sup>a</sup> Assumes 75% duty related and 25% non-duty related.		
Percent Married	90%	
Spouse Age	Females 3 years younger than males	





# Valuation Process and Timeline

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## Actuarial studies as of July 1, 2010

Meeting with WV Board	May 24, 2011
Send Data Requests to Municipalities	June 6, 2011
Collect data and assets on continuing basis	
Send data questions to Municipalities within two weeks of receiving data	
Receive final data and assets from all Municipalities	August 5, 2011
Run Liabilities and Produce Reports	
Deliver first Drafts of Valuation Reports	September 2, 2011
Deliver final Valuation Reports for all 53 Plans	December 5, 2011
Deliver Consolidated Report based on aggregate and individual results of the 53 Valuations	December 22, 2011
Meeting with WV Board	January, 2012

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# **MUNICIPAL PENSIONS OVERSIGHT BOARD**

## **Minutes of Meeting**

**June 22, 2011**

The Municipal Pensions Oversight Board (MPOB) met on June 22, 2011 at 10:00 a.m. at 500 Virginia Street, East - Suite 200, Charleston, West Virginia. The Chair, Mr. Neddo, called the meeting to order.

### **ATTENDEES**

#### **Trustees:**

- Lisa Dooley, present
- Donald Lucci, absent
- John Kee, present
- Terasa Miller, present
- Stephen Neddo, present
- David Palmer, present
- Craig Slaughter, present by teleconference (*joined at 10:10 a.m.*)
- Darren Williams, absent
- Seth Wilson, absent

#### **Staff:**

- Blair Taylor, Executive Director

#### **Guests:**

- Melissa Hohmann, West Virginia Treasurer's Office
- Silas Taylor, West Virginia Attorney General's Office

#### **Minute Taker:**

- Jo Ann Harrison

### **APPROVAL OF MINUTES**

Mr. Palmer moved that the minutes be approved as submitted. Ms. Dooley seconded the motion which passed unanimously.

***RESOLVED*, that the minutes of May 24, 2011 be approved.**

## UNFINISHED BUSINESS

*Employee Policies and Benefits* – Ms. Dooley reported that the Employee Policies and Benefit Committee met and, by a vote of two to one, the benefits package introduced at the May 24, 2011 meeting was accepted as amended. (NOTE: Mr. Slaughter joined the meeting by conference call.) Mr. Palmer moved to accept the Committee's recommendation to approve the benefits package with the inclusion of language allowing the Executive Director to make technical or typographical changes if necessary. Mr. Key seconded the motion. During discussion, Ms. Dooley stated that she was the dissenting vote and opposed the provision allowing healthcare benefits to be purchased for accrued sick and annual leave which follows current state policies. Ms. Dooley wanted it noted on the record that she believed it was the Board's fiduciary responsibility to closely consider costs for benefits it may assume [from other state agencies] or offer to its future employees. It was noted that the current Executive Director's benefits have already been established and may not necessarily be the same as those for future hires. The Board discussed its proposed benefits compared to other state agencies as well as its statutory rights and obligations. Mr. S. Taylor confirmed that the MPOB has the right to adopt rules that are different from those of the State. The Board looked at how this could affect the number of applicants who may consider positions with the MPOB, e.g. persons currently employed by the State, not from the private sector; the Board considered the moral aspect of the Executive Director's benefits possibly being different from those of subsequent employees; it examined potential discrimination issues; and it also discussed changes the State has made in its policies affecting employees hired after 2002. Ms. Miller suggested putting a maximum on the amount of sick leave allowed to be transferred in through July 1, 2012, but for subsequent new hires no leave would be transferred in. Ms. Dooley moved the following amendment to the motion, which was seconded by Mr. Slaughter, and which passed unanimously:

**RESOLVED, that the benefits package, as amended, be in force until June 30, 2012. For hires made July 1, 2012 and after that date certain, the benefits policy shall be amended to provide that new hires transferring from another state agency may only transfer to the MPOB a**

**maximum of 40 days of annual leave and a maximum of 40 days of sick leave.**

***FURTHER RESOLVED*, that the benefits package be reviewed again on July 1, 2012.**

The Chair asked for a vote on the original motion. The motion passed unanimously.

***RESOLVED*, that the MPOB approve the benefits package, which is made a part of these minutes<sup>i</sup>, with the inclusion of language allowing the Executive Director to make technical or typographical changes if necessary.**

The Chair then asked for the vote on the original motion. The motion passed unanimously.

***Staff*** -The Executive Director provided copies of employment ads posted in several state newspapers for two weekends (June 19 and 26, 2011) with resumes to be submitted by June 29, 2011. The Executive Director said that he has received several applications already and will be reviewing them.

***Lease Update*** - The Executive Director reported that Columbia Gas Transmission Corporation has made some changes to its lease proposal. He said this may slow down progress but anticipates that the lease will ultimately be executed noting that the State's Real Estate Division and the Attorney General's office will also need to review and approve the lease.

***Service Agreement Extension*** - Due to the delay in executing MPOB's lease with Columbia Gas, the Executive Director said he would need to approach the Treasurer's office to extend its current office space lease and service agreement. Mr. Kee moved the following motion, seconded by Ms. Miller and passed unanimously:

***RESOLVED*, that the Executive Director have the authority to negotiate an extension to the office space lease agreement and administrative service agreement with the State Treasurer's office as necessary.**

***Novation Agreement Update*** – Before proceeding with discussion, Ms. Miller moved that the MPOB go into executive session. Ms. Dooley seconded the motion, which passed unanimously.

***RESOLVED***, that the MPOB go into executive session as provided for in *West Virginia Code §6-9A-4(b)* to discuss privileged attorney/client matters that, if made public at this time, could affect the interests of the MPOB.

At the conclusion of the executive session, it was noted that no actions had been taken or decisions made. Ms. Miller moved the following, which was seconded by Ms. Dooley and passed unanimously:

***RESOLVED***, that the MPOB grant the Executive Director the authority to sign the novation agreement as proposed by the MPOB's legal counsel or, if this does not meet the needs of the other party, then grant the Executive Director the authority to enter into a contract with Gabriel Roeder Smith & Company under the same terms and conditions as currently executed for actuarial services for the MPOB.

***Actuarial Assumptions for July 1, 2010 Valuation Update*** – The Executive Director noted that he did not have a report on this matter at this time.

***Financial Report*** – The Executive Director went over the details of a financial report for the month of May 2011, which he had prepared and provided to the members of the Board, and which is made a part of these minutes by reference.<sup>ii</sup> The Board talked about the funded status of the different municipalities and issues relating to draws for these accounts.

With regard to the unexplained difference in the fund cash balance reported at the last meeting, the Executive Director said that he has discussed this with the Treasurer as well as with his internal auditor. The Executive Director said that during January 2000 there was a report to the audit committee and to the Deputy Treasurer of Administration [Mr. Blair Taylor] regarding an analysis of the cash balances as of January 31, 2000. The Executive Director said he has provided this information to Mr. Neddo. In that report there was a net cash shortage of approximately \$160,000 which was believed to be the result of rounding errors, allocation errors, overpayments and payments incorrectly

charged to the fund. The Executive Director indicated neither he nor the State Treasurer recalls the disposition of that audit report. The Executive Director said it is his understanding that the Treasurer's office is doing an internal audit as far back as it has records, which is thought to be through the 1980s. Mr. Taylor believes the Treasurer's office will provide a subsequent report to determine if there are, in fact, losses and if the 2000 audit report was accurate.

***Fiscal Agent Update*** –The Executive Director reported that documents still need to be executed before funds may be transferred. He said work on this matter is in progress and he hopes to have this accomplished in the next week or so.

The Executive Director also reported that he has worked with the Auditor's office to setup the necessary accounts for the MPOB.

***Pension Retirement Calculations Update*** – The Executive Director provided a document with Section 8-22-16 of the *Code* highlighted which relates to how retirement benefits are to be calculated. He said the City of Dunbar's fire pension plan shared a copy of document provided by their actuary, EFI Actuaries, on September 18, 2000 to them which provided an explanation of how this section of the *Code* is to be interpreted. The Executive Director said he has also provided this information to Gabriel Roeder Smith & Company. The Executive Director will provide a clarification on this section of the *Code* to the Wheeling pension board based on its recent request for information. He will also ask the Board's general counsel to review the letter before he sends it out. The Board agreed that, after looking at other funds such as the CPRB, there is a fiduciary responsibility to recover losses through an errors correction policy. Ms. Miller will provide sample policies and guidelines used by the CPRB for the Board to review and consider. Ms. Dooley requested the letter from the MPOB to Wheeling also include a sample policy and guidelines used by the CPRB for overpayments to be recouped.

## **NEW BUSINESS**

***Transfer of Funds to WV Municipal Pensions Security Fund*** – The Executive Director said that MPOB funds cannot be transferred from the West Virginia Investment Pensions and

Protection Fund to the West Virginia Municipal Pensions Security Fund until an official letter has been written to the Treasurer and Insurance Commissioner making that request. The MPOB agreed it wanted clarification of fund balance discrepancies before making any transfers. The MPOB agreed not to ask for a legislative audit if the discrepancies in the records of Treasurer's office account figures are resolved. (NOTE: Mr. Slaughter terminated his conference call at this time.)

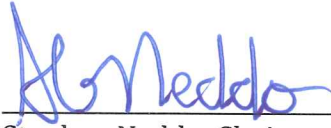
Mr. Taylor introduced a letter from the City of Charleston regarding a retiree and whether the City needs to pay this retirement from the City's general revenue or the pension assets. The question is being asked now because the City of Charleston has closed its pension and relief funds and has chosen the conservation method to fund its plans. That method directs a portion (1.5 percent) of the employee's pension withholding to be placed with the fund assets and the remaining portion (minimum of 5.5 percent) to be put into the city account that pays current benefits to retirees, survivors and disability pensioners. The Executive Director said the *Code* does not address this specific issue for municipalities using the conservation method, but the Board and he recommend that payment should come from the fund assets. The MPOB will eventually be in a position to provide better guidance to the plans on these matters. It was noted that currently most plans follow the *Code* and do not have individual plan documents.

Ms. Miller suggested that the Executive Director provide the Board with proposed legislation which would provide uniform guidelines funds could follow so that all funds are not acting independently. Further that the proposed legislation include a requirement that anytime a municipal pension plan is a party to a court action, the municipal pension plan must notify the MPOB of that court action at the onset of the court action.

**DATE AND TIME OF NEXT MEETING** - The Executive Director will contact Board members to determine the date and time of the next meeting tentatively scheduled for August 2011.

**ADJOURNMENT** - Having concluded its business, Mr. Palmer moved to adjourn the meeting. Mr. Kee seconded the motion, which passed unanimously.

***RESOLVED***, that the meeting of the MPOB is adjourned at 12:25 p.m.



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Stephen Neddo, Chairman

Minutes approved Dec 16, 2011  
(date)

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- <sup>i</sup> Benefits Package
  - <sup>ii</sup> Financial Report



**MUNICIPAL PENSIONS OVERSIGHT BOARD  
EMPLOYEE HANDBOOK  
EFFECTIVE JUNE 22, 2011**

**GENERAL PROVISIONS**

The Municipal Pensions Oversight Board (MPOB) Employee Handbook is provided as information and guidance only. That an employee carefully abides by all provisions of this Handbook creates no entitlement to continued employment (All employees of the MPOB serve at the will and pleasure of the Board and may be terminated with or without cause.) .

It is required that you read this handbook and sign a form acknowledging that you have done so.

The Municipal Pensions Oversight Board maintains a 40 hour work week for its employees. All full-time employees shall work either an 8 ½ hour day with a 30 minute unpaid lunch, or a 9 hour day with an hour unpaid lunch. Should the MPOB provide a flexible work schedule for any employee, the employee will be required to work the total 40 hours each week with any lunch periods being unpaid.

**LEAVE POLICIES**

Personal annual leave and personal sick leave are afforded to permanent employees who are in a 0.50 FTE up to a 1.0 FTE position (permanent employees working twenty (20) or more hours per week). Hourly employees, i.e. those not in permanent FTE positions are not eligible for personal annual leave or personal sick leave. Part-time permanent employees earn annual and sick leave on a pro rata basis.

**ANNUAL LEAVE**

State employees receive annual or vacation leave based on length of service. The amount of leave an employee may carry forward to the next year also varies by years of service.

<b>Service Category</b>	<b>Accrual Rate</b>	<b>Carry-forward Maximum</b>
Less than 5 years	1.25 days/mo = 15 days/year 0.625 days per pay period	30 days
5 years, less than 10	1.50 days/mo = 18 days/year 0.75 days per pay period	30 days
10 years, less than 15	1.75 days/mo = 21 days/year 0.875 days per pay period	35 days
15 years or more	2.00 days/mo = 24 days/year 1 day per pay period	40 days

Prior to July 1, 2012, when an employee transfers to the Municipal Pensions Oversight Board (MPOB) from another state agency, unused annual leave which the employee has accrued at that state agency shall be accepted upon written notice from the former employer. It is the employee's responsibility to have his/her former employer send the written notice to the Executive Director for acceptance by the MPOB. The written notice is to be received by the MPOB within two (2) weeks of the hire date of the employee. If an employee takes annual leave before this record is received, the employee will be advanced the leave and any necessary adjustment will be made upon receipt of the transferred record. On or after July 1, 2012, when an employee transfers from another state agency to the MPOB, the MPOB will accept a maximum of 40 days of annual leave and a maximum of 40 days of sick leave from the previous state employer.

Persons who leave state employment for any reason cannot be paid for more than the amount of leave carried from the prior year's ending balance plus any leave earned but not taken during the current calendar year. When an employee is hired by another state agency, the employee must request, in writing, his/her accumulated annual leave be transferred by the MPOB to the new employing agency (according to said agency's regulations).

Paid holidays are afforded to permanent employees who are in a 0.50 FTE up to a 1.0 FTE position. Hourly employees, i.e. those not in permanent positions are not eligible for paid holidays.

For new employees, the amount of leave accrued the first month will be based upon the total number of working days in a given month and the total numbers of days the employee worked. For example, a new employee who works 10 days of a month that has 20 working days, would accrue 0.625 days of annual leave.

$$10/20 (.5) \times 1.25 \text{ days} = 0.625 \text{ days}$$

The minimum charge against annual leave shall be one eighth of a day (0.125 days, i.e. one hour). Annual leave hours will be accrued to each employee's leave record at the end of every pay period. The MPOB uses an electronic online leave system created by the WV State Treasurer's Office. The system is paperless and notifications of requested leave and notifications of approvals of all leave are done through email. Every employee has access to the leave system from any device with internet access.

When an employee wishes to take annual leave, the employee must have it approved by the Executive Director as far in advance as possible (at least two weeks if more than two days are involved). The approval of annual leave may be governed by the season of the year. An employee should not expect to be granted annual leave during periods of work emergency--such as during the legislative session. Also, the employee should not expect to be granted leave each year that coincides with major holidays or other recurring events. These periods will be alternated among all employees. Leave in excess of five (5) days in duration shall be requested at least one month in advance to avoid work conflicts: Such leave requests can be granted on shorter notice by the Executive Director. All requests for annual leave should be entered into the online leave system prior to the leave being taken. When situations occur where pre-approval of annual leave cannot be obtained, the employee must notify the Executive Director prior to the leave being taken and request the Executive Director to post the leave in the online leave system on behalf of the employee.

All employees of the MPOB are required to be away from the work site for one consecutive five (5) day period each calendar year. Other leave may also be granted based upon employee requests. This annual requirement may be waived by vote of the Board for an employee.

When it is impossible to report for work due to an emergency, the employee must call the Executive Director prior to his/her regular starting time. Annual leave will be charged in such instances. For example, if a heavy snow hinders travel to a work assignment, the employee shall request annual leave for the time not worked unless the Governor or his designee declares otherwise via the Division of Personnel Emergency Situations-Incident Weather Policy, <http://www.state.wv.us/admin/personnel/emprel/POLICIES/Emerg2.pdf>. If employees are dismissed early because of weather or for any other reason designated under the DOP Emergency Situations-Incident Weather Policy, <http://www.state.wv.us/admin/personnel/emprel/POLICIES/Emerg2.pdf>, they shall not be charged leave for the remaining hours of the workday, but this in no way affects the leave status of those not reporting for work that day.

In the event of the death of an employee who has not used accrued accumulated annual leave, payments for the unused portion thereof shall be made in a manner that will cause it to accrue to the heirs or the estate of the employee.

## PERSONAL SICK LEAVE

All permanent employees working 20 hours per week or more earn paid sick leave at a rate of hours equal to 1.5 work-days each month. There is **no limit** to the amount of sick leave an employee can accumulate year to year. Sick leave may also be used for death in the immediate family or for family illnesses/injuries and medical appointments. Also, unused annual and sick leave may be used to increase employee retirement benefits or, for state employees who have been continuously employed prior to July 1, 2002 through the employee's date of retirement, to extend employer paid medical/health insurance.

Each full-time permanent employee shall be entitled to and shall receive one and one-half days of sick leave per month, when and if needed, with full pay. Hourly employees, i.e. those not in permanent FTE positions are not eligible for personal sick leave. There are no restrictions on the amount of sick leave that can be accumulated. When it is impossible to report for work due to a sick leave situation, the employee must contact the Executive Director prior to his/her regular starting time. If the employee has not entered the leave request in the electronic leave system, the Executive Director will enter the employee into the electronic leave system using the employees requested leave type (sick leave or annual leave) each day until the employee returns to work.

Prior to July 1, 2012, when an employee transfers to the MPOB from another state agency, unused sick leave which the employee has accrued at that state agency shall be accepted upon written notice from the former employer. It is the employee's responsibility to have his/her former employer send the written notice to the Executive Director for acceptance by the MPOB. The written notice is to be received by the MPOB within two (2) weeks of the hire date of the employee. If an employee takes sick leave before this record is received, the employee will be advanced the leave and any necessary adjustment will be made upon receipt of the transferred record.

On or after July 1, 2012, when an employee transfers from another state agency to the MPOB, the MPOB will accept a maximum of 40 days of sick leave from the previous state employer.

If more than 260 working days are required for recovery from an illness or injury, disability retirement should be considered.

When a person leaves employment by means other than retirement, all sick leave credited to the employee shall be canceled (or transferred) as of the last working day. However, accumulated sick leave will be reinstated if a former state permanent employee is re-hired by the MPOB within a period of two years from the day of separation. When an employee is hired by another state agency, the employee must request, in writing, his/her accumulated sick leave be transferred by the MPOB to the new employing agency (according to said agency's regulations).

The MPOB makes no distinction between personal sick leave and family sick leave. Sick leave encompasses both personal and family sick leave.

Sick leave is used only under the following conditions:

- \* When the employee is unable to perform his/her duties because of illness or injury or an illness or injury to a member of the employee's immediate family.
- \* When the employee or a member of the employee's immediate family undergoes medical, dental, or optical examinations or treatment.
- \* When a doctor requires an employee to be absent himself/herself from work because of exposure to a contagious disease that would jeopardize the health of other employees by the employee's presence.

Immediate family is defined as father, mother, son, daughter, brother, sister, husband, wife, mother-in-law, father-in-law, son-in-law, daughter-in-law, stepmother, stepfather, foster parent, stepchild, grandparent, and grandchild.

The minimum charge against personal sick leave is one eighth of a day (0.125 days, i.e. one hour) and must be taken in increments of one eighth of a day periods.

Sick leave in excess of 3 working days or for lesser periods when deemed necessary by the Executive Director, must be supported by a medical certificate or other administratively acceptable evidence stating that the employee was unable to work. You may use the following Division of Personnel form, <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L3.pdf>. In the absence of such evidence, annual leave shall be charged for the entire period.

An employee who becomes ill and who is admitted to a hospital or has medical services performed in an emergency room while on previously approved annual leave may request that all or part of the time spent in a hospital or emergency room be charged to sick leave. The employee must request such action within 48 hours of returning to work and must provide a physician's statement or hospital statement listing the specific dates of hospitalization or emergency room services.

If sick leave is exhausted, any additional leave will be deducted from the balance of accrued annual leave. In the event that both sick and annual leave are exhausted, the employee's pay will be adjusted to compensate for the time taken in excess of available leave.

#### **DONATED ANNUAL LEAVE PROGRAM**

The Municipal Pensions Oversight Board uses the Division of Personnel's Leave Donation Program for its employees. Legislative Rule 143CSR2, <http://www.state.wv.us/admin/personnel/rules/rule707/143CSR2.PDF>, describes the program and responsibilities of each agency to implement the rule for its employees. Program procedures can be located at <http://www.state.wv.us/admin/personnel/empcom/procedur.htm>. Forms for the Donated Leave Program for state employees can be found on the Division of Personnel's website at <http://www.state.wv.us/admin/personnel/empcom/leavedo.pdf>. Only annual leave, not sick leave, may be donated.

#### **FAMILY AND MEDICAL LEAVE ACT (FMLA) AND WV PARENTAL LEAVE ACT**

The Municipal Pensions Oversight Board follows the Division of Personnel's Family and Medical Leave Act-Parental Leave Act which is located at <http://www.state.wv.us/admin/personnel/emprel/POLICIES/Family%20Medical%20Parental%20Leave%2001.pdf>. Forms related to the FMLA and Parental Leave Act are located on the Division of Personnel's website, <http://www.state.wv.us/admin/personnel/forms/default.htm>.

Below are links to some of the forms you may need to invoke your rights under FMLA or PLA.

- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L4.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L5.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L6.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L7.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L8.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L9.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L10.pdf>

Federal law requires employers to post or make available in employee handbooks the information posted at <http://www.dol.gov/whd/regs/compliance/posters/fmlaen.pdf>. This hyperlink so meets this requirement.

## **COURT AND JURY LEAVE**

The MPOB uses the Division of Personnel's policy on Court and Jury Leave. The policy is found at <http://www.state.wv.us/admin/personnel/emprel/POLICIES/Witness.pdf>.

## **BEREAVEMENT LEAVE**

Up to 3 days of special bereavement leave may be granted for death in the immediate family as previously defined in the Personal Sick Leave section on page 4.

One day of special bereavement leave may be granted due to the death of an immediate relative other than immediate family. An immediate relative is defined as a nephew, niece, uncle, aunt, brother-in-law, or sister-in-law.

Bereavement leave will be taken from the employee's available sick leave balance. If sick leave is exhausted, any additional leave will be deducted from the balance of accrued annual leave. In the event that both sick and annual leave are exhausted, the employee's pay will be adjusted to compensate for the time taken in excess of available leave.

## **MILITARY LEAVE**

Employees of the MPOB who are members of the National Guard or any of the Reserve components of the Armed Forces of the Federal Government or the U.S. Coast Guard are covered and entitled to military leave under §15-1F-1 of the West Virginia Code as amended and are covered by the Division of Personnel's Administrative Rule Chapter 29-6-10 Series I, 2007 Amended, Section 14.9. Military Leave. The following hyperlink, <http://www.state.wv.us/admin/personnel/emprel/toolbox/militaryleaveallot.pdf>, provides copies of both the WV Code and the Administrative Rule as well as direction for supervisors to use to determine the eligibility of an employee to invoke military leave. Further, MPOB employees who are members of the National Guard or any of the Reserve components of the Armed Forces of the Federal Government or the U.S. Coast Guard are covered under the federal Uniformed Services Employment and Reemployment Rights Act and/or the federal Family and Medical Leave Act.

An employee shall be required to submit an order in writing (if available) from the appropriate military officer in support of the request for military leave as far in advance as possible, but not less than 14 days. If the MPOB is not provided a copy of written orders referencing the military leave, the MPOB may, at its discretion use the following form to obtain information as to the orders for an employee. The form is on the Division of Personnel's website at <http://www.state.wv.us/admin/personnel/emprel/toolbox/GuideVerifyMilitaryLeave.pdf> to obtain a copy of the written orders or reasonable facsimile thereof.

Any employee entering the "United States Armed Services in time of war, national emergency, or under compulsory provision of law of the United States in time of peace" must be granted a leave of absence with the MPOB for service. Upon completion of and discharge from any such armed service, the employee shall have the right to resume service with the MPOB without any prejudice whatsoever as to status, merit, rating or standing by reason of absence. Employees shall be credited with all annual leave, sick leave, and compensatory overtime not used at the commencement of military leave. Reemployment rights for veterans after an official military leave are described on the form at the following website, <http://www.state.wv.us/admin/personnel/emprel/toolbox/vetsrights.pdf>. This paragraph shall not be construed:

- \* As an attempt to enlarge or extend the length of terms of any limited term employee or to create a definite term where no definite term with respect the position heretofore existed.

### **COMPENSATORY TIME OFF AND OVERTIME**

The eligibility of employees of the MPOB for “compensatory time off” or “overtime pay” is governed by the US Fair Labor Standards Act (FLSA), as amended.

“Overtime” is generally defined as “hours actually worked in excess of forty (40) in any workweek.” Annual or sick leave taken during the work week is not counted. “A workweek is a fixed and regularly recurring period of 168 hours--seven (7) consecutive twenty-four (24) hour periods.

The workweek for the MPOB is defined as 12:01 am Saturday to 12:00 midnight Friday.

All overtime must be approved in advance by the Executive Director. Eligible employees who are approved to work in excess of 40 hours in a workweek will either receive overtime pay or compensatory time off, at the option of the agency, at the rate of one and one-half hours for each hour of overtime worked. Compensatory time off may be used at any time after the work week in which it accrued, and such time off will be granted to the employee within a reasonable time after requesting it provided that the employee's absence will not unduly disrupt the work of the agency. Employees may not accumulate more than 240 hours of compensatory time (equal to 160 hours of overtime worked). Employees will be paid for any accumulated excess or for any balance remaining upon the termination of their employment.

### **ELIGIBILITY FOR COMPENSATORY TIME OFF AND OVERTIME**

Not all employees are entitled to overtime compensation or compensatory time. Some employees are specifically exempted from the overtime requirements of FLSA, such as bona fide executive, administrative, and professional employees. Eligibility for exemption/coverage is determined by duties and responsibilities, not job title.

### **LEAVE OF ABSENCE WITHOUT PAY**

A full-time employee, upon application in writing to, and subject to approval of the MPOB Board, may be granted a continuous personal leave of absence without pay for a period of time not to exceed six (6) months.

At the expiration of the leave of absence without pay, the employee shall be reinstated to the position previously held or one of comparable pay and duty without loss of rights, unless the position is no longer available.

### **HEALTH AND LIFE INSURANCE DURING PERSONAL LEAVE OF ABSENCE**

Employees who are on a personal leave of absence without pay may be required to pay 100% of the agency's portion of their health insurance premium and the employer's share of the term life insurance provided to all employees. The employee share of health insurance must continue to be paid by the employee. Employees must pay any optional insurance premiums during a personal leave of absence. Any employee provided premiums must be paid to the Public Employees Insurance Agency by the 15<sup>th</sup> of the month.

### **UNEXCUSED ABSENCE**

An unexcused absence is when an employee fails to notify the Executive Director of an inability to report for work.

### **SUSPENSION**

When an employee is placed on suspension, the MPOB, at its discretion, may make the suspension effective with pay (to the extent allowed by law) or without pay. If the suspension is with pay, the agency will continue to pay its share of the employee's health insurance premium. If the suspension is without

pay, the employee must pay 100% of the agency's portion of his/her health insurance premium. At the discretion of the MPOB, if the suspension lasts for less than one pay period, the Board will determine whether the employer or the employee will pay the agency's share of the health insurance premium. The employee share of health insurance must also continue to be paid by the employee. All employees must pay any optional insurance premiums during a suspension.

### **RESIGNATION AND TRANSFERS**

When an employee voluntarily resigns or transfers to another state agency from the MPOB, a copy of the employee's resignation letter must be submitted to the MPOB's fiscal agent and the agent's payroll and benefits office. The letter must state the last working day for the employee and how the employee wants leave time disbursed. The employee must also complete separation papers in the agent's payroll and benefits office. The Executive Director will conduct an exit interview to retrieve all properties belonging to the MPOB.

Sick leave time will not be granted after an employee submits a resignation letter unless approved by the Executive Director. An employee who has resigned and is still working through to the resignation date shall take annual leave for any event, planned or unplanned, where time away from the workplace is necessary. If the employee does not have enough annual leave available, the employee's payroll will be adjusted for the amount of time the employee is not in the workplace.

Annual leave and the pro-rated share of the employee's increment due upon leaving employment with the MPOB will be paid on the next consecutive payroll date or paid over time at the discretion of the separating employee.

### **PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

All permanent employees working 20 or more hours per week are mandatory members of the PERS, and deductions will be taken from their paychecks by the PERS to pay the required employee-contributions towards their retirement. More information is available at the PERS website: <http://www.wvretirement.com/PERS%20Plan%20Description.html>

### **DEFERRED COMPENSATION**

West Virginia Retirement Plus is a supplemental retirement plan designed to provide an extra savings alternative for all state, county, city and other political subdivision employees. This retirement program is similar to a 401(k) plan in structure except that it is designed to supplement a participant's primary retirement plan.

Employee contributions to the Plan are managed via convenient payroll deductions. There are a variety of quality investment options including stable value funds and mutual funds representing various asset classes. Employees can also roll over funds into WV Retirement Plus from a former pension or 401(k) plan. Learn more here: [www.wv457.com](http://www.wv457.com)

### **EMPLOYMENT**

Employees of the Municipal Pensions Oversight Board are not covered by the Division of Personnel's Civil Service system. WV Code §8-22-18a(a)(1) states "Employees of the oversight board are nonclassified state employees."

Authorization for work at a second job while working as a full-time permanent employee of the MPOB must be obtained from the Executive Director. Employees desiring to work a second job must download and read and follow the Division of Personnel's Secondary Job-Certain Volunteer Activity policy. The policy hyperlink is <http://www.state.wv.us/admin/personnel/empref/POLICIES/OtherEmp4.pdf> and the employee is required

to complete the Request for Determination Regarding Secondary Employment or Volunteer Activity section which is attached to the hyperlinked form. The completed form is to be given to the Executive Director for review.

In no case will an employee be authorized to work an outside job which presents a conflict of interest to his/her work in the MPOB. What constitutes a conflict of interest is solely within the judgment of the Executive Director.

Employees must follow the ethical standards established by the West Virginia Governmental Ethics Act and any opinions issued by the West Virginia Ethics Commission. The Ethics Act - A Code of Conduct for Public Employees is a brochure published by the Ethics Commission provides guidance to state employees. The electronic version of the brochure is located at the hyperlink, [http://www.ethics.wv.gov/SiteCollectionDocuments/Brochures\\_Booklets\\_Misc\\_Forms/Ethics%20Brochure%20Full%20Page%202009.pdf](http://www.ethics.wv.gov/SiteCollectionDocuments/Brochures_Booklets_Misc_Forms/Ethics%20Brochure%20Full%20Page%202009.pdf).

In the event that an employee is injured in the course of and resulting from covered employment, the employee may elect to receive either temporary total disability benefits from the MPOB's workers compensation insurer or sick leave benefits, but not both. If an employee receives sick leave benefits and then also receives disability benefits, the employee is required to pay back the sick leave benefits. If such pay back is not forthcoming, the MPOB will deduct the appropriate amount from the employee's subsequent payroll wages. The employee must notify the Executive Director in writing of receipt of workers compensation insurance payments as a result of an injury.

All employees of the Municipal Pensions Oversight Board are at will employees and can be discharged with cause or without cause of any type.





# AGENDA

## Municipal Pensions Oversight Board **Meeting of the Board of Trustees**

June 22, 2011 – 10:00 A.M.  
500 Virginia Street East – Suite 200  
Charleston, WV

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on May 24, 2011
- III. Unfinished Business
  - a. Employee Policies and Benefits
  - b. Staff
  - c. Lease Update
  - d. Service Agreement Extension
  - e. Novation Agreement Update
  - f. Actuarial Assumptions for July 1, 2010 Valuation Update
  - g. Financial Report
  - h. Fiscal Agent Update
  - i. Pension Retirement Calculations Update
- IV. New Business
  - a. Resolution for transfer of funds to WV Municipal Pensions Security Fund
- V. Setting Date, Time and Place of Next Board Meeting
- VI. Adjournment

# MUNICIPAL PENSIONS OVERSIGHT BOARD

## Minutes of Meeting

July 27, 2011

The Municipal Pensions Oversight Board (MPOB) met on July 27, 2011 at 10:00 a.m. at 500 Virginia Street, East - Suite 200, Charleston, West Virginia. The Chair, Mr. Neddo, called the meeting to order.

### ATTENDEES

#### **Trustees:**

- Lisa Dooley, present
- Donald Lucci, present by teleconference (*joined at approximately 10:30 a.m. and left at 11:47 a.m.*)
- John Kee, present
- Terasa Miller, present (*arrived at 10:15 a.m.*)
- Stephen Neddo, present
- David Palmer, present
- Craig Slaughter, absent
- Darren Williams, present by teleconference (*terminated call at 12:10 p.m.*)
- Seth Wilson, absent by teleconference (*terminated call at 12:20 p.m.*)

#### **Staff:**

- Blair Taylor, Executive Director

#### **Guests:**

- Danny Ellis, Deputy Treasurer, West Virginia Treasurer's Office
- Malissa Hohmann, Director of Internal Audit, West Virginia Treasurer's Office
- John Perdue, Treasurer, State of West Virginia
- Diana Stout, General Counsel, West Virginia Treasurer's Office
- Silas Taylor, General Counsel, West Virginia Attorney General's Office

#### **Minute Taker:**

- Jo Ann Harrison

### APPROVAL OF MINUTES

Ms. Dooley moved to table approval of the June 22, 2011 minutes until the next meeting.

Mr. Palmer seconded the motion which passed unanimously.

**RESOLVED**, that approval of the minutes of June 22, 2011 is tabled until the next meeting of the MPOB.

**STATE TREASURER ADDRESSED THE BOARD**

(NOTE: Mr. Lucci joined the meeting by conference call.) Before hearing from Mr. Perdue, Ms. Dooley moved that the MPOB go into executive session. Mr. Kee seconded the motion, which passed unanimously.

**RESOLVED**, that the MPOB go into executive session as provided for in *West Virginia Code §6-9A-4(b)(2)* to discuss personnel matters that, if made public at this time, could affect the interests of the MPOB.

(NOTE: Mr. Lucci terminated his conference call at 11:47 a.m.) At the conclusion of the executive session, it was noted that no actions had been taken or decisions made. (NOTE: Mr. Williams terminated his conference call at 12:10 p.m.). Ms. Dooley moved the following, seconded by Mr. Palmer and unanimously approved:

**RESOLVED**, that the Chair shall appoint a subcommittee to fulfill the Board's fiduciary duties to further the review of the State Treasurer's Office audit findings by interviewing State Treasurer's Office staff and Mr. Blair Taylor.

The Chair appointed Mr. Kee and Mr. Lucci to serve on the Audit Review Committee. (NOTE: Mr. Wilson terminated his conference call at 12:20 p.m.)

**REMAINING AGENDA ITEMS**

Mr. Palmer moved to postpone addressing the remaining items on the agenda until the next meeting. Ms. Dooley seconded the motion, which passed.

**RESOLVED**, that the MPOB table the remaining agenda items until its next meeting.

Ms. Miller inquired if the Executive Director would be scheduling interviews for staff positions. The Executive Director stated that he had been asked by the Chair not to proceed at this time but that he has, however, sent a letter to each of the 110 applicants advising them that their resume has been received and that no interviews have been scheduled. He said that he has narrowed the applicants down to five for the administrative position and seven for the accountant/CPA position. Ms. Miller asked that all trustees be

provided copies of the resumes of the final applicants. The Board then directed the Executive Director to start interviewing and selecting staff for the vacant positions.

The Chair sought direction from the Board with regard to moving the MPOB's offices into its recently leased office space. It was agreed that the Executive Director is to proceed with moving the MPOB's offices.

**ADJOURNMENT** - Having concluded its business, Ms. Dooley moved to adjourn the meeting. Mr. Kee seconded the motion, which passed unanimously.

***RESOLVED*, that the meeting of the MPOB is adjourned at 12:25 p.m.**



\_\_\_\_\_  
Stephen Neddo, Chairman

Minutes approved Dec 16, 2011.  
(date)

# AGENDA

## Municipal Pensions Oversight Board Meeting of the Board of Trustees

July 27, 2011 – 10:00 A.M.  
500 Virginia Street East – Suite 200  
Charleston, WV

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on June 22, 2011
- III. State Treasurer Perdue Addressing the Board
- IV. Unfinished Business
  - a. Pension Retirement Calculation Update
  - b. Actuarial Assumptions for July 1, 2010 Valuation Update
  - c. Financial Reports
  - d. Correspondence with the Internal Auditor of the State Treasurer's Office
  - e. Staffing
  - f. Completed Documents: Employee Handbook, Lease, and Fiscal Agent MOU
- V. New Business
  - a. Request from the Joint Standing Committee on Pensions and Retirement to present information regarding the Cabell County Circuit Court decision for Fuller v. The Board of Trustees of the Policemen's Pension and Relief Fund of the City of Huntington
  - b. Required Information Packet sent to Municipal Treasurers and Pension Board Secretaries on July 11, 2011
- V. Setting Date, Time and Place of Next Board Meeting
- VI. Adjournment

# MUNICIPAL PENSIONS OVERSIGHT BOARD

## Minutes of Meeting

December 16, 2011

The Municipal Pensions Oversight Board (MPOB) met on December 16, 2011 at 10:00 a.m. at 1700 MacCorkle Ave. SE, Charleston, West Virginia. The Chair, Mr. Neddo, called the meeting to order and declared a quorum was present.

### ATTENDEES

#### **Trustees:**

- Lisa Dooley, present
- Jeffrey Fleck, present
- Donald Lucci, present by teleconference (*terminated his call at 12:08 p.m.*)
- John Kee, present
- Stephen Neddo, present
- David Palmer, present
- Craig Slaughter, present
- Darren Williams, absent
- Seth Wilson, present by teleconference (*terminated his call at 11:40 a.m.*)

#### **Staff:**

- LeAnne Neccuzi, Administrative Assistant
- Les Smith, Accountant
- Blair Taylor, Executive Director

#### **Guests:**

- Malissa Hohmann, Director of Internal Audit, West Virginia Treasurer's Office
- Alex Rivera, Gabriel Roeder Smith & Company
- Lance Weiss, Gabriel Roeder Smith & Company

#### **Minute Takers:**

- Jo Ann Harrison
- LeAnne Neccuzi

### APPROVAL OF MINUTES

Minutes for the MPOB meeting on June 22, 2011 were presented for approval. *Motion:*  
*Moved by Mr. Palmer; Seconded by Mr. Kee; Passed unanimously:*

**RESOLVED, that the minutes of the MPOB Board of Trustees meeting on June 22, 2011 be approved.**

Minutes for the MPOB meeting on July 27, 2011 were presented for approval. *Motion: Moved by Mr. Kee; Seconded by Mr. Slaughter; Passed unanimously:*

**RESOLVED, that the minutes of the MPOB Board of Trustees meeting on July 27, 2011 be approved.**

### **INTRODUCTION OF STAFF**

Mr. Taylor introduced Ms. Neccuzi who was recently hired as the MPOB's Administrative Assistant. Mr. Smith, the MPOB's Accountant was not present but would be introduced later in the meeting.

### **CONSOLIDATED REPORT OF ACTUARIAL VALUATIONS**

The chair asked to go out of order of the agenda items and introduced Mr. Rivera and Mr. Weiss from Gabriel Roeder Smith & Company (GRS) for their draft consolidated annual report. Mr. Rivera said that assumptions were primarily based on demographics, economics, and investment returns. He also commented on the four different policy options. The Conservation Policy was not recommended due to difficulty in budgeting and volatility with regard to cash flow needs. GRS endorsed the Optional Policy. The effects of cost of living adjustments (COLAs) were also discussed. Mr. Rivera reported to the MPOB in the aggregate, the 53 plans experienced an investment return on the market value of assets of approximately 9 percent for plan year ending June 30, 2010, which is 3 percent above the 6 percent actuarial assumed rate of return. Mr. Weiss gave GRS's projections for the future for the funds assuming required contributions are received. (Note: at 11:40 a.m. Mr. Wilson terminated his conference call. He asked that the meeting materials be sent to him and any other Board members not present at this meeting.) GRS's report was followed by discussion. *Motion: Moved by Ms. Dooley; Seconded by Mr. Slaughter; Passed with Mr. Palmer voting against the motion.*

**RESOLVED, that regarding the 15 year solvency test, that the plan assets must exceed \$1.00 over a 15 year period that we approve the changes**



**to an open group projection for purposes of issuing state premium tax allocations and to a closed group for purposes of providing supplemental benefits to plan members.**

(NOTE: Mr. Lucci terminated his conference call at 12:08 p.m.) The Chair called for a break as representatives from GRS left the meeting.

When the meeting resumed at 12:25 p.m., Mr. Taylor introduced Mr. Les Smith to the members of the Board.

#### **PENSION RETIREMENT CALCULATION UPDATE**

Board members were provided with a handout<sup>i</sup> regarding pension retirement calculations, which is made part of these minutes, and Mr. Taylor went over the informational report. No action was taken.

#### **ACTUARIAL ASSUMPTIONS COMMITTEE FINAL REPORT**

Mr. Taylor noted that this item was informational only and that related documents are in the Board materials.

#### **FINANCIAL REPORT**

Mr. Smith went over the financial report<sup>ii</sup> he provided to the members of the Board and which are part of these minutes. *MOTION: Moved by Mr. Kee; Seconded by Mr. Fleck; Passed unanimously:*

***RESOLVED, that the Board accept the financial report as presented.***

Mr. Fleck requested that Mr. Smith also include a budget to actual comparison section with future financial reports.

### **AUDIT REVIEW UPDATE**

Mr. Taylor reported that the State Treasurer's Office was unable to have its audit report available for this meeting but will have the report by January 2012. He said the MPOB's Audit Committee (Mr. Kee and Mr. Lucci) has met with employees of the Treasurer's Office. The Board decided to add Ms. Dooley and Mr. Fleck to its Audit Committee.

### **PROPOSED LEGISLATION**

Mr. Taylor provided copies of proposed changes to the MPOB's organic statute. After discussion, the Board agreed to recommend changes to §8-22-18a and the creation of a new section §8-22-18c. Further, the Board agreed in concept to changes in §8-22-19a. A copy<sup>iii</sup> of the recommended changes is made part of these minutes.

(At the close of the meeting, Mr. B. Taylor asked, "Do you want me [Mr. B. Taylor] to proceed with the items that you asked me to proceed with and have Silas Taylor draft them up and present an agency bill?" Mr. Neddo and others stated "yes".

### **PURCHASE CARD POLICY**

Mr. Taylor introduced the *MPOB Purchase Card Policy*<sup>iv</sup>, which is made a part of these minutes, for approval. *MOTION: Moved by Mr. Palmer, Seconded by Mr. Kee; Passed unanimously;*

***RESOLVED, that the Board adopt the MPOB Purchase Card Policy and Procedures as presented.***

### **APPROVAL OF PURCHASE CARD EXPENDITURES**

Mr. Taylor asked for approval of purchase card expenditures for October 2011 as documented in the report<sup>v</sup> provided in the meeting materials and which are made a part of these minutes. *MOTION: Moved by Ms. Dooley; Seconded by Mr. Slaughter; Passed unanimously;*

***RESOLVED, that the MPOB approve purchase card expenditures as presented for October 2011.***

**ADJOURNMENT** - Having concluded its business, the meeting adjourned. *MOTION: Moved by Mr. Kee; seconded by Ms. Dooley; Passed unanimously.*

***RESOLVED***, that the meeting of the MPOB is adjourned at 1:35 p.m.



\_\_\_\_\_  
Stephen Neddo, Chairman

Minutes approved JAN. 25, 2019  
(date)

Attachments

- \_\_\_\_\_  
<sup>i</sup> Pension Retirement Calculations Update Report  
<sup>ii</sup> MPOB Financial Report  
<sup>iii</sup> Recommended Legislative Changes  
<sup>iv</sup> MPOB Purchase Card Policy  
<sup>v</sup> Purchase card expenditures for October 2011

Cardholder

Blair Taylor

12-3-11 MPOB Purchasing Card Review/Audit Record

Billing Cycle 11/4/11 to 12/3/11

Transaction Limit \$2,500.00 Monthly Limit

Reviewer: John M. [Signature] 12/3/11

29	11/24/2011	RC Ritch Corp	Color Total	\$ 0.60	Y	ST091934	Y	R	Y	DIGCOP09G
30	12/1/2011	OfficeMax CT IN#069388	Blk Alum Frame Cork	\$ 17.92	Y	ST091934	Y	R	Y	OFFICE10
31	12/1/2011	OfficeMax CT IN#069388	100 PCs White Push Pins	\$ 0.81	Y	ST091934	Y	R	Y	OFFICE10
32	12/1/2011	OfficeMax CT IN#069388	Stapler Desktop Paper	\$ 33.92	Y	ST091934	Y	R	Y	OFFICE10
33	12/1/2011	OfficeMax CT IN#069388	Standard Staples 3-pack	\$ 8.34	Y	ST091934	Y	R	Y	OFFICE10
34	12/1/2011	OfficeMax CT IN#069388	Ballpoint Pen Precise	\$ 8.00	Y	ST091934	Y	R	Y	OFFICE10
35	12/1/2011	OfficeMax CT IN#069388	Dry Correction 8 pac	\$ 6.70	Y	ST091934	Y	R	Y	OFFICE10
36	12/1/2011	OfficeMax CT IN#069388	8" Value Shear Bent Scissors	\$ 5.30	Y	ST091934	Y	R	Y	OFFICE10
37	12/1/2011	OfficeMax CT IN#069388	Wire S Load Letter T	\$ 8.24	Y	ST091934	Y	R	Y	OFFICE10
38	12/1/2011	OfficeMax CT IN#069388	OS Note 3x3 12 Pack	\$ 6.70	Y	ST091934	Y	R	Y	OFFICE10
39	12/1/2011	OfficeMax CT IN#069388	9/32" Hwy Diy Lever	\$ 24.17	Y	ST091934	Y	R	Y	OFFICE10
40	12/1/2011	OfficeMax CT IN#069388	Magic Tape 3/4 x 1000	\$ 4.52	Y	ST091934	Y	R	Y	OFFICE10
41	12/1/2011	OfficeMax CT IN#069388	Rubberbands assorted	\$ 0.93	Y	ST091934	Y	R	Y	OFFICE10
42	12/1/2011	OfficeMax CT IN#069388	Rubberbands size 33	\$ 5.58	Y	ST091934	Y	R	Y	OFFICE10
43	12/1/2011	OfficeMax CT IN#069388	7 outlet pwr strip 12	\$ 8.71	Y	ST091934	Y	R	Y	OFFICE10
44	12/1/2011	OfficeMax CT IN#069388	Plastic letter opener	\$ 0.86	Y	ST091934	Y	R	Y	OFFICE10
45	12/1/2011	OfficeMax CT IN#069388	Rect Berbmatt 46 x 80	\$ 45.28	Y	ST091934	Y	R	Y	OFFICE10
46	12/1/2011	OfficeMax CT IN#069388	Post-it Flgs Rd 1 SG	\$ 4.29	Y	ST091934	Y	R	Y	OFFICE10
47	12/1/2011	OfficeMax CT IN#069388	7mm GTZ Mech Pencil	\$ 6.29	Y	ST091934	Y	R	Y	OFFICE10
48	12/1/2011	OfficeMax CT IN#069388	Rack Reference Desktop	\$ 27.25	Y	ST091934	Y	R	Y	OFFICE10
49	12/1/2011	OfficeMax CT IN#069388	Pack Tape 2.6 mil	\$ 5.72	Y	ST091934	Y	R	Y	OFFICE10
50	12/1/2011	OfficeMax CT IN#069388	Heater Fan	\$ 30.82	Y	ST091934	Y	R	Y	OFFICE10
51	12/1/2011	OfficeMax CT IN#069388	Organizer Desktop WH	\$ 10.87	Y	ST091934	Y	R	Y	OFFICE10
52	12/1/2011	OfficeMax CT IN#069388	6 outlet power strip	\$ 5.84	Y	ST091934	Y	R	Y	OFFICE10
53	12/1/2011	OfficeMax CT IN#819067	1 Shelf Garment Shel	\$ (228.18)	Y	ST091935	Y	R	Y	OFFICE10
54	12/1/2011	OfficeMax CT IN#069709	Rolodex Pink Open Ca	\$ 14.85	Y	ST091936	Y	R	Y	OFFICE10

\*R - Reconciled/D - Disputed/C - Carryover from prev. month

\*\* If "N", Reviewer must provide discrepancy listing form

Reviewer/Auditor Certification:

Signature/date

[Signature] 12/3/11

I hereby certify that the items herein were received, properly accounted for and reviewed for compliance in accordance with purchasing rules and SAO Purchase Card Payment Procedures. Discrepancies/compliance issues, if applicable, are attached listing the procedure infraction and response from cardholder to correct future compliance issues.

*Blair Taylor*

1-13-2012 MPOB Purchasing Card Review/Audit Record

Cardholder Blair Taylor

Transaction Limit \$2,500.00 Monthly Limit \_\_\_\_\_

Billing Cycle 12/04/11 to 01/03/12

Reviewer: *Jodie M. [Signature]*

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Ticket Y/N	\$ Document Number	Receiving Report Y/N	R <sup>1</sup> D <sup>2</sup> Contract Used Y/N <sup>3</sup>	State Contract Number Used	If No SMC Used, Bids Sought or Required Y/N
1	12/22/2011	OfficeMax CT IN#628329	Server Carafe Insultd Bk	\$ 73.02	Y	\$71333323	Y	R	OFFICE10	
2	12/22/2011	OfficeMax CT IN#628329	8 oz Cafe G Foam Cup	\$ 22.44	Y	\$71333323	Y	R	OFFICE10	
3	12/22/2011	OfficeMax CT IN#628329	First Aid Kit 113 Pieces	\$ 15.37	Y	\$71333323	Y	R	OFFICE10	
4	12/22/2011	OfficeMax CT IN#628329	Gun Metal & Black Letter	\$ 34.12	Y	\$71333323	Y	R	OFFICE10	
5	12/22/2011	OfficeMax CT IN#628329	FWX CVR 8x11 65# D White	\$ 5.74	Y	\$71333323	Y	R	OFFICE10	
6	12/22/2011	OfficeMax CT IN#628329	Shutter Stamp "DRAFT"	\$ 4.31	Y	\$71333323	Y	R	OFFICE10	
7	12/22/2011	OfficeMax CT IN#628329	Shutter Stamp "Original"	\$ 4.31	Y	\$71333323	Y	R	OFFICE10	
8	12/22/2011	OfficeMax CT IN#628329	Catalog Envelope 12x15 .5	\$ 27.85	Y	\$71333323	Y	R	OFFICE10	
9	12/22/2011	OfficeMax CT IN#628329	Mesh Drawer Organizer BL	\$ 5.33	Y	\$71333323	Y	R	OFFICE10	
10	12/22/2011	OfficeMax CT IN#628329	Shutter Stamp "Copy"	\$ 4.31	Y	\$71333323	Y	R	OFFICE10	
11	12/22/2011	OfficeMax CT IN#628329	SmartCut Compact Persona	\$ 8.40	Y	\$71333323	Y	R	OFFICE10	
12	12/22/2011	OfficeMax CT IN#628329	Panel Hook Double Post B	\$ 27.88	Y	\$71333323	Y	R	OFFICE10	
13	12/22/2011	OfficeMax CT IN#628329	Wall Clock Cherry Case 1	\$ 11.82	Y	\$71333323	Y	R	OFFICE10	
14	12/22/2011	OfficeMax CT IN#628329	Over the Panel Coat Hook	\$ 16.98	Y	\$71333323	Y	R	OFFICE10	
15	12/22/2011	OfficeMax CT IN#628329	Shutter Stamp "Scanned"	\$ 4.31	Y	\$71333323	Y	R	OFFICE10	
16					Y		Y	R	OFFICE10	
17					Y		Y	R	OFFICE10	
18					Y		Y	R	OFFICE10	
19					Y		Y	R	OFFICE10	
20					Y		Y	R	OFFICE10	

\*R - Reconciled/PD - Disputed/PC - Carryover from prev. month \*\* If "N", Review must provide discrepancy listing form

Signature/date \_\_\_\_\_

Reviewer/Auditor Certification: I hereby certify that the items herein were received, properly accounted for and reviewed for compliance in accordance with purchasing rules and SAO Purchase Card Payment Procedures. Discrepancies/compliance issues, if applicable, are attached listing the procedure infraction and response from cardholder to correct future compliance issues.

MPOB Purchasing Card Review/Audit Record

Cardholder Blair Taylor

Billing Cycle 11/1/11 to 12/31/11

Reviewer *John M. ...* 12/5/11

Transaction Limit \$2,500.00 Monthly Limit

Item	Trans Date	Vendor	Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	\$ Document Number	Receiving Report Y/N	R# Contract C#	Statewide Contract Used Y/N	State Contract Number Used	If no SWC used, Bids Sought or Required Y/N
1	11/8/2011	OfficeMax CT IN#032051	CTLG Full Line 2011	\$ 0.01	Y	S7053850	Y	R	Y	OFFICE10	
2	11/8/2011	OfficeMax CT IN#032051	F-306 Ball Pen Blue	\$ 2.64	Y	S7053850	Y	R	Y	OFFICE10	
3	11/8/2011	OfficeMax CT IN#032051	F-Refill .7mm Blue	\$ 1.32	Y	S7053850	Y	R	Y	OFFICE10	
4	11/8/2011	OfficeMax CT IN#032051	Mailbox clear 1.33" x 4"	\$ 23.91	Y	S7053850	Y	R	Y	OFFICE10	
5	11/8/2011	OfficeMax CT IN#032051	Hanging Fldr Lt	\$ 20.96	Y	S7053850	Y	R	Y	OFFICE10	
6	11/8/2011	OfficeMax CT IN#032051	Hanging File Fldr LGL	\$ 48.72	Y	S7053850	Y	R	Y	OFFICE10	
7	11/15/2011	OfficeMax CT IN#032051	Mst Keyboard SP2 NA	\$ 24.92	Y	S7066963	Y	R	Y	OFFICE10	
8	11/15/2011	OfficeMax CT IN#032051	Envelope Clasp 5x12	\$ 13.99	Y	S7066963	Y	R	Y	OFFICE10	
9	11/15/2011	OfficeMax CT IN#032051	Jacket File Ltr 50	\$ 16.96	Y	S7066963	Y	R	Y	OFFICE10	
10	11/15/2011	OfficeMax CT IN#032051	Pocket Watchd Ltr	\$ 18.52	Y	S7066963	Y	R	Y	OFFICE10	
11	11/15/2011	OfficeMax CT IN#032051	StoreNGo 8 GB USB	\$ 64.40	Y	S7066963	Y	R	Y	OFFICE10	
12	11/15/2011	OfficeMax CT IN#032051	Rect Chairmat 46" x 6'	\$ 61.29	Y	S7066963	Y	R	Y	OFFICE10	
13	11/16/2011	CDW Government	Logitech Wireless Trackball M570	\$ 67.67	Y	S7069932	Y	R	Y	SIP2008B	
14	11/16/2011	CDW Government	Shipping and Handling	\$ 9.62	Y	S7069932	Y	R	Y	SIP2008B	
15	11/17/2011	OfficeMax CT IN#032051	Shelf Garment Shel	\$ 228.18	Y	S7071070	Y	R	Y	OFFICE10	Bids not required for subscription
16	11/22/2011	The Herald-Dispatch	1 month subscription	\$ 5.95	Y	S7080985	Y	R	N		
17	11/24/2011	Graybar Electric	BL525E-BU	\$ 15.06	Y	S7082987	Y	R	Y	CABLE11	
18	11/24/2011	Graybar Electric	BL514E-BU	\$ 11.68	Y	S7082987	Y	R	Y	CABLE11	
19	11/24/2011	Graybar Electric	BL507E-BU	\$ 6.40	Y	S7082987	Y	R	Y	CABLE11	
20	11/24/2011	Graybar Electric	BL503E-BU	\$ 7.14	Y	S7082987	Y	R	Y	CABLE11	
21	11/24/2011	RC Ricoh Corp	Rental Agreement	\$ 125.89	Y	S7082988	Y	R	Y	DIGCOP09G	
22	11/24/2011	RC Ricoh Corp	Rental Agreement	\$ -	Y	S7082988	Y	R	Y	DIGCOP09G	
23	11/24/2011	RC Ricoh Corp	Rental Agreement	\$ -	Y	S7082988	Y	R	Y	DIGCOP09G	
24	11/24/2011	RC Ricoh Corp	Rental Agreement	\$ -	Y	S7082988	Y	R	Y	DIGCOP09G	
25	11/24/2011	RC Ricoh Corp	Rental Agreement	\$ -	Y	S7082988	Y	R	Y	DIGCOP09G	
26	11/24/2011	RC Ricoh Corp	Rental Agreement	\$ -	Y	S7082988	Y	R	Y	DIGCOP09G	
27	11/24/2011	RC Ricoh Corp	Rental Agreement	\$ -	Y	S7082988	Y	R	Y	DIGCOP09G	
28	11/24/2011	RC Ricoh Corp	RVW Total	\$ 0.19	Y	S7082988	Y	R	Y	DIGCOP09G	

# MUNICIPAL PENSIONS OVERSIGHT BOARD

## Minutes of Meeting

December 16, 2011

The Municipal Pensions Oversight Board (MPOB) met on December 16, 2011 at 10:00 a.m. at 1700 MacCorkle Ave. SE, Charleston, West Virginia. The Chair, Mr. Neddo, called the meeting to order and declared a quorum was present.

### ATTENDEES

#### **Trustees:**

- Lisa Dooley, present
- Jeffrey Fleck, present
- Donald Lucci, present by teleconference (*terminated his call at 12:08 p.m.*)
- John Kee, present
- Stephen Neddo, present
- David Palmer, present
- Craig Slaughter, present
- Darren Williams, absent
- Seth Wilson, present by teleconference (*terminated his call at 11:40 a.m.*)

#### **Staff:**

- LeAnne Neccuzi, Administrative Assistant
- Les Smith, Accountant
- Blair Taylor, Executive Director

#### **Guests:**

- Malissa Hohmann, Director of Internal Audit, West Virginia Treasurer's Office
- Alex Rivera, Gabriel Roeder Smith & Company
- Lance Weiss, Gabriel Roeder Smith & Company

#### **Minute Takers:**

- Jo Ann Harrison
- LeAnne Neccuzi

### APPROVAL OF MINUTES

Minutes for the MPOB meeting on June 22, 2011 were presented for approval. *Motion: Moved by Mr. Palmer; Seconded by Mr. Kee; Passed unanimously:*

**RESOLVED, that the minutes of the MPOB Board of Trustees meeting on June 22, 2011 be approved.**

Minutes for the MPOB meeting on July 27, 2011 were presented for approval. *Motion: Moved by Mr. Kee; Seconded by Mr. Slaughter; Passed unanimously:*

**RESOLVED, that the minutes of the MPOB Board of Trustees meeting on July 27, 2011 be approved.**

### **INTRODUCTION OF STAFF**

Mr. Taylor introduced Ms. Neccuzi who was recently hired as the MPOB's Administrative Assistant. Mr. Smith, the MPOB's Accountant was not present but would be introduced later in the meeting.

### **CONSOLIDATED REPORT OF ACTUARIAL VALUATIONS**

The chair asked to go out of order of the agenda items and introduced Mr. Rivera and Mr. Weiss from Gabriel Roeder Smith & Company (GRS) for their draft consolidated annual report. Mr. Rivera said that assumptions were primarily based on demographics, economics, and investment returns. He also commented on the four different policy options. The Conservation Policy was not recommended due to difficulty in budgeting and volatility with regard to cash flow needs. GRS endorsed the Optional Policy. The effects of cost of living adjustments (COLAs) were also discussed. Mr. Rivera reported to the MPOB in the aggregate, the 53 plans experienced an investment return on the market value of assets of approximately 9 percent for plan year ending June 30, 2010, which is 3 percent above the 6 percent actuarial assumed rate of return. Mr. Weiss gave GRS's projections for the future for the funds assuming required contributions are received. (Note: at 11:40 a.m. Mr. Wilson terminated his conference call. He asked that the meeting materials be sent to him and any other Board members not present at this meeting.) GRS's report was followed by discussion. *Motion: Moved by Ms. Dooley; Seconded by Mr. Slaughter; Passed with Mr. Palmer voting against the motion.*

**RESOLVED, that regarding the 15 year solvency test, that the plan assets must exceed \$1.00 over a 15 year period that we approve the changes**



**to an open group projection for purposes of issuing state premium tax allocations and to a closed group for purposes of providing supplemental benefits to plan members.**

(NOTE: Mr. Lucci terminated his conference call at 12:08 p.m.) The Chair called for a break as representatives from GRS left the meeting.

When the meeting resumed at 12:25 p.m., Mr. Taylor introduced Mr. Les Smith to the members of the Board.

#### **PENSION RETIREMENT CALCULATION UPDATE**

Board members were provided with a handout<sup>i</sup> regarding pension retirement calculations, which is made part of these minutes, and Mr. Taylor went over the informational report. No action was taken.

#### **ACTUARIAL ASSUMPTIONS COMMITTEE FINAL REPORT**

Mr. Taylor noted that this item was informational only and that related documents are in the Board materials.

#### **FINANCIAL REPORT**

Mr. Smith went over the financial report<sup>ii</sup> he provided to the members of the Board and which are part of these minutes. *MOTION: Moved by Mr. Kee; Seconded by Mr. Fleck; Passed unanimously:*

***RESOLVED, that the Board accept the financial report as presented.***

Mr. Fleck requested that Mr. Smith also include a budget to actual comparison section with future financial reports.

### AUDIT REVIEW UPDATE

Mr. Taylor reported that the State Treasurer's Office was unable to have its audit report available for this meeting but will have the report by January 2012. He said the MPOB's Audit Committee (Mr. Kee and Mr. Lucci) has met with employees of the Treasurer's Office. The Board decided to add Ms. Dooley and Mr. Fleck to its Audit Committee.

### PROPOSED LEGISLATION

Mr. Taylor provided copies of proposed changes to the MPOB's organic statute. After discussion, the Board agreed to recommend changes to §8-22-18a and the creation of a new section §8-22-18c. Further, the Board agreed in concept to changes in §8-22-19a. A copy<sup>iii</sup> of the recommended changes is made part of these minutes.

(At the close of the meeting, Mr. B. Taylor asked, "Do you want me [Mr. B. Taylor] to proceed with the items that you asked me to proceed with and have Silas Taylor draft them up and present an agency bill?" Mr. Neddo and others stated "yes".

### PURCHASE CARD POLICY

Mr. Taylor introduced the *MPOB Purchase Card Policy*<sup>iv</sup>, which is made a part of these minutes, for approval. *MOTION: Moved by Mr. Palmer, Seconded by Mr. Kee; Passed unanimously;*

***RESOLVED*, that the Board adopt the MPOB Purchase Card Policy and Procedures as presented.**


### APPROVAL OF PURCHASE CARD EXPENDITURES

Mr. Taylor asked for approval of purchase card expenditures for October 2011 as documented in the report<sup>v</sup> provided in the meeting materials and which are made a part of these minutes. *MOTION: Moved by Ms. Dooley; Seconded by Mr. Slaughter; Passed unanimously;*

***RESOLVED*, that the MPOB approve purchase card expenditures as presented for October 2011.**

**ADJOURNMENT** - Having concluded its business, the meeting adjourned. *MOTION: Moved by Mr. Kee; seconded by Ms. Dooley; Passed unanimously.*

***RESOLVED***, that the meeting of the MPOB is adjourned at 1:35 p.m.



\_\_\_\_\_  
Stephen Neddo, Chairman

Minutes approved JAN. 25, 2019  
(date)

Attachments

- 
- <sup>i</sup> Pension Retirement Calculations Update Report
  - <sup>ii</sup> MPOB Financial Report
  - <sup>iii</sup> Recommended Legislative Changes
  - <sup>iv</sup> MPOB Purchase Card Policy
  - <sup>v</sup> Purchase card expenditures for October 2011

MUNICIPAL PENSIONS OVERSIGHT BOARD

FINANCIAL REPORT

DECEMBER 31, 2011

**MUNICIPAL PENSIONS OVERSIGHT BOARD  
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MUNICIPAL PENSIONS OVERSIGHT BOARD  
 BALANCE SHEET  
 31-Dec-11  
 (Tentative)

	<u>Assets</u>	
Cash	830,466.21	
Investment Balance	<u>27,760,285.99</u>	
Total Cash		28,590,752.20
Receivables		
Premium Tax Allocation Fourth Qtr	4,501,331.37	
Stop Payments	2,926.04	
Overpayments	<u>138.45</u>	
Total Receivables		4,504,395.86
Fixed Assets		
Leasehold Improvements	19,300.00	
Furnishings & Equipment	20,252.24	
Less: Accumulated Depreciation	<u>(2,571.65)</u>	
Total Fixed Assets		36,980.59
 Total Assets		 <u><u>33,132,128.65</u></u>
	<u>Liabilities</u>	
Accounts Payable		63,892.41
Actuarial Fee not deducted from allocation		17,755.00
 Cy 2008 (9/1/09 Allocation expires 8/31/12)	1,342,660.06	
Cy 2009 (9/1/10 Allocation expires 2/29/12)	2,350,371.22	
Cy 2010 (9/1/11 Allocation expires 2/28/13)	12,559,816.65	
FY 13 allocations (net)	16,649,173.72	
Expired 9/1/08 allocation to be re-allocated	238,935.38	
FY1994-96 allocations not drawn	<u>65,981.45</u>	
		<u>33,206,938.48</u>
 Total Liabilities		 33,288,585.89
 Net Fund Deficit		 <u>(156,457.24)</u>
 Total Liabilities and Net Fund Deficit		 <u><u>33,132,128.65</u></u>

MUNICIPAL PENSIONS OVERSIGHT BOARD  
STATEMENT OF REVENUES AND EXPENSES  
as of December 31, 2011  
(Tentative)

	FYTD Total
<b><u>Revenue</u></b>	
Insurance Premium Tax	8,421,697.70
Interest on Investments	16,198.89
<b>Total Revenue</b>	<b>8,437,896.59</b>
 <b><u>Expenses</u></b>	
Personal Services	67,101.00
Increment	522.50
FICA	4,839.58
Public Employees Ins	1,923.00
Workers Comp	262.78
Pension & Retirement	9,805.42
PEIA 1%	0.00
OPEB	501.00
<b>Total Salary &amp; Benefits</b>	<b>84,955.28</b>
Office Expense	1,188.62
Printing & Binding	98.60
Office Rent	5,339.28
Telecommunications	1,403.53
Contractual & Professional	315,710.75
Travel	2,224.96
Computer Services	1,246.79
Machine Rentals	248.51
Insurance	976.00
Clothing, Household & Rec Supplies	12.70
Advertising & Promotional	14,210.67
Training & Development	1,048.57
Postage & Freight	224.11
Computer Supplies	638.29
Other Int & Penalties	1.32
Miscellaneous Equip & Furnishings	1,928.40
Miscellaneous Equipment	2,236.15
<b>Total Current Expense</b>	<b>348,737.25</b>
Medical Payments	7,900.00
Depreciation	2,571.65
<b>Total Expenses</b>	<b>444,164.18</b>
<b>Revenues over (under) Expenses</b>	<b>7,993,732.41</b>

MUNICIPAL PENSIONS OVERSIGHT BOARD  
STATEMENT OF CASH FLOW  
AS OF DECEMBER 31, 2011  
(Tentative)

Cash received from Premium tax and investments	3,936,565.22
Cash paid to employees	(84,955.28)
Cash paid for operations	(306,325.63)
Net cash from operating activities	<u>3,545,284.31</u>
Fixed Assets	(25,971.45)
Payments to police & fire pensions plans	<u>(10,743,335.37)</u>
Decrease in cash	(7,224,022.51)
Cash at beginning of fiscal year	<u>35,814,774.71</u>
Cash as of December 31, 2011	<u><u>28,590,752.20</u></u>



**MUNICIPAL PENSIONS OVERSIGHT BOARD**

Budget vs Actual  
as of December 31, 2011  
Supplemental Information

	<u>Budget</u>	<u>Total Expended</u>	<u>Budget Balance</u>
<b><u>Personal Services &amp; Benefits</u></b>			
Personal Services	210,000.00	67,101.00	142,899.00
Increment	4,500.00	522.50	3,977.50
Personal Fees	600.00	0.00	600.00
FICA	16,409.00	4,839.58	11,569.42
Public Employees Ins	14,760.00	1,923.00	12,837.00
Workers Comp	5,363.00	262.78	5,100.22
Pension & Retirement	31,103.00	9,805.42	21,297.58
PEIA 1%	2,145.00	0.00	2,145.00
OPEB	4,008.00	501.00	3,507.00
<b>Total Personal Services &amp; Benefits</b>	<b>288,888.00</b>	<b>84,955.28</b>	<b>203,932.72</b>
<b><u>Current Expenses</u></b>			
Office Expense	1,000.00	3,421.40	(2,421.40)
Printing & Binding	1,500.00	98.60	1,401.40
Office Rent	10,680.00	5,339.28	5,340.72
Telecommunications	1,500.00	277.68	1,222.32
Contractual & Professional	600,000.00	273,470.75	326,529.25
Travel	7,500.00	2,224.96	5,275.04
Computer Services	3,600.00	5,161.61	(1,561.61)
Machine Rentals	500.00	248.51	251.49
Association Dues	600.00	0.00	600.00
Insurance	2,500.00	976.00	1,524.00
Clothing, Household & Rec Supplies	0.00	12.70	(12.70)
Advertising & Promotional	2,000.00	14,210.67	(12,210.67)
Routine Maint Contracts	1,800.00	0.00	1,800.00
Hospitality	1,000.00	0.00	1,000.00
Training & Development	12,500.00	1,048.57	11,451.43
Miscellaneous	250.00	0.00	250.00
Postage & Freight	2,000.00	198.91	1,801.09
Computer Supplies	5,000.00	638.29	4,361.71
Attorney Legal Service	75,000.00	0.00	75,000.00
Attorney Reimbursable Expense	2,500.00	0.00	2,500.00
Miscellaneous Equipment	2,500.00	369.15	2,130.85
<b>Total Current Expense</b>	<b>733,930.00</b>	<b>307,697.08</b>	<b>426,232.92</b>
<b><u>Assets</u></b>			
Office & Comm Equipment	21,000.00	0.00	21,000.00
Leasehold Improvements	20,000.00	19,300.00	700.00
<b>Total Assets</b>	<b>41,000.00</b>	<b>19,300.00</b>	<b>21,700.00</b>
<b><u>Other Disbursements</u></b>			
Counties & Municipalities	30,743,282.00	9,789,974.54	20,953,307.46
Medical Payments	0.00	5,300.00	(5,300.00)
<b>Total Other Disbursements</b>	<b>30,743,282.00</b>	<b>9,795,274.54</b>	<b>20,948,007.46</b>
<b>Total Disbursements</b>	<b>31,807,100.00</b>	<b>10,207,226.90</b>	<b>21,599,873.10</b>

**MUNICIPAL PENSIONS OVERSIGHT BOARD**  
**Supplemental Allocation Detail**  
**September 2011**  
**Expires 2/28/2013**

Department	Allocation	Expended	Balance
<b><u>Full-Time Police Departments</u></b>			
Beckley	\$410,130.34	\$0.00	\$410,130.34
Belle	\$36,349.99	\$0.00	\$36,349.99
Bluefield	\$199,022.63	\$0.00	\$199,022.63
Charleston	\$1,602,822.19	\$667,842.60	\$934,979.59
Charles Town	\$27,224.76	\$11,891.78	\$15,333.00
Chasler	\$37,251.48	\$0.00	\$37,251.48
Clarksburg	\$374,919.81	\$0.00	\$374,919.81
Dunbar***	\$120,075.95	\$0.00	\$120,075.95
Elkins	\$70,311.05	\$0.00	\$70,311.05
Fairmont	\$339,314.73	\$141,392.45	\$197,922.28
Grafton	\$49,580.94	\$0.00	\$49,580.94
Huntington	\$971,129.23	\$0.00	\$971,129.23
Logan	\$37,819.25	\$0.00	\$37,819.25
Marlinsburg	\$376,371.79	\$376,371.79	\$0.00
Morgantown	\$505,973.99	\$0.00	\$505,973.99
Moundsville	\$136,683.22	\$70,952.26	\$65,730.96
Nitro	\$112,740.75	\$0.00	\$112,740.75
Oak Hill	\$78,261.48	\$0.00	\$78,261.48
Parkersburg	\$580,149.99	\$0.00	\$580,149.99
Princeton	\$155,564.21	\$155,564.21	\$0.00
Point Pleasant	\$56,629.48	\$0.00	\$56,629.48
Saint Albans	\$145,499.46	\$72,749.74	\$72,749.74
South Charleston	\$319,046.37	\$0.00	\$319,046.37
Star City	\$34,211.63	\$0.00	\$34,211.63
Vianna	\$123,849.45	\$0.00	\$123,849.45
Weirton	\$340,145.46	\$0.00	\$340,145.46
Welch	\$43,114.77	\$0.00	\$43,114.77
Weston	\$36,917.76	\$0.00	\$36,917.76
Westover	\$52,217.97	\$0.00	\$52,217.97
Wheeling	\$613,429.90	\$325,371.95	\$488,057.94
Williamson	\$53,843.36	\$0.00	\$53,843.36
<b><u>Full-Time Fire Departments</u></b>			
Beckley	\$384,924.71	\$0.00	\$384,924.71
Bluefield	\$210,734.36	\$0.00	\$210,734.36
Charleston	\$1,722,267.29	\$717,611.35	\$1,004,655.94
Clarksburg	\$422,051.74	\$0.00	\$422,051.74
Fairmont	\$420,200.30	\$175,097.47	\$245,102.83
Huntington	\$1,171,481.17	\$0.00	\$1,171,481.17
Marlinsburg	\$295,342.08	\$295,342.08	\$0.00
Morgantown	\$424,571.47	\$0.00	\$424,571.47
Moundsville	\$86,115.02	\$33,645.14	\$52,469.88
Parkersburg	\$648,153.10	\$0.00	\$648,153.10
South Charleston	\$332,426.30	\$0.00	\$332,426.30
Wheeling	\$891,668.19	\$356,667.28	\$535,000.91
<b><u>Full-Time/Part-Time Fire Department</u></b>			
Dunbar	\$140,452.07	\$0.00	\$140,452.07
Elkins	\$32,992.38	\$0.00	\$32,992.38
Grafton	\$39,022.53	\$0.00	\$39,022.53
Logan	\$47,274.20	\$0.00	\$47,274.20
Nitro	\$91,893.49	\$0.00	\$91,893.49
Princeton	\$116,328.84	\$116,328.84	\$0.00
Saint Albans	\$181,014.77	\$92,408.04	\$88,606.73
Weirton	\$165,640.21	\$0.00	\$165,640.21
Weston	\$19,378.00	\$0.00	\$19,378.00
Williamson	\$84,518.19	\$0.00	\$84,518.19
<b>Totals</b>	<b>\$16,169,053.64</b>	<b>\$3,509,236.99</b>	<b>\$12,559,816.65</b>

**MUNICIPAL PENSIONS OVERSIGHT BOARD**  
**Supplemental Allocation Detail**  
**September 2010**  
**Expires 2/29/2012**

Department	Allocation	Expended	Balance
<b><u>Full-Time Police Departments</u></b>			
Beckley	425,748.38	0.00	425,748.38
Bella	34,860.49	34,860.49	0.00
Bluefield	213,885.09	0.00	213,885.09
Charleston	1,702,437.15	1,702,437.15	0.00
Charles Town	31,746.80	31,746.80	0.00
Chester	37,972.46	37,972.46	0.00
Clarksburg	392,329.18	392,329.18	0.00
Dunbar***	118,346.10	118,346.10	0.00
Elkins	72,610.18	72,610.18	0.00
Fairmont	353,291.72	353,291.72	0.00
Grafton	51,342.88	51,342.88	0.00
Huntington	990,194.60	907,216.29	82,978.31
Logan	43,166.88	0.00	43,166.88
Martinsburg	376,526.25	376,526.25	0.00
Morgantown	495,128.72	495,128.72	0.00
Moundsville	136,289.40	136,289.40	0.00
Nitro	113,532.00	113,532.00	0.00
Oak Hill	83,053.39	83,053.39	0.00
Parkersburg	592,888.03	592,888.03	0.00
Princeton	170,237.74	170,237.74	0.00
Point Pleasant	58,197.92	0.00	58,197.92
Saint Albans	142,519.57	142,519.57	0.00
South Charleston	296,543.70	0.00	296,543.70
Star City	38,800.69	0.00	38,800.69
Vienna	132,908.12	132,908.12	0.00
Weirton	370,267.60	370,267.60	0.00
Welch	46,946.77	46,946.77	0.00
Weston	35,494.84	0.00	35,494.84
Westover	49,235.88	49,235.88	0.00
Wheeling	891,023.25	891,023.25	0.00
Williamson	54,059.75	54,059.75	0.00
<b><u>Full-Time Fire Departments</u></b>			
Beckley	401,113.36	0.00	401,113.36
Bluefield	234,292.18	0.00	234,292.18
Charleston	1,857,532.87	1,857,532.87	0.00
Clarksburg	437,874.16	437,874.16	0.00
Fairmont	442,494.35	442,494.35	0.00
Huntington	1,271,474.26	1,139,749.63	131,724.73
Martinsburg	302,314.14	302,314.14	0.00
Morgantown	409,667.19	409,667.19	0.00
Moundsville	92,491.75	92,491.75	0.00
Parkersburg	695,677.20	695,677.20	0.00
South Charleston	309,264.44	0.00	309,264.44
Wheeling	958,667.29	958,667.29	0.00
<b><u>Full-Time/Part-Time Fire Department</u></b>			
Dunbar	149,132.98	149,132.98	0.00
Elkins	35,177.09	35,177.09	0.00
Grafton	45,058.15	45,058.15	0.00
Logan	47,583.91	0.00	47,583.91
Nitro	94,733.88	94,733.88	0.00
Princeton	124,920.19	124,920.19	0.00
Saint Albans	189,693.76	189,693.76	0.00
Weirton	169,656.37	169,656.37	0.00
Weston	31,576.79	0.00	31,576.79
Williamson	89,105.96	89,105.96	0.00
<b>Totals</b>	<b>16,940,909.80</b>	<b>14,590,536.68</b>	<b>2,350,371.22</b>

**MUNICIPAL PENSIONS OVERSIGHT BOARD**

**Supplemental Allocation Detail**

September 2009

Expires 8/31/12

Department	Allocation	Expended	Balance
<b><u>Full-Time Police Departments</u></b>			
Beckley	\$411,729.32	\$411,729.32	\$0.00
Belle	\$35,029.24	\$35,029.24	\$0.00
Bluefield	\$187,847.86	\$0.00	\$187,847.86
Charleston	\$1,675,857.83	\$1,675,857.83	\$0.00
Charles Town	\$29,875.68	\$29,875.68	\$0.00
Chester	\$39,716.62	\$39,716.62	\$0.00
Clarksburg	\$372,195.01	\$372,195.01	\$0.00
Dunbar**	\$113,499.30	\$113,499.30	\$0.00
Elkins	\$72,971.73	\$72,971.73	\$0.00
Fairmont	\$348,503.40	\$348,503.40	\$0.00
Grafton	\$55,457.11	\$55,457.11	\$0.00
Huntington	\$954,870.73	\$954,870.73	\$0.00
Logan	\$47,187.42	\$0.00	\$47,187.42
Martinsburg	\$361,435.11	\$361,435.11	\$0.00
Morgantown	\$490,017.61	\$490,017.61	\$0.00
Moundsville	\$132,255.55	\$132,255.55	\$0.00
Nitro	\$111,431.64	\$111,431.64	\$0.00
Oak Hill	\$77,321.64	\$77,321.64	\$0.00
Parkersburg	\$559,958.64	\$559,958.64	\$0.00
Princeton	\$164,578.04	\$164,578.04	\$0.00
Point Pleasant	\$61,093.55	\$0.00	\$61,093.55
Saint Albans	\$142,824.45	\$142,824.45	\$0.00
South Charleston	\$305,684.64	\$0.00	\$305,684.64
Star City	\$35,029.24	\$35,029.24	\$0.00
Vienna	\$128,148.39	\$128,148.39	\$0.00
Weirton	\$362,620.79	\$362,620.79	\$0.00
Weich	\$39,263.56	\$0.00	\$39,263.56
Weston	\$34,657.80	\$0.00	\$34,657.80
Westover	\$47,870.74	\$47,870.74	\$0.00
Wheeling	\$796,313.21	\$796,313.21	\$0.00
Williamson	\$56,022.61	\$56,022.61	\$0.00
<b><u>Full-Time Fire Departments</u></b>			
Beckley	\$377,567.58	\$377,567.58	\$0.00
Bluefield	\$230,061.06	\$0.00	\$230,061.06
Charleston	\$1,751,284.23	\$1,751,284.23	\$0.00
Clarksburg	\$426,405.74	\$426,405.74	\$0.00
Fairmont	\$430,004.45	\$430,004.45	\$0.00
Huntington	\$1,244,504.27	\$1,244,504.27	\$0.00
Martinsburg	\$291,979.17	\$291,979.17	\$0.00
Morgantown	\$433,388.15	\$433,388.15	\$0.00
Moundsville	\$88,800.07	\$88,800.07	\$0.00
Parkersburg	\$677,529.53	\$677,529.53	\$0.00
South Charleston	\$356,618.02	\$0.00	\$356,618.02
Wheeling	\$929,548.60	\$929,548.60	\$0.00
<b><u>Full-Time/Part-Time Fire Department</u></b>			
Dunbar	\$146,175.75	\$146,175.75	\$0.00
Elkins	\$37,475.31	\$37,475.31	\$0.00
Grafton	\$44,673.12	\$44,673.12	\$0.00
Logan	\$49,276.58	\$0.00	\$49,276.58
Nitro	\$131,490.36	\$131,490.36	\$0.00
Princeton	\$119,357.65	\$119,357.65	\$0.00
Saint Albans	\$183,250.34	\$183,250.34	\$0.00
Weirton	\$165,599.99	\$165,599.99	\$0.00
Weston	\$30,969.77	\$0.00	\$30,969.77
Williamson	\$77,826.15	\$77,826.15	\$0.00
<b>Totals</b>	<b>\$16,473,864.15</b>	<b>\$15,131,204.09</b>	<b>\$1,342,660.06</b>

**MUNICIPAL PENSIONS OVERSIGHT BOARD**

**Supplemental Allocation Detail**

**Total Allocation Balances**

as December 31, 2011

<u>Department</u>	<u>Sept 2011 Expires 2/28/13 Balance</u>	<u>Sept 2010 Expires 2/29/12 Balance</u>	<u>Sept 2009 Expires 8/31/12 Balance</u>	<u>Total</u>
<b><u>Full-Time Police Departments</u></b>				
Beckley	\$410,130.34	425,748.38	\$0.00	\$835,878.72
Belle	\$36,349.99	0.00	\$0.00	\$36,349.99
Bluefield	\$199,022.63	213,885.09	\$167,847.86	\$600,755.38
Charleston	\$934,979.59	0.00	\$0.00	\$934,979.59
Charles Town	\$15,333.00	0.00	\$0.00	\$15,333.00
Chester	\$37,251.48	0.00	\$0.00	\$37,251.48
Clarksburg	\$374,919.61	0.00	\$0.00	\$374,919.61
Dunbar***	\$120,075.95	0.00	\$0.00	\$120,075.95
Elkins	\$70,311.05	0.00	\$0.00	\$70,311.05
Fairmont	\$197,922.28	0.00	\$0.00	\$197,922.28
Grafton	\$49,580.94	0.00	\$0.00	\$49,580.94
Huntington	\$971,129.23	82,978.31	\$0.00	\$1,054,107.54
Logan	\$37,819.25	43,166.88	\$47,187.42	\$128,173.55
Martinsburg	\$0.00	0.00	\$0.00	\$0.00
Morgantown	\$505,973.99	0.00	\$0.00	\$505,973.99
Moundsville	\$65,731.00	0.00	\$0.00	\$65,731.00
Nitro	\$112,740.75	0.00	\$0.00	\$112,740.75
Oak Hill	\$78,261.48	0.00	\$0.00	\$78,261.48
Parkersburg	\$580,149.99	0.00	\$0.00	\$580,149.99
Princeton	\$0.00	0.00	\$0.00	\$0.00
Point Pleasant	\$56,629.48	56,197.92	\$61,093.55	\$175,920.95
Saint Albans	\$72,749.74	0.00	\$0.00	\$72,749.74
South Charleston	\$319,046.37	296,543.70	\$305,684.64	\$921,274.71
Star City	\$34,211.63	38,800.69	\$0.00	\$73,012.32
Vienna	\$123,849.45	0.00	\$0.00	\$123,849.45
Weirton	\$340,145.46	0.00	\$0.00	\$340,145.46
Welch	\$43,114.77	0.00	\$39,263.58	\$82,378.33
Weston	\$36,917.76	35,494.84	\$34,657.80	\$107,070.40
Westover	\$62,217.97	0.00	\$0.00	\$62,217.97
Wheeling	\$488,057.94	0.00	\$0.00	\$488,057.94
Williamson	\$53,843.36	0.00	\$0.00	\$53,843.36
<b><u>Full-Time Fire Departments</u></b>				
Beckley	\$384,924.71	401,113.36	\$0.00	\$786,038.07
Bluefield	\$210,734.36	234,292.16	\$230,061.06	\$675,087.60
Charleston	\$1,004,655.94	0.00	\$0.00	\$1,004,655.94
Clarksburg	\$422,051.74	0.00	\$0.00	\$422,051.74
Fairmont	\$245,102.83	0.00	\$0.00	\$245,102.83
Huntington	\$1,171,481.17	131,724.73	\$0.00	\$1,303,205.90
Martinsburg	\$0.00	0.00	\$0.00	\$0.00
Morgantown	\$424,571.47	0.00	\$0.00	\$424,571.47
Moundsville	\$52,489.88	0.00	\$0.00	\$52,489.88
Parkersburg	\$648,163.10	0.00	\$0.00	\$648,163.10
South Charleston	\$332,426.30	309,264.44	\$356,618.02	\$998,308.76
Wheeling	\$535,000.91	0.00	\$0.00	\$535,000.91
<b><u>Full-Time/Part-Time Fire Departments</u></b>				
Dunbar	\$140,452.07	0.00	\$0.00	\$140,452.07
Elkins	\$32,992.38	0.00	\$0.00	\$32,992.38
Grafton	\$39,022.53	0.00	\$0.00	\$39,022.53
Logan	\$47,274.20	47,583.91	\$49,276.58	\$144,134.69
Nitro	\$91,893.49	0.00	\$0.00	\$91,893.49
Princeton	\$0.00	0.00	\$0.00	\$0.00
Saint Albans	\$88,606.73	0.00	\$0.00	\$88,606.73
Weirton	\$165,640.21	0.00	\$0.00	\$165,640.21
Weston	\$19,378.00	31,576.79	\$30,959.77	\$81,924.56
Williamson	\$84,518.19	0.00	\$0.00	\$84,518.19
<b>Totals</b>	<b>\$12,559,816.69</b>	<b>2,350,371.22</b>	<b>\$1,342,660.06</b>	<b>\$16,252,847.97</b>

**MUNICIPAL PENSIONS OVERSIGHT BOARD**  
**Supplemental Allocation Detail**  
**Amounts to be reallocated**  
**September 2008**

Department	Allocation	Expended	Balance
<b><u>Full-Time Police Departments</u></b>			
Beckley	\$386,472.02	\$386,472.02	\$0.00
Belle	\$35,605.24	\$35,605.24	\$0.00
Bluefield	\$193,521.83	\$193,521.83	\$0.00
Charleston	\$1,700,936.28	\$1,700,936.28	\$0.00
Charles Town	\$30,378.80	\$30,378.80	\$0.00
Chester	\$33,982.17	\$33,982.17	\$0.00
Clarkeburg	\$358,269.96	\$358,269.96	\$0.00
Dunbar**	\$98,381.77	\$98,381.77	\$0.00
Elkins	\$76,847.70	\$76,847.70	\$0.00
Fairmont	\$351,104.03	\$351,104.03	\$0.00
Grafton	\$58,511.82	\$58,511.82	\$0.00
Huntington	\$934,048.03	\$934,048.03	\$0.00
Logan	\$54,904.09	\$0.00	\$54,904.09
Marlinsburg	\$364,751.98	\$364,751.98	\$0.00
Morgantown	\$475,497.76	\$475,497.76	\$0.00
Moundsville	\$131,970.49	\$131,970.49	\$0.00
Nitro	\$120,943.47	\$120,943.47	\$0.00
Oak Hill	\$79,397.22	\$79,397.22	\$0.00
Parkersburg	\$561,425.64	\$561,425.64	\$0.00
Princeton	\$163,783.69	\$163,783.69	\$0.00
Point Pleasant	\$55,468.72	\$0.00	\$55,468.72
Saint Albans	\$142,196.36	\$142,196.36	\$0.00
South Charleston	\$291,234.53	\$291,234.53	\$0.00
Star City	\$35,605.24	\$35,605.24	\$0.00
Vienna	\$122,597.16	\$122,597.16	\$0.00
Weirton	\$353,620.49	\$353,620.49	\$0.00
Welch	\$43,730.73	\$0.00	\$43,730.73
Weston	\$45,813.16	\$0.00	\$45,813.16
Westover	\$49,732.99	\$49,732.99	\$0.00
Wheeling	\$801,534.03	\$801,534.03	\$0.00
Williamson	\$57,205.21	\$57,205.21	\$0.00
<b><u>Full-Time Fire Departments</u></b>			
Beckley	\$382,610.98	\$382,610.98	\$0.00
Bluefield	\$240,570.19	\$240,570.19	\$0.00
Charleston	\$1,805,069.79	\$1,805,069.79	\$0.00
Clarkeburg	\$435,865.75	\$435,865.75	\$0.00
Fairmont	\$434,344.78	\$434,344.78	\$0.00
Huntington	\$1,252,249.53	\$1,252,249.53	\$0.00
Marlinsburg	\$267,906.97	\$267,906.97	\$0.00
Morgantown	\$439,974.21	\$439,974.21	\$0.00
Moundsville	\$87,931.09	\$87,931.09	\$0.00
Parkersburg	\$701,261.61	\$701,261.61	\$0.00
South Charleston	\$359,441.44	\$359,441.44	\$0.00
Wheeling	\$953,439.39	\$953,439.39	\$0.00
<b><u>Full-Time/Part-Time Fire Department</u></b>			
Dunbar	\$143,169.02	\$143,169.02	\$0.00
Elkins	\$38,095.98	\$38,095.98	\$0.00
Grafton	\$42,319.60	\$42,319.60	\$0.00
Logan	\$42,883.48	\$42,883.48	\$0.00
Nitro	\$91,534.46	\$91,534.46	\$0.00
Princeton	\$116,035.92	\$116,035.92	\$0.00
Saint Albans	\$177,023.39	\$177,023.39	\$0.00
Weirton	\$170,441.70	\$170,441.70	\$0.00
Weston	\$28,018.68	\$0.00	\$28,018.68
Williamson	\$75,296.10	\$75,296.10	\$0.00
<b>Totals</b>	<b>\$16,505,976.66</b>	<b>\$16,267,041.28</b>	<b>\$238,935.38</b>

**MUNICIPAL PENSIONS OVERSIGHT BOARD  
CASH RECONCILIATION  
Supplemental Information**

Total Cash & Investments per bank (WVFIMS) @ 12/31/11 **\$29,544,113.03**

Outstanding Items:

<u>Doc Id</u>	<u>Vendor</u>	<u>Amount</u>
I12639645	Moundsville Police	(\$70,952.26)
I12651005	St Albans Police	(\$72,749.74)
I12651009	St Albans Fire	(\$92,408.04)
I12639627	Martinsburg Police	(\$376,371.79)
I12639612	Martinsburg Fire	(\$295,342.08)
I12639650	Moundsville Fire	(\$33,645.14)
I12639668	Charles Town Police	<u>(\$11,891.78)</u>
Total Outstanding Items		<u><b>(\$953,360.83)</b></u>
Total Cash & Investments per book @ 12/31/11		<u><b>\$28,590,752.20</b></u>

**MUNICIPAL PENSIONS OVERSIGHT BOARD**

**Accounts Payable**

**Supplemental Information**

**as of December 31, 2011**

	<u>Non-Fims</u>	<u>Pcard</u>	<u>Total</u>
Office Expense		265.99	265.99
Printing & Binding			0.00
Office Rent			0.00
Telecommunications	1,125.85		1,125.85
Contractual & Professional	42,240.00		42,240.00
Travel			0.00
Computer Services	257.86		257.86
Machine Rentals			0.00
Insurance			0.00
Advertising & Promotional			0.00
Training & Development			0.00
Postage & Freight	25.20		25.20
Computer Supplies			0.00
Other Interest/Penalties	1.32		1.32
Misc Equipment Furnishings	14,039.19		14,039.19
Miscellaneous Equipment		3,337.00	3,337.00
<b>Total Current Expense</b>	<b>57,689.42</b>	<b>3,602.99</b>	<b>61,292.41</b>
Leasehold Improvements			0.00
Medical Payments	2,600.00		2,600.00
<b>Total Expenses</b>	<b>60,289.42</b>	<b>3,602.99</b>	<b>63,892.41</b>



Cardholder Blair Taylor *Blair Taylor* 11-3-11 STO Purchasing Card Review/Audit Record

Transaction Limit \$2,500.00 Monthly Limit 10/4/11 to 11/3/11 Billing Cycle

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Y/N	S Document Number	Receiving Report Y/N	R* D* C*	Statewide Contract Used Y/N**	State Contract Number Used	If no SWC used, Bids Sought or Required Y/N
1	10/10/2011	Office Max	1 ream 11x17 paper	\$ 14.89	Y	S6997020	Y	R	N***		N
2	10/10/2011	Office Max	1 ream 8.5x14 paper	\$ 9.99	Y	S6997020	Y	R	N***		N
3	10/10/2011	Office Max	Silver office wastebasket	\$ 8.29	Y	S6997020	Y	R	N***		N
4	10/10/2011	Office Max	Silver office wastebasket	\$ 8.29	Y	S6997020	Y	R	N***		N
5	10/10/2011	Office Max	1 case 8x11 paper	\$ 39.99	Y	S6997020	Y	R	N***		N
6	10/10/2011	Office Max	18" Stainless Steel Ruler	\$ 6.29	Y	S6997020	Y	R	N***		N
7	10/10/2011	Office Max	12 pack legal pad 8.5x11	\$ 5.00	Y	S6997020	Y	R	N***		N
8	10/10/2011	Office Max	Paperpro Prodigy Stapler	\$ 23.49	Y	S6997020	Y	R	N***		N
9	10/10/2011	Office Max	5 pack permanent marker	\$ 0.50	Y	S6997020	Y	R	N***		N
10	10/10/2011	Office Max	8 Inch bent scissors	\$ 10.79	Y	S6997020	Y	R	N***		N
11	10/10/2011	Office Max	2 pack F-301 Ball point pen bl	\$ 5.49	Y	S6997020	Y	R	N***		N
12	10/10/2011	Office Max	Staple Remover	\$ 3.59	Y	S6997020	Y	R	N***		N
13	10/10/2011	Office Max	3 ring Zip Folio	\$ 31.99	Y	S6997020	Y	R	N***		N
14	10/10/2011	OfficeMax CT IN#032051	Brewer Coffee 2 warmer	\$ 369.15	Y	S7011558	Y	R	N***		N
15	10/10/2011	OfficeMax CT IN#032051	Easy Pour Decanter - R	\$ 41.20	Y	S7011558	Y	R	N***		N
16	10/10/2011	OfficeMax CT IN#032051	Tape Dispenser Desktop	\$ 7.70	Y	S7011558	Y	R	N***		N
17	10/10/2011	OfficeMax CT IN#032051	Magic Tape 3/4x1000	\$ 4.52	Y	S7011558	Y	R	N***		N
18	10/10/2011	OfficeMax CT IN#032051	12" steel ruler	\$ 1.61	Y	S7011558	Y	R	N***		N
19	10/10/2011	OfficeMax CT IN#032051	Black Office Wastebasket	\$ 4.87	Y	S7011558	Y	R	N***		N
20	10/10/2011	OfficeMax CT IN#032051	Black Office Wastebasket	\$ 8.62	Y	S7011558	Y	R	N***		N
21	10/10/2011	OfficeMax CT IN#032051	Desk Side Recycle basket	\$ 7.88	Y	S7011558	Y	R	N***		N
22	10/10/2011	OfficeMax CT IN#032051	Post-It Ultra 1/2 x 2	\$ 2.13	Y	S7011558	Y	R	N***		N
23	10/10/2011	OfficeMax CT IN#032051	File Folder 11r 1 3 cut	\$ 19.04	Y	S7011558	Y	R	N***		N
24	10/10/2011	OfficeMax CT IN#032051	FF 1 3 Cut Legal Manuals	\$ 12.83	Y	S7011558	Y	R	N***		N

\* R - Reconciled/D - Disputed/C - Carryover from prev. month

**Reviewer/Auditor Certification:**

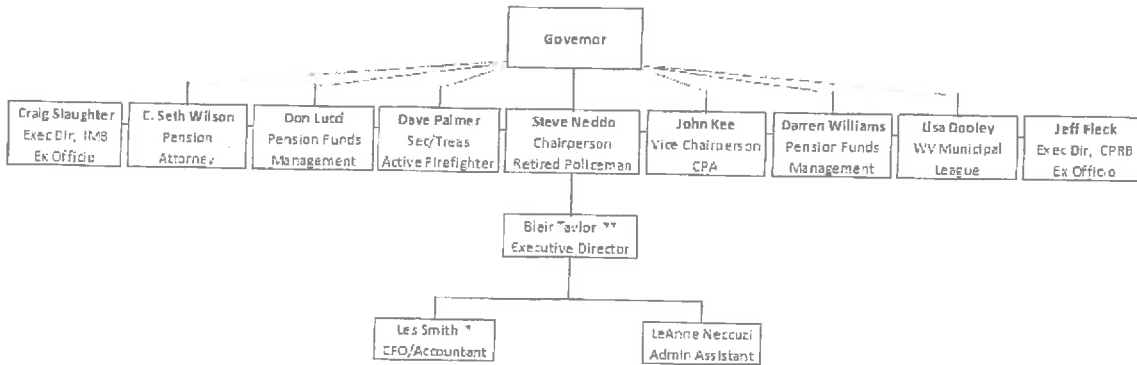
I hereby certify that the items herein were received, properly accounted for and reviewed for compliance in accordance with purchasing rules and SAO Purchase Card Payment Procedures. Discrepancies/compliance issues, if applicable, are attached listing the procedure infraction and response from cardholder to correct future compliance issues.

Signature/date *Stacie M. [Signature]* \*\* If "N", Reviewer must provide discrepancy Listing form

\*\*\*Statewide contract for Office Supplies was not used because the MPOB was not set up with an account on the OfficeMax SWC until 10/14/2011 and the MPOB needed paper and other supplies. June 2010

# West Virginia Municipal Pensions Oversight Board Purchase Card Procedures

## WEST VIRGINIA MUNICIPAL PENSIONS OVERSIGHT BOARD ORGANIZATIONAL CHART



\* - P-Card coordinator for the Executive Director and Administrative Assistant

\*\* - P-Card coordinator for CFO/Accountant

## **West Virginia Municipal Pensions Oversight Board**

In accordance with Chapter 8, Article 22 Section 18a of the WV Code, the Municipal Pensions Oversight Board (MPOB or Board) duties include but are not limited to : 1.) assisting municipal boards of trustees in performing their duties, 2.) assuring the funds compliance with applicable laws, 3.) providing for actuarial studies, 4.) distributing tax revenues to the funds, 5.) initiating or joining legal actions on behalf of active or retired pension fund members or municipal boards trustees to protect interests of the members in the funds, 6) taking other actions as may be reasonably necessary to provide for the security and fiscal integrity of the pension funds.

### Statutory Authority

Chapter 8, Article 22, Section 18a of the WV Code generally governs the purchases and expenditures authorized to be made by the Board. Under Code section Chapter 8, Article 22, Section 18b(b) there is a fund established within the state treasury to be known as the "West Virginia Municipal Pensions Security Fund". The moneys in the fund shall be used solely as provided in Chapter 8, Article 22 and Article 3, Chapter 33 of the code. All earnings shall accrue to and be retained by the fund. Moneys shall be requisitioned on the signature of the Executive Director up to \$25,000 per item. Requisitions in excess of \$25,000 will require the approval of the Board.

### Purchasing Card Hierarchy

Within the Board's organizational structure, the Accountant will also serve as the Chief Financial Officer and shall be the P-Card Coordinator for both the Executive Director and Administrative Assistant cardholders. The Executive Director shall serve as the P-Card Coordinator for the Accountant/CFO who will be a cardholder and use the card for travel purposes and such other purchases as needed on an emergency basis only. Travel and emergency purchases on the P-Card by the Accountant/CFO will be approved by the Executive Director.

## **Purchasing Card Procurement Process**

### Planning / Requisition Process:

All purchase/expenditure requests (excluding utilities and lease/rental payments) in excess of \$2,500 but less than \$25,000 are to be pre-approved via an electronic document by the Executive Director and documented on a "MPOB" agency requisition (see attachment A) or for statewide contract purchases form WV-39 (see attachment B). Purchases \$2,500 or less by the cardholder will need the approval of another MPOB employee. A "MPOB" agency requisition must be completed and maintained for agency documentation. For hospitality purchases, Form TMO 3.0 (see attachment C) must be completed and signed by the Executive Director regardless of the amount.

The cardholder is to verify the availability of a desired commodity/service through internal sources (in accordance with State Code) prior to utilizing any statewide contract or open market vendor. If a commodity or service is not available from internal sources (such as Correctional Industries or WVARF), agencies are to employ statewide contract vendors. Generally, bids are not required for statewide contract purchases or expenditures (\$25,000 or less) unless specifically mentioned in the statewide contract. If the required commodity or service is not available from a statewide contract, the agency is free to utilize "open market" vendors for the item or service.

For open market purchases/expenditures between \$2,500.01 and \$25,000, the appropriate bids (verbal or written) will be obtained and documented by the cardholder in accordance with the Purchasing Division Procedures Handbook. As per WV Code 8-22-20a the oversight board is exempt from provisions of article three, chapter five-a of the WV Code for the purpose of contracting for actuarial services, including the services of a reviewing actuary. All other purchases/expenditures in excess of \$25,000 must be processed through the Division of Purchasing. In addition, IT related purchases exceeding \$10,000 (computer hardware, software and IT consulting services) must receive prior approval from the Office of Technology's Chief Technology Officer (CTO). According to the Division of Purchasing Procedures Handbook, agencies may procure computer software,

non-infrastructure software and IT consulting services with a value less than \$10,000 without CTO approval, however, a copy of the agency purchase order must be provided to the CTO after the fact. All infrastructure purchases must have CTO approval regardless of dollar amount.

Under **NO** circumstance will any purchase or expenditure be "structured" to circumvent competitive bidding, the P-Card transaction limit, or the agency's delegated purchasing limit. Before any order is placed, the cardholder is to determine that the company/contractor selected is not on the "Debarred/Suspended Vendors List" as found on the Division of Purchasing website (located under the Agency Resource Center section).

All requests for hospitality functions will also be pre-approved (signed) by the Executive Director and documented on a Hospitality Form TMO 3.0 as required by the Purchasing Division Procedures Handbook. The individual requesting the function shall complete the TMO 3.0. The cardholder is to ensure the following information is included on the form before it is submitted to the Executive Director for approval: (1) spending unit name; (2) contact person and telephone number(s); (3) function sponsor; (4) location of function; (5) date(s) of function; (6) estimated cost of expenses (itemized by expense category); (7) purpose/justification of function; and (8) listing of function attendees. Although a complete list of attendees (sign-in sheet) may not be available until the day of the function, the cardholder is responsible for ensuring a complete list of attendees is obtained.

For questions regarding the appropriateness of particular hospitality expenditures, the Executive Director will reference the informal comments provided by members of the West Virginia Ethics Commission's legal staff. The Executive Director will initial the hospitality form certifying the function is appropriate based on the information provided. Any issues not addressed in the informal comments are to be submitted to the West Virginia Ethics Commission for clarification. If the hospitality expenditure is approved by the Commission, a copy of this response is to be attached to the hospitality documentation.

Travel expenses may be paid with the P-Card as long as the travel request is pre-approved. Travel requests can only be submitted utilizing the E-Travel management system, and need to be approved by the Executive Director prior to the dates of travel. Pursuant to the MPOB travel regulations on file with the State Auditor's Office, travel by the Executive Director will be approved by the Board Chair. Such approval shall be via an electronic format. Once approved, the travel expenses that may be placed on the P-Card include: registration fees, airline tickets and related fees, rental vehicles and fuel for the rented vehicle, hotel folios that include business related costs, and other transportation related (rail, bus, etc.) tickets or expenses.

**Neither** travel related food/beverage expenses **nor** any personal expense on hotel folios (such as movies or room service) may be paid with the P-Card. Itemized invoices/receipts and all appropriate supporting documentation must be submitted with the log sheets for all travel related charges paid with the P-Card.

#### Place Order / Charge Card:

After the purchase/expenditure request has been properly completed and approved, the order will be placed, the service vendor contacted, or the purchase will be made as a point of sale transaction. When an order is placed with a vendor, the vendor may take the P-Card information at that time or bill the agency through the issuance of an invoice. Most vendors will take the P-Card information and charge the card when the goods are shipped. If the vendor invoices the agency, the cardholder will ensure the goods have been shipped or the services have been received before contacting the vendor to pay the invoice. In other cases, purchases are made "point of sale" and the goods are received at the time the P-Card is charged (i.e., at the sales register).

#### Receiving / Inventory:

Properly documenting the receipt of commodities (such as materials, equipment, supplies, printing, and automated data processing hardware and software) helps the Board to determine it actually "got what it paid for" and also helps to ensure the agency did not pay for goods before they

were received. A receiving report will be completed for every applicable purchase. P-Card receiving reports include log sheets, itemized receipts, packing slips, or other forms approved by the State Auditor's P-Card Division. The individual who actually receives the commodities is to sign the packing slip, itemized receipt, etc. and state, in writing, the date the goods were received. If the person receiving the goods is the cardholder, the signed P-Card receiving report is to be forwarded to the P-Card coordinator or an additional MPOB employee for transaction documentation and reconciliation purposes.

The cardholder is responsible for obtaining an itemized vendor invoice/receipt, an authorized receiving report, and/or any other documentation required to support the transaction type (such as an approved hospitality form). All transactions are to be recorded by the cardholder on an agency log sheet as they occur. (See Attachment D)

Purchases made by the Board such as equipment with a cost greater than \$1,000 per item and computer hardware shall be included on the agency's inventory listing. Any item that is required to be inventoried is to be forwarded to the Accountant, along with the signed and dated receiving report, for processing. The Accountant is to sign and date the receiving report and state in writing that the item(s) have been added to the Board's inventory.

#### Cardholder Reconciliation Process:

At the end of the P-Card cycle, the cardholder is responsible for determining that all relevant supporting documentation required for each purchase, expenditure, credit, refund, or disputed charge is present and properly completed. Receipts/invoices supporting purchases and expenditures are to be properly itemized. In the event that an acceptable form of receipt is not available, the cardholder is to create an itemized list that satisfies receiving report (and itemized receipt) requirements. The cardholder and the P-Card Coordinator's signatures are required as well as the date the goods were received.

There are those occasions when personal charges may accidentally be made on the purchasing card. In those cases, the cardholder will attempt to get the charge credited or will refund the agency for the charge. The charge and the resolution (credit or refund) are to be included on the cardholder log sheet and the appropriate documentation attached.

There may also be those occasions when a cardholder may dispute a charge. Disputed items may result from failure to receive goods, fraud, misuse, defective merchandise, incorrect amounts being charged, duplicate charges, credits not yet received, or when taxes other than sales tax are charged by in-state vendors. Unauthorized charges will be disputed on the "Affidavit of Unauthorized Use Form" by the cardholder. (See Attachment E) All other items are to be disputed on the "Cardholder Dispute Form." (See Attachment F) Transactions that appear to be fraudulent are to be reported to the financial institution and the State Auditor's Office P-Card Division immediately. (See [www.wvsao.gov](http://www.wvsao.gov) for the most current P-Card forms)

The first step the cardholder is to perform in the dispute process is to contact the vendor and attempt to resolve the problem. If the vendor is unwilling to credit the charge, the cardholder will email the P-Card Coordinator documenting that the vendor was contacted and was unwilling to credit the charge. Dispute and unauthorized use forms will be filed with the State Auditor's Office P-Card Division no later than 15 days from the statement date that contains the disputed item. A copy of the signed log sheet that identifies the disputed item(s) is to be attached to all dispute and unauthorized use forms. Disputed transactions will be carried forward to subsequent monthly log sheets until the dispute is resolved. A copy of the dispute form, unauthorized use form, email correspondence, and resolution will be attached to the documentation supporting the original transaction.

After the cardholder has determined that all transactions are properly supported, he or she will reconcile their completed log sheet to the monthly P-Card statement. All data fields are to be properly completed on



the cardholder log sheet (including the date received column) and the cardholder will sign and date the log sheet certifying and acknowledging the transactions have been reviewed, are for official Board use (unless disputed or personal in nature) and are in compliance with all relevant governing criteria. The cardholder will submit the signed and dated log sheet along with supporting documentation to the P-Card Coordinator for review and approval.

### **Review and Approval (Oversight and Monitoring)**

Reviews performed by the P-Card Coordinator will be designed to verify that purchases/expenditures are legitimate, properly documented, reasonable and necessary based on Board related functions, and made in compliance with all relevant governing criteria. According to the State Auditor's Office Purchasing Card Policies and Procedures, reviews are to be performed by independent and knowledgeable members of agency staff.

The individual performing the review will determine that each purchase/expenditure was legitimate and reasonable and necessary based on Board related functions. If there is ever some question that a purchase or expenditure may not have been made in accordance with the Board's statutorily established functions (because the documentation provided to support the transaction is obscure, etc.), the cardholder will be required to provide a written clarification explaining how the purchase/expenditure is relevant to and appropriate for the agency.

There may also be situations that require a departure from the Board's established P-Card internal control and accounting procedures. These "circumstantial exceptions" are to be documented (explained in detail) to show the exceptions were taken under consideration and approved by the Executive Director or CFO/Accountant and attached to the documentation supporting the transaction(s) affected by this action.

Properly completed documentation is integral to the procurement, reconciliation and review processes. Detailed documentation must be obtained by the cardholder for each transaction placed on the P-Card and is to be retained for review and audit purposes. Documentation may include requisitions, itemized receipts, bids, receiving reports, hospitality forms, dispute and unauthorized use forms, log sheets (manual or electronic), individual statements, email correspondence, memoranda, and other documentation required by any directive or agency practice. Documentation is the method agencies use to demonstrate compliance with applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments.

#### Review of Cardholder Transactions Agency P-Card Coordinator:

The Agency P-Card Coordinator will review all relevant supporting documentation to ensure compliance with the directives listed on the governing criteria outlines. He or she will verify all transactions on the P-Card statement are listed on the cardholder log sheet and are properly supported.

The Agency P-Card Coordinator will communicate electronically to the cardholder any instances of noncompliance with relevant governing criteria such as P-Card delegation or utilizing an open market vendor when an internal source or statewide contract vendor should have been used. The corresponding emails will be printed and attached to the monthly reconciliation documentation. The P-Card Coordinator will then sign and date the cardholder log sheet certifying and acknowledging that all transactions are for official agency business, in compliance with all applicable governing criteria, and were properly received based on the documentation reviewed.

The Agency P-Card Coordinator or cardholder is responsible for scanning all purchasing card documentation (after the final review has taken place). The person doing the scanning must review all scans for completeness prior to the destruction of any documentation.

Review of Cardholder Transactions by Board:

In addition to the overall agency's financial report, the CFO/Accountant and the Executive Director will present a P-Card report to the board members for their review at each regularly scheduled board meeting. The report will include, at a minimum, the vendor name, the description of the good(s) or service(s), and the total transaction amount. The P-Card coordinator will make available to the members the support documents should any question arise regarding an individual transaction. Any questions or final resolutions will be documented in the board minutes.

The Executive Director and the P-Card Coordinator will perform an annual P-Card utilization review to determine whether purchases and expenditures (eligible to be charged to the P-Card) are being paid with state warrant. Cardholder transaction and credit limits will also be reviewed to determine whether they are adequate for the level of spending activity and appropriate for the cardholder. These limits will be adjusted to minimize the risk of unnecessary liability. Changes in credit limits will be reported to the board.

Disciplinary Process / Action to Be Taken By Board:

Any instance of procurement fraud or willful P-Card misuse will result in the termination of the employee.

## West Virginia

### Municipal Pension Oversight Board

What are the functions of the Municipal Pension Oversight Board? The Board is tasked with the following responsibilities under Chapter 8, Article 22:

- Assisting municipal boards of trustees in performing their duties;
- Assuring funds compliance with applicable laws;
- Providing for actuarial studies;
- Distributing tax revenues to the funds
- Initiating or joining legal actions on behalf of active or retired pension fund members or municipal boards of trustees to protect interests of the members in the funds;
- Taking actions as may be necessary to provide for the security and fiscal integrity of the pension funds

Based on the aforementioned agency functions, listed below are items which may be considered as reasonable and necessary purchases/expenditures to carry out the Board's mission.

- Salaries and benefits for administrative employees
- Payment of printing services (business cards, letterhead and envelopes; etc.)
- Payment of office space and liability insurance
- Purchase of office and computer supplies, postage
- Payment of computer services, copier rental and phone costs
- Payment of travel expenses (airfare, lodging, rental car, mileage, meals, etc.) incurred by both board members and administrative staff (Note: Some of the aforementioned expenses may qualify to be paid with the "Travel P-Card")
- Payment of hospitality expenditures (room rental, food and beverages, etc.) for Board meetings and other qualified agency functions;
- Purchase of equipment such as furniture, laptops and printers

- Payment for professional/contractual services such as actuarial studies, legal services, independent medical examinations and associated cost of disability determinations.
- Production of training materials in both print and electronic formats

MUNICIPAL PENSIONS OVERSIGHT BOARD

**PURCHASING CARD INTERNAL CONTROLS**

<b>General Procedures</b>	<b>Recommended Internal Control Activity</b>	<b>Who Performs Activity</b>	<b>Who Monitors Activity **</b>
Initiate purchase request	If the cardholder initiates the purchase request, they will automatically complete the research process.	Cardholder	CFO/Accountant or Executive Director
Research	The cardholder will research to find the appropriate internal source or statewide contract vendor (if available) for the purchase. If no internal source or statewide contract is available then an open market vendor will be chosen.	Cardholder	CFO/Accountant or Executive Director
Pre-Approval	The cardholder will submit an electronic internal agency requisition for items in excess of \$2,500 but less than \$25,000 for approval by the Executive Director. Purchases \$2,500 or less by the cardholder will require approval of another MPOB employee. The internal requisition will be maintained with the transaction as support documentation.	Cardholder	CFO/Accountant or Executive Director
Place the Order	The cardholder will place the order for the goods or services.	Cardholder	CFO/Accountant or Executive Director
Payment of Invoice	The cardholder will pay the invoice for the goods or services requested and log the purchase on an agency p-card log sheet. The cardholder will obtain an itemized invoice/receipt from the vendor.	Cardholder	CFO/Accountant or Executive Director
Receipt of Goods	The person receiving the goods will complete an appropriate receiving report, to include date received, and a personal signature. The receiving report will then be reviewed by another MPOB employee who will sign and verify goods received.	Cardholder or other employee receiving the goods.	CFO/Accountant or Executive Director

General Procedures	Recommended Internal Control Activity	Who Performs Activity	Who Monitors Activity **
Dispute process	If there are invalid or incorrect charges on the monthly p-card statement, the cardholder will first contact the vendor to attempt to resolve the issue. If the cardholder is unsuccessful resolving the issue with the vendor, he or she will complete the appropriate dispute documentation and submit to the Executive Director for review. The dispute documentation will then be forwarded to the State Auditor's Office Purchasing Card Division within 15 days to be processed and submitted to the bank. Copies of the dispute form and all supporting documentation will be maintained and filed with the appropriate purchase card statements.	Cardholder	CFO/Accountant or Executive Director
Reconcile month end and documentation	The cardholder will reconcile all supporting documentation for each transaction with the log sheet and the monthly p-card statement from the bank to ensure all transactions are properly supported and valid. Cardholder will sign log sheet certifying that all transactions are for official Board business and all items have been properly received. The cardholder will submit the signed and dated log sheet with all supporting documentation to the Coordinator for review.	Cardholder	CFO/Accountant or Executive Director
Coordinator Reconciliation	The Executive Director/CFO Accountant will review all supporting documentation and verify all transactions have been properly accounted for and are properly supported. The Coordinator will notify the cardholder electronically any instances of noncompliance with relevant governing criteria. The Executive Director or CFO/Accountant will sign and date the log sheet certifying and acknowledging that all transactions are for official agency business, in compliance with the governing criteria, and purchases were properly received based on the documentation reviewed.	CFO/Accountant or Executive Director	CFO/Accountant or Executive Director

General Procedures	Recommended Internal Control Activity	Who Performs Activity	Who Monitors Activity **
Board Review	At each scheduled board meeting the CFO/Accountant and Executive Director will provide a P-Card report to the board members that will, at a minimum, include the vendor name, descriptions of good(s) or services(s) and transaction amount. Support documents will be available for review. Any questions or final resolutions will be documented in the board minutes.	CFO/Accountant or Executive Director	MPOB members
Utilization Review	Executive Director or CFO/Accountant will perform an annual P-Card utilization review. Cardholder transaction and credit limits will be reviewed to minimize the liability of exposure to the Board.	CFO/Accountant or Executive Director	MPOB members

\*\* - The Accountant shall serve as the CFO and shall be the P-Card Coordinator for both the Executive Director and the Administrative Assistant. The Executive Director shall be the P-Card Coordinator for the CFO/Accountant.



**Chapter 8: Municipal Corporations**

**Article 22 – Policemen’s Pension and Relief Fund; Fireman’s Pension Relief Fund**

**8-22-18a. West Virginia Municipal Pensions Oversight Board created; powers and duties; management; composition; terms; quorum; expenses; reports.**

(a)(1) There is established, on the effective date of the enactment of this section during the fourth extraordinary session of the Legislature in 2009, the West Virginia Municipal Pensions Oversight Board for the purpose of monitoring and improving the performance of municipal policemen's and firemen's pension and relief funds to assure prudent administration, investment and management of the funds. Management of the oversight board shall be vested solely in the members of the oversight board. Duties of the oversight board shall include, but not be limited to, assisting municipal boards of trustees in performing their duties, assuring the funds' compliance with applicable laws, providing for actuarial studies, distributing tax revenues to the funds, initiating or joining legal actions on behalf of active or retired pension fund members or municipal boards of trustees to protect interests of the members in the funds, and taking other actions as may be reasonably necessary to provide for the security and fiscal integrity of the pension funds. The oversight board's authority to initiate legal action does not preempt the authority of municipalities; municipal policemen's and firemen's boards of trustees; or pension fund active members, beneficiaries or others to initiate legal action to protect interests in the funds. The oversight board is created as a public body corporate. Establishment of the oversight board does not relieve the municipal funds' boards of trustees from their fiduciary and other duties to the funds, nor does it create any liability for the funds on the part of the state. Members and employees of the oversight board are not liable personally, either jointly or severally, for debts or obligations of the municipal pension and relief funds. Members and employees of the oversight board have a fiduciary duty toward the municipal pension and relief funds and are liable for malfeasance or gross negligence. Employees of the oversight board are nonclassified state employees.

(2) The oversight board shall consist of nine members. The executive director of the state's Investment Management Board and the executive director of the state's Consolidated Public Retirement Board, or their designees, shall serve as voting ex-officio members. The other seven members shall be citizens of the state who have been qualified electors of the state for a period of at least one year next preceding their appointment and shall be as follows: An active or retired member of a municipal policemen's pension and relief fund chosen from a list of three persons submitted to the Governor by the state's largest professional municipal police officers organization, an active or retired member of a municipal firemen's pension and relief fund chosen from a list of three persons submitted to the Governor by the state's largest professional firefighters organization, an attorney experienced in finance and investment matters related to pensions management, two persons experienced in pension funds management, one person who is a certified public accountant experienced in auditing and one person chosen from a list of three persons submitted to the Governor by the state's largest association of municipalities.

(3) On the effective date of the enactment of this section as amended during the fourth extraordinary session of the Legislature in 2009, the Governor shall forthwith appoint the members, with the advice and consent of the Senate. The Governor may remove any member from the oversight board for neglect of duty, incompetency or official misconduct.

(b) The oversight board has the power to:

(1) Enter into contracts, to sue and be sued, to implead and be impleaded;

(2) Promulgate and enforce bylaws and rules for the management and conduct of its affairs;

(3) Maintain accounts and invest those funds which the oversight board is charged with receiving and distributing;

(4) Make, amend and repeal bylaws, rules and procedures consistent with the provisions of this article and article thirty-three of this code;

(5) Notwithstanding any other provision of law, retain or employ, fix compensation, prescribe duties and pay expenses of legal, accounting, financial, investment, management and other staff, advisors or consultants as it considers necessary, including the hiring of legal counsel and actuary; and

(6) Do all things necessary and appropriate to implement and operate the board in performance of its duties. Expenses shall be paid from the moneys in the Municipal Pensions Security Fund created in section eighteen-b of this article or, prior

to the transition provided in section eighteen-b of this article, the Municipal Pensions and Protection Fund: *Provided*, That the board may request special appropriation for special projects.

(c) Except for ex-officio members, the terms of oversight board members shall be staggered initially from January 1, 2010. The Governor shall appoint initially one member for a term of one year, one member for a term of two years, two members for terms of three years, one member for a term of four years and two members for terms of five years. Subsequent appointments shall be for terms of five years. A member serving two full consecutive terms may not be reappointed for one year after completion of his or her second full term. Each member shall serve until that member's successor is appointed and qualified. Any member may be removed by the Governor in case of incompetency, neglect of duty, gross immorality or mafeasance in office. Any vacancy on the oversight board shall be filled by appointment by the Governor for the balance of the unexpired term.

(d) A majority of the full authorized membership of the oversight board constitutes a quorum. The board shall meet at least quarterly each year, but more often as duties require, at times and places that it determines. The oversight board shall elect a chairperson and a vice chairperson from their membership who shall serve for terms of two years and shall select annually a secretary/treasurer who may be either a member or employee of the board. The oversight board shall employ an executive director and other staff as needed and shall fix their duties and compensation. The compensation of the executive director shall be subject to approval of the Governor. Except for any special appropriation as provided in subsection (b) of this section, all personnel and other expenses of the board shall be paid from revenue collected and allocated for municipal policemen's or municipal firemen's pension and relief funds pursuant to section fourteen-d, article three, chapter thirty-three of this code and distributed through the Municipal Pensions and Protection Fund or the Municipal Pensions Security Fund created in section eighteen-b of this article. Expenses during the initial year of the board's operation shall be from proceeds of the allocation for the municipal pensions and relief funds. Expenditures in years thereafter shall be by appropriation from the Municipal Pensions Security Fund. Money allocated for municipal policemen's and firemen's pension and relief funds to be distributed from the Municipal Pensions and Protection Fund or the Municipal Pensions Security Fund shall be first allocated to pay expenses of the oversight board and the remainder in the fund distributed among the various municipal pension and relief funds as provided in section fourteen-d, article three, chapter thirty-three of this code. The board is exempt from the provisions of sections seven and eleven, article three, chapter twelve of this code relating to compensation and expenses of members, including travel expenses.

(e) Members of the oversight board shall serve the board without compensation for their services: *Provided*, That no public employee member may suffer any loss of salary or wages on account of his or her service on the board. Each member of the board shall be reimbursed, on approval of the board, for any necessary expenses actually incurred by the member in carrying out his or her duties. All reimbursement of expenses shall be paid out of the Municipal Pensions Security Fund.

(f) The board may contract with other state boards or state agencies to share offices, personnel and other administrative functions as authorized under this article: *Provided*, That no provision of this subsection may be construed to authorize the board to contract with other state boards or state agencies to otherwise perform the duties or exercise the responsibilities imposed on the board by this code.

(g) The board shall propose rules for legislative approval in accordance with the provisions of article three, chapter twenty-nine-a of this code as necessary to implement the provisions of this article, and may initially promulgate emergency rules pursuant to the provisions of section fifteen, article three, chapter twenty-nine-a of this code.

(h) The oversight board shall report annually to the Legislature's Joint Committee on Government and Finance and the Joint Committee on Pensions and Retirement concerning the status of municipal policemen's and firemen's pension and relief funds and shall present recommendations for strengthening and protecting the funds and the benefit interests of the funds' members.

(i) The oversight board shall cooperate with the West Virginia Investment Management Board and the Board of Treasury Investments to educate members of the local pension boards of trustees on the services offered by the two state investment boards. No later than October 31, 2013, the board shall report to the Joint Committee on Government and Finance and the Joint Committee on Pensions and Retirement a detailed comparison of returns on long-term investments of moneys held by or allocated to municipal pension and relief funds managed by the West Virginia Investment Management Board and those managed by others than the Investment Management Board. The oversight board shall also report at that time on short-term investment returns by local pension boards using the West Virginia Board of Treasury Investments compared to short-term investment returns by those local boards of trustees not using the Board of Treasury Investments.

(j) The oversight board shall establish minimum requirements for training to be completed by each member of the board of trustees of a municipal policemen's or firemen's pension and relief fund. The requirements should include, but not be limited to, training in ethics, fiduciary duty and investment responsibilities.

(k) The Joint Committee on Pensions and Retirement shall study deferred retirement option programs (DROPs) and shall provide opportunities for professional police officer and firefighter organizations to present information on DROPs to the committee, to consider and evaluate elements of the programs to assess how the programs may best serve the public interest. The committee shall report any findings, conclusions or recommendations, along with drafts of any proposed legislation, to the Joint Committee on Government and Finance by November 30, 2010.

**§8-22-18b. Creation of Municipal Pensions Security Fund; transfer of certain powers, duties and functions of Treasurer's office to Municipal Pensions Oversight Board.**

(a) The Legislature finds that an important part of oversight of municipal policemen's and firemen's pension and relief funds is monitoring the performance required of the various funds to qualify to receive distribution of insurance premium tax revenues provided by section fourteen-d, article three, chapter thirty-three of this code. The duties and functions of the State Treasurer's office with respect to monitoring and distribution are transferred from the State Treasurer's office to the West Virginia Municipal Pensions Oversight Board effective January 1, 2010: *Provided*, That until the oversight board is fully organized and operating, some duties and functions being performed by the State Treasurer's office prior to January 1, 2010, may be continued by that office temporarily as necessary to effect an orderly transition of responsibilities and provide for prompt distribution of the insurance premium tax proceeds for expenses of the oversight board and to the municipal policemen's and firemen's pension and relief funds.

(b) There is hereby created in the State Treasury a nonexpiring special revenue fund designated the West Virginia Municipal Pensions Security Fund which shall be administered by the West Virginia Municipal Pensions Oversight Board solely for the purposes as provided in this article and article three, chapter thirty-three of this code. All earnings shall accrue to and be retained by the fund.

(c) Until the oversight board advises the Insurance Commissioner and the State Treasurer in writing that the oversight board is prepared to receive into and distribute from the West Virginia Municipal Pensions Security Fund premium tax revenues as provided in section fourteen-d, article three, chapter thirty-three of this code and section seven, article twelve-c of said chapter, the commissioner shall continue to transfer the funds into the Municipal Pensions and Protection Fund and the State Treasurer shall continue to disburse funds to the qualifying municipal pension and relief funds, and shall disburse funds as necessary for the establishment and early operation of the oversight board. The Insurance Commissioner, the State Treasurer and oversight board shall share information freely as required for efficient transfer of powers and duties related to the premium tax revenues generated pursuant to chapter thirty-three of this code to be allocated to the municipal policemen's and firemen's pension and relief funds. When the oversight board assumes full responsibility to receive funds into and disburse funds from the Municipal Pensions Security Fund, the State Treasurer shall transfer to it all funds remaining in the Municipal Pensions and Protection Fund and close the Municipal Pensions and Protection Fund.

**§8-22-19. Levy to maintain fund.**

(a)(1) In order for a municipal policemen's or firemen's pension and relief fund to receive the allocable portion of moneys from the Municipal Pensions and Protection Fund established in section fourteen-d, article three, chapter thirty-three of this code and funds from the Municipal Pensions Security Fund created in section eighteen-b of this article, the governing body of the municipality shall levy annually and in the manner provided by law for other municipal levies and include within the maximum levy or levies permitted by law and, if necessary, in excess of any charter provision, a tax at such rate as will, after crediting: (A) The amount of the contributions received during the year from the members of the respective paid police department or paid fire department; and (B) the allocable portion of the Municipal Pensions and Protection Fund established in section fourteen-d, article three, chapter thirty-three of this code and funds from the Municipal Pensions Security Fund created in section eighteen-b of this article, provide funds equal to the amount necessary to meet the minimum standards for actuarial soundness as provided in section twenty of this article. The amount shall be irrevocably contributed, accumulated and invested as fund assets as described in sections twenty-one and twenty-two of this article. One twelfth of each municipality's annual contributions shall be deposited with the municipality's pension trust funds as fund assets on at least a monthly basis and any revenues received from any source by a municipality which are specifically collected for the purpose of allocation for deposit into the policemen's pension and relief fund or firemen's pension and relief fund shall be so deposited within five days of receipt by the municipality. Heretofore surplus reserves accumulated before the effective date of this section shall be irrevocably contributed, aggregated and invested as fund assets described in sections twenty-one and twenty-two of this article. Any actuarial deficiency arising under this section and section twenty of this article shall not be the obligation of the State of West Virginia.

(2) The levies authorized under the provisions of this section, or any part of them, may by the governing body be laid in addition to all other municipal levies and, to that extent, beyond the limit of levy imposed by the charter of the municipality; and the levies shall supersede and if necessary exclude levies for other purposes, where other purposes have not already attained priority, and within the limitations on taxes or tax levies imposed by the constitution and laws.

(b) The public corporations are authorized to take by gift, grant, devise or bequest any money or real or personal property on such terms as to the investment and expenditures thereof as may be fixed by the grantor or determined by the trustees.

(c) Notwithstanding provisions in section six of this article, in addition to all other sums provided for pensions in this section, it is the duty of every municipality in which any fund or funds have been or shall be established to assess and collect from each member of the paid police department or paid fire department or both each month, the sum of seven percent of the actual salary or compensation of such member; and the amount so collected shall become a regular part of the policeman's pension and relief fund, if collected from a policeman, and of the firemen's pension and relief fund, if collected from a fireman: *Provided*, That for members of the funds who are police officers or firefighters newly hired on or after January 1, 2010, the municipality shall assess and collect nine and one-half percent of the actual salary or compensation. Only those funds for which the board of trustees has collected and paid the contributions as herein provided and meeting minimum standards for actuarial soundness shall be eligible to receive moneys from the additional fire and casualty insurance premium tax as provided in section fourteen-d, article three, chapter thirty-three of this code: *Provided, however*, That the board of trustees for each pension and relief fund may assess and collect from each member of the paid police department or paid fire department or both each month not more than an additional two and one-half percent of the actual salary or compensation of each member, but not to exceed nine and one-half percent total contribution: *Provided further*, That if any board of trustees decides to assess and collect any additional amount pursuant to this subdivision above the member contribution required by this section, then that board of trustees may not reduce the additional amount until the respective pension and relief fund no longer has any actuarial deficiency: *And provided further*, That if any board of trustees decides to assess and collect any additional amount, any board of trustees decision and any additional amount is not the liability of the State of West Virginia. Member contributions shall be deposited in the pension and relief fund within five days of being collected.

(d)(1) For the fiscal year beginning on July 1, 2010, and subject to provisions of subsection (c), section eighteen-b of this article and section fourteen-d, article three, chapter thirty-three of this code and for each fiscal year thereafter, the Municipal Pensions Oversight Board shall receive and retain the moneys allocated to the Municipal Pensions Security Fund until such time as the treasurer of the municipality applies for the allocable portion and certifies in writing to Municipal Pensions Oversight Board that:

(A) The municipality has irrevocably contributed the amount required under this section and section twenty of this article to the pension and relief fund for the required period; and

(B) The board of trustees of the pension and relief fund has made a report to the governing body of the municipality and to the oversight board on the condition of its fund with respect to the fiscal year.

(2) When the aforementioned application and certification are made, the allocable portion of moneys from the Municipal Pensions and Protection Fund, or the Municipal Pensions Security Fund, once established, shall be paid to the corresponding policemen's or firemen's pension and relief fund. Payment to a municipal pension and relief fund shall be made by electronic funds transfer.

(e) The State Auditor and the oversight board have the power, and the duty as each considers necessary, to perform or review audits on the pension and relief funds or to employ an independent consulting actuary or accountant to determine the compliance of the aforementioned certification with the requirements of this section and section twenty of this article. The expense of the audit or determination shall be paid from the portion of the Municipal Pensions and Protection Fund allocable to municipal policemen's and firemen's pension and relief funds or from the Municipal Pensions Security Fund pursuant to provisions of subsection (c), section eighteen-b of this article. If the allocable portion of the Municipal Pensions and Protection Fund or the Municipal Pensions Security Fund is not paid to the pension and relief fund within eighteen months, the portion is forfeited by the pension and relief fund and is allocable to other eligible municipal policemen's and firemen's pension and relief funds in accordance with section fourteen-d, article three, chapter thirty-three of this code.

#### **§8-22-19a. Refunds of member contributions.**

Any member of a paid police or fire department who is removed or discharged or who before retirement on any retirement pension or disability pension severs his connection with said department, whether or not consecutive, shall, upon request, be refunded all pension and relief fund deductions made from his salary or compensation, but without interest. Any

member who receives such refund and such member subsequently wishes to reenter the department, such police officer or fire fighter shall not be allowed to reenter the department unless such police officer or fire fighter repays to the pension and relief fund all sums refunded to him in a lump sum at the date of reentry or by monthly payroll deductions within thirty-six months from the date he reenters the department with interest at the rate of eight percent per annum. In the event such refund is made prior to the first day of January, one thousand nine hundred eighty-one, and such member subsequently reenters the department such police officer or fire fighter shall be allowed membership in such pension and relief fund; however, no credit may be allowed such member for any former service, unless such member repays to the pension and relief fund all sums refunded to him within one year from the date he reenters the department with interest at the rate of eight percent per annum: *Provided*, That any member who, on or before June three, one thousand nine hundred fifty-five, reentered the paid police or fire department shall be allowed credit for any former service in the same department reentered if he, within one year from said June three, one thousand nine hundred fifty-five, repaid all sums withdrawn or refunded to him with interest at the rate of six percent per annum, but for such member who receives such refund prior to the first day of January, one thousand nine hundred eighty, interest may not be charged for more than three years. Any probationary member of a paid police or fire department who is not given an absolute appointment at the end of his probationary period shall, upon request, be refunded all pension and relief fund deductions made from his salary or compensation, but without interest. Any member contribution made in fiscal years beginning on the first day of July, one thousand nine hundred eighty-one and thereafter by any members of such fund, which is in excess of the percentages, required in section nineteen of this article of such member's salary or compensation as defined in section sixteen of this article shall be refunded with eight percent interest to such member upon completion of the calculation of his retirement benefit.

**§8-22-20. Actuary; actuarial valuation report; minimum standards for annual municipality contributions to the fund; definitions; actuarial review and audit.**

(a) The West Virginia Municipal Pensions Oversight Board shall contract with or employ a qualified actuary to annually prepare an actuarial valuation report on each pension and relief fund. The selection of contract vendors to provide actuarial services, including the reviewing actuary as provided in subsection (c) of this section, shall be by competitive bid process but is specifically exempt from purchasing provisions of article three, chapter five-a of this code. The expense of the actuarial report shall be paid from moneys in the Municipal Pensions Security Fund. Uses of the actuarial valuations from the qualified actuary shall include, but not be limited to, determining a municipal policemen's or firemen's pension and relief fund's eligibility to receive state money and to provide supplemental benefits.

**§33-3-14d. Additional fire and casualty insurance premium tax; allocation of proceeds; effective date.**

(a) (1) For the purpose of providing additional revenue for municipal policemen's and firemen's pension and relief funds and the Teachers Retirement System Reserve Fund and for volunteer and part-volunteer fire companies and departments, there is hereby levied and imposed an additional premium tax equal to one percent of taxable premiums for fire insurance and casualty insurance policies. For purposes of this section, casualty insurance does not include insurance on the life of a debtor pursuant to or in connection with a specific loan or other credit transaction or insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction while the debtor is disabled as defined in the policy.

(2) All moneys collected from this additional tax shall be received by the commissioner and paid by him or her into a special account in the State Treasury, designated the Municipal Pensions and Protection Fund: *Provided*, That on or after January 1, 2010, the commissioner shall pay ten percent of the amount collected to the Teachers Retirement System Reserve Fund created in section eighteen, article seven-a, chapter eighteen of this code, twenty-five percent of the amount collected to the Fire Protection Fund created in section thirty-three of this article for allocation by the Treasurer to volunteer and part-volunteer fire companies and departments and sixty-five percent of the amount collected to the Municipal Pensions and Protection Fund: *Provided, however*, That upon notification by the Municipal Pensions Oversight Board pursuant to the provisions of section eighteen-b, article twenty-two, chapter eight of this code, on or after January 1, 2010, or as soon thereafter as the Municipal Pensions Oversight Board is prepared to receive the funds, sixty-five percent of the amount collected by the commissioner shall be deposited in the Municipal Pensions Security Fund created in section eighteen-b, article twenty-two, chapter eight of this code. The net proceeds of this tax after appropriation thereof by the Legislature is distributed in accordance with the provisions of this section, except for distribution from proceeds pursuant to subsection (d), section eighteen-a, article twenty-two, chapter eight of this code.

(b) (1) Before the first day of August of each year, the treasurer of each municipality in which a municipal policemen's or

firemen's pension and relief fund is established shall report to the State Treasurer the average monthly number of members who worked at least one hundred hours per month and the average monthly number of retired members of municipal policemen's or firemen's pension and relief fund or the Municipal Police Officers and Firefighters Retirement System during the preceding fiscal year: *Provided*, That beginning in the year 2010 and continuing thereafter, the report shall be made to the oversight board created in section eighteen-a, article twenty-two, chapter eight of this code. These reports received by the oversight board shall be provided annually to the State Treasurer by September 1.

(2) Before the first day of September of each calendar year, the State Treasurer, or the Municipal Pensions Oversight Board, once in operation, shall allocate and authorize for distribution the revenues in the Municipal Pensions and Protection Fund which were collected during the preceding calendar year for the purposes set forth in this section. Before the first day of September of each calendar year and after the Municipal Pensions Oversight Board has notified the Treasurer and commissioner pursuant to section eighteen-b, article twenty-two, chapter eight of this code, the Municipal Pensions Oversight Board shall allocate and authorize for distribution the revenues in the Municipal Pensions Security Fund which were collected during the preceding calendar year for the purposes set forth in this section. In any year the actuarial report required by section twenty, article twenty-two, chapter eight of this code indicates no actuarial deficiency in the municipal policemen's or firemen's pension and relief fund, no revenues may be allocated from the Municipal Pensions and Protection Fund or the Municipal Pensions Security Fund to that fund. The revenues from the Municipal Pensions and Protection Fund shall then be allocated to all other pension and relief funds which have an actuarial deficiency.

(3) The moneys, and the interest earned thereon, in the Municipal Pensions and Protection Fund allocated to volunteer and part-volunteer fire companies and departments shall be allocated and distributed quarterly to the volunteer fire companies and departments. Before each distribution date, the State Fire Marshal shall report to the State Treasurer the names and addresses of all volunteer and part-volunteer fire companies and departments within the state which meet the eligibility requirements established in section eight-a, article fifteen, chapter eight of this code.

(c)(1) Each municipal pension and relief fund shall have allocated and authorized for distribution a pro rata share of the revenues allocated to municipal policemen's and firemen's pension and relief funds based on the corresponding municipality's average monthly number of police officers and firefighters who worked at least one hundred hours per month during the preceding fiscal year. On and after July 1, 1997, from the growth in any moneys collected pursuant to the tax imposed by this section and interest thereon there shall be allocated and authorized for distribution to each municipal pension and relief fund, a pro rata share of the revenues allocated to municipal policemen's and firemen's pension and relief funds based on the corresponding municipality's average number of police officers and firefighters who worked at least one hundred hours per month and average monthly number of retired police officers and firefighters. For the purposes of this subsection, the growth in moneys collected from the tax collected pursuant to this section is determined by subtracting the amount of the tax collected during the fiscal year ending June 30, 1996, from the tax collected during the fiscal year for which the allocation is being made and interest thereon. All moneys received by municipal pension and relief funds under this section may be expended only for those purposes described in sections sixteen through twenty-eight, inclusive, article twenty-two, chapter eight of this code.

(2) Each volunteer fire company or department shall receive an equal share of the revenues allocated for volunteer and part-volunteer fire companies and departments.

(3) In addition to the share allocated and distributed in accordance with subdivision (1) of this subsection, each municipal fire department composed of full-time paid members and volunteers and part-volunteer fire companies and departments shall receive a share equal to the share distributed to volunteer fire companies under subdivision (2) of this subsection reduced by an amount equal to the share multiplied by the ratio of the number of full-time paid fire department members who are also members of a municipal firemen's pension and relief fund or the Municipal Police Officers and Firefighters Retirement System to the total number of members of the fire department.

(d) The allocation and distribution of revenues provided for in this section are subject to the provisions of section twenty, article twenty-two, and sections eight-a and eight-b, article fifteen, chapter eight of this code.

## OTHER RELEVANT WEST VIRGINIA CODE

### **§25-7-5. Purchase of inmate-made goods by state agencies.**

(a) On and after the effective date of this article, all offices, departments, institutions and agencies of this state supported, in whole or in part, by state funds shall purchase all articles or products which they require from the commissioner, if those articles or products are produced or manufactured by correctional industries, as provided by this article. No state office,

department, institution or agency may purchase an article or product which correctional industries produces from any other source, unless specifically excepted from the provisions of this section pursuant to section six of this article.

(b) Purchases of correctional industries articles or products by state offices, departments, institutions and agencies shall be made on requisition by the office, department, institution or agency requiring the articles or products.

(c) Political subdivisions, not-for-profit corporations and charitable agencies chartered in West Virginia, units of the federal government and units of government of other states may purchase articles and products produced by correctional industries. Entities which contract with the state, its political subdivisions, its agencies or its public institutions may purchase from correctional industries articles and products used in the performance of their contracts.

**§5A-3-10. Competitive bids; publication of solicitations for sealed bids; purchase of products of nonprofit workshops; employee to assist in dealings with nonprofit workshops.**

(a) A purchase of and contract for commodities, printing and services shall be based, whenever possible, on competitive bids.

(b) The director shall solicit sealed bids for the purchase of commodities and printing which is estimated to exceed twenty-five thousand dollars. No spending unit shall issue a series of requisitions or divide or plan procurements to circumvent this twenty-five thousand dollar threshold or otherwise avoid the use of sealed bids. Any spending unit which awards multiple contracts for the same or similar commodity or service to an individual vendor over any twelve-month period, the total value of which exceeds twenty-five thousand dollars, shall file copies of all contracts awarded to the vendor within the twelve preceding months with the director immediately upon exceeding the twenty-five thousand dollar limit, along with a statement explaining how the multiple contract awards do not circumvent the twenty-five thousand dollar threshold. If the spending unit does not immediately report to the director, the director may suspend the purchasing authority of the spending unit until the spending unit complies with the reporting requirement of this subsection. The director may conduct a review of any spending unit to ensure compliance with this subsection. Following a review, the director shall complete a report summarizing his or her findings and forward the report to the spending unit. In addition, the director shall report to the Joint Committee on Government and Finance on the first day of January and July of each year the spending units which have reported under this subsection and the findings of the director.

(c) The director may permit bids by electronic transmission to be accepted in lieu of sealed bids.

(d) Bids shall be solicited by public notice. The notice may be published by any advertising medium the director deems advisable. The director may also solicit sealed bids by sending requests by mail or electronic transmission to prospective vendors.

(e) The director shall, without competitive bidding, purchase commodities and services produced and offered for sale by nonprofit workshops, as defined in section one, article one of this chapter, which are located in this state: *Provided*, That such commodities and services shall be of a fair market price and of like quality comparable to other commodities and services otherwise available as determined by the director with the advice of the committee on the purchase of commodities and services from the handicapped.

To encourage contracts for commodities and services with nonprofit workshops, the director shall employ a person whose responsibilities in addition to other duties shall be to identify all commodities and services available for purchase from nonprofit workshops, to evaluate the need of the state for commodities and services to coordinate the various nonprofit workshops in their production efforts and to make available to such workshops information about available opportunities within state government for purchase of commodities or services which might be produced and sold by such workshops. Funds to employ such a person shall be included annually in the budget.

**§5A-8-9. Duties of agency heads.**

The head of each agency shall:

(a) Establish and maintain an active, continuing program for the economical and efficient management of the records of the agency.

(b) Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities.

(c) Submit to the administrator, in accordance with the standards established by him, schedules proposing the length of time each state record series warrants retention for administrative, legal or fiscal purposes after it has been received by the agency. The head of each agency also shall submit lists of state records in custody that are not needed in the transaction of current business and that do not have sufficient administrative, legal or fiscal value to warrant their further keeping for disposal in conformity with the requirements of section ten of this article.

(d) Cooperate with the administrator in the conduct of surveys made pursuant to the provisions of this article.

(e) Comply with the rules, regulations, standards and procedures issued by the administrator.

(f) First obtain the administrator's written approval before purchasing or acquiring any equipment or supplies used or to be used to store or preserve records of the agency. If such approval is obtained the agency will submit a requisition to the finance division together with a copy of the administrator's said approval.

**§12-3-9. Certificate with requisition as to need of money for present use.**

Every board or officer authorized by law to issue requisitions upon the auditor for payment of money out of the state treasury, shall, before any such money is paid out of the state treasury, certify to the auditor that the money for which such requisition is made is needed for present use for the purposes for which it was appropriated; and the auditor shall not issue his warrant to pay any money out of the state treasury unless he is satisfied that the same is needed for present use for such purposes.

**§12-3-10f. Receiving report required for commodities received.**

A receiving report shall be submitted to the state auditor verifying the receipt of commodities by a state spending unit. The receiving report shall be an internally-generated document, either written or prepared using electronic media, that identifies commodities received. Commodities as defined in this section include, but are not limited to, the following: Materials, equipment, supplies, printing and automated data processing hardware and software.

The state officer or employee acting as head of each spending unit is responsible for the completion and timely submission of the receiving reports, which shall be prepared at the original point of receipt of the commodities at the spending unit by employees designated by the head of the spending unit to receive the commodities and prepare the receiving reports. The receiving reports shall include, but not be limited to, the following information: Vendor name, description and quantity of commodities received, date commodities are received, whether commodities are acceptable for payment, and a signed acknowledgment of receipt by the employees receiving the commodities. The receiving reports required by this section shall be prepared within twenty-four hours of the receipt of the commodities.

The head of a spending unit may not issue a requisition on the state auditor in payment of a claim for commodities received by the spending unit unless the receiving report required by this section accompanies the claim for payment. The spending unit is liable for a debt improperly incurred or for a payment improperly made if the receiving report was not filed with the state auditor as set forth in this section.

The state auditor shall propose rules for legislative approval in accordance with provisions of article three, chapter twenty-nine-a of this code, to implement the provisions of this section.

No provision of this section shall apply to the West Virginia Legislature



WEST VIRGINIA STATE AUDITOR'S OFFICE PURCHASING CARD

POLICIES & PROCEDURES

(SELECTED SECTIONS)

## Section 2.0: Spending Unit P-Card Coordinator Duties & Responsibilities

### 2.1 Executive Responsibilities

The agency head shall serve as, or designate an individual to serve as, the Chief Financial Officer who shall be responsible for establishing internal controls over the Spending Unit's financial operations and be accountable for executive oversight and maintenance of appropriate accounting and internal control procedures for the agency's P-Card program.

### 2.2 Chief Financial Officer Responsibilities

Each Spending Unit's chief financial officer or designee shall serve as the head Spending Unit P-Card coordinator. Each Spending Unit's chief financial officer is responsible for the administration of the P-Card program within their Spending Unit. The chief financial officer's responsibilities include, but are not limited to the following:

reviewing, on at least a quarterly basis, the compliance of their P-Card program with their own accounting and internal control procedures and the requirements set forth herein. requiring any member of a Spending Unit's staff finding an instance of unlawful use, possible fraud, misappropriation, or mismanagement with the P-Card to report such discovery to the Chief Financial Officer **immediately**. The Chief Financial Officer shall report all aforementioned instances to the Executive Director of the State Auditor's Office P-Card Division within 24 hours of his or her discovery.

### 2.3 Designation of Spending Unit Coordinator

The Chief Financial Officer or designee is charged with appointing P-Card coordinators in a sufficient number to allow thorough and timely performance of their responsibilities. P-Card coordinators are appointed based upon the reporting hierarchy assigned to them within their Spending Unit. A Spending Unit may have multiple coordinators at each reporting hierarchy, who may be delegated some or all of the Spending Unit coordinator's responsibilities. Each P-

Card coordinator shall hold a position of knowledge and experience of the responsibility(ies) delegated to them by the Chief Financial Officer or designee of the respective Spending Unit. Any change in the head Spending Unit coordinator position or of any subordinate coordinators that require user changes in P-Card software or reporting tools, which are administered or set up solely by the P-Card Division staff, must be preceded by submission of a Coordinator Setup/Maintenance Form to the State Auditor's Office P-Card Division.

Except for spending units having five (5) or fewer cardholders, no cardholder shall be their own coordinator unless the Spending Unit receives a written waiver from the State Auditor's Office P-Card Division.

Upon designation by the Spending Unit's chief financial officer, a Spending Unit coordinator at any reporting hierarchy must receive training, education, and certification designed and approved by the State Auditor's Office P-Card Division within 30 days of assuming the duties of the position.

#### **2.4 Coordinator Responsibilities**

The coordinator is required to complete training/education annually and to obtain certification confirming that training. Training shall include P-Card policies, purchasing policies, ethics training, and/or emergency P-Card or travel training as appropriate. Spending Unit P-Card coordinators must successfully complete all applicable designated training to receive Spending Unit P-Card coordinator certification.

Spending Unit coordinator responsibilities include, but are not limited to the following:

- monitoring and overseeing a Spending Unit's P-Card program to ensure that internal controls are in place to prevent misuse;
- verifying potential cardholders eligibility to obtain a P-Card;
- ensuring proper completion and submission of applications, cardholder agreements, and maintenance forms;
- ensuring successful completion of initial training requirements before submitting requests for new cardholders and monitoring completion of on-going training requirements;
- determining or verifying the following: credit limit, single transaction limit, number of daily transactions, and number of monthly transactions;
- maintaining cardholder agreement forms;
- reconciling master statements or electronic payment files;
- ensuring the prompt payment of the Spending Unit's master statement/account;
- ensuring that Spending Unit cardholders follow all P-Card policies and procedures;
- ensuring that Spending Unit cardholders follow all applicable purchasing policies and procedures.
- disseminating updated P-Card information to Spending Unit cardholders;
- activating P-Cards;
- ensuring that P-Cards are cancelled and destroyed upon termination or separation from employment;
- providing updated contact information to the State Auditor's Office P-Card Division;

- performing biennial reviews of P-Card utilization levels within his or her Spending Unit and providing reports to the State Auditor's Office P-Card Division of the results of such reviews;
- identifying possible ethics law violations related to inappropriate activity by cardholders and vendors including the possession of gifts, bribes, etc.;
- conducting periodic reviews of transactions to ensure they are appropriate for the Spending Unit and that budgetary permission and/or supervisory authorization are part of the approval process;
- ensuring that all Spending Unit personnel assigned to monitor P-Card transactions have access, either electronically or manually to the transactions made by any cardholder under their purview;
- addressing and establishing additional controls/policies, in a timely manner, as recommended by external or internal audits and reviews;
- maintain documentation in a centralized location concerning the resolution of each disputed transaction submitted.

## **2.5 Internal Controls**

Sufficient internal controls must be in place at each Spending Unit to ensure compliance with applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments. Each Spending Unit is required to develop and document internal control procedures that ensure P-Card usage is consistent with this manual and to develop guidelines for distribution to cardholders. These procedures must be submitted in writing to the State Auditor's Office P-Card Division.

In those cases where it is determined that internal controls are not adequate, the State Auditor's Office P-Card Division has the authority to request improvements and/or place P-Card restrictions on the Spending Unit until such controls are established, documented and implemented. Each of the following items should be addressed in the Spending Unit's accounting and internal control procedures.

### **2.5.1 Segregation of Duties**

The Spending Unit P-Card coordinator(s) should not handle all aspects of the P-Card process. Unless authorized by the State Auditor's Office P-Card Division, no cardholder shall be his or her own coordinator. Sufficient internal controls must be established and implemented to ensure that when a P-Card coordinator is also a cardholder, some other knowledgeable individual such as a direct supervisor or a different coordinator reviews and approves transactions appearing on the coordinator's P-Card. The reconciliation process must include a knowledgeable and independent review of documentation, receipts, and transaction reports.

If the Spending Unit is a board, commission, authority, or council, a written report of P-Card transactions including the vendor, description of good or service and total transaction amount must be provided to members of the governing body to be approved or ratified at regularly scheduled meetings. A copy of the report, as well as the minutes of the meeting, must be available for review by the State Auditor's Office P-Card Division with the reconciliation documentation.

## **2.5.2 Proper Oversight**

The Spending Unit's chief financial officer must ensure proper oversight of P-Card use within his or her Spending Unit. This includes developing internal controls that ensure a thorough review of the Spending Unit's P-Card transactions and assurance that each transaction is for official state business.

## **2.5.3 Physical Controls**

Physical controls should be present to ensure security of P-Card cards and records. Records must be stored in a secure location to which only authorized individuals have access.

## **Section 4.0: P-Card Issuance**

### **4.4 P-Card Delegation**

P-Card delegation is prohibited. P-Card delegation is the practice of allowing an individual other than the cardholder whose name appears on the front of the P-Card to have access to the P-Card or P-Card number to initiate or complete a transaction. P-Card delegation increases the risk of fraud and cardholder liability.

P-Card delegation includes allowing an individual other than the cardholder to:

- have physical possession of the P-Card to make payments to point of sale vendors;
- have access to the P-Card number and expiration date to make payments via telephone, internet, or in person;
- have access to receipts or invoices that display the P-Card number and expiration date.

With the exception of ghost, fleet or other card accounts as approved by the State Auditor's Office P-Card Division, P-Cards are issued in an individual's name. Only the individual named on the P-Card is the authorized user it.

### **4.5 P-Card Security – Purchasing and Travel Only**

The P-Card must be kept secure. The individual cardholder is accountable for every charge made by or authorized by the cardholder that appears on his or her P-Card.

P-Cards should only be used on secured internet sites. A secured site has a closed "lock" on the screen.

All cardholders are required to sign the back of their P-Card upon receipt.

## **Section 6.0: Instructions for Use**

### **6.1 General Instructions**

The P-Card is a preferred method of payment for certain designated transactions or dollar amounts. All applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments must be followed, regardless of the method of payment.

State Agencies should refer to the State Purchasing Policies & Procedures Handbook at [www.state.wv.us/admin/purchase/](http://www.state.wv.us/admin/purchase/) where applicable. Higher Education institutions should refer to their purchasing policies & procedures. Any questions concerning purchasing rules, policies, or procedures should be referred to the Spending Unit's Purchasing Department.

The P-Card may be used to make payments for goods, services, and travel that are not prohibited by P-Card Policies and Procedures. Personal charges are prohibited.

Any returned goods must be credited to the P-Card. Debit cards, gift cards or cash are not an acceptable method of receiving refunds for returned goods. Any deviation from this policy must be reported to the State Auditor's Office P-Card Division.

## **6.2 Transaction Limit**

Individual transaction limits and credit limits are determined by each Spending Unit P-Card coordinator upon approval by the State Auditor's Office P-Card Division. It is a violation of policy to manipulate the ordering, billing, or payment process in order to circumvent established cardholder limits.

## **6.3 Business-Related Travel**

Except for those agencies that have current authorization to utilize the P-Card for travel purposes, spending units that desire to use the P-Card for business related travel must have P-Card internal controls/accounting procedures on file with the P-Card division, utilize the electronic requisitions (scanning/imaging) process and have implemented the E-Travel management system. If P-Cards are to be used solely for travel purposes, appropriate "travel only" MCC group must be designated on the application.

Approved business expenses generated while engaged in job-related activities away from the regular place of employment may be placed on a P-Card.

Purchase card authorized travel expenses include, but are not limited to the following:

- registration fee payments
- airline ticket payments
- vehicle rental payments (commercial or state-owned)
- gasoline for rental vehicles (commercial or state-owned)
- other transportation tickets
- hotel folio payments including business related costs such as business phone charges and business internet access

Except for approved Athletic, Student and Academic team related expenses, purchasing card authorized travel expenses shall not include food expenses or any personal expenses on hotel

folios such as room service or movie expenses. Proper documentation must be provided for any billing (i.e., hotel folios) relating to multiple travelers.

Approved Athletic, Student and Academic team related expenses must adhere to all applicable laws, rules and regulations, P-Card policies and procedures, travel policies, and other governing instruments.

Purchasing Card Policies and Procedures do not supersede applicable agency travel regulations. For those spending units that have current authorization to utilize the P-Card for travel purposes, which have not implemented the E-Travel management system; copies of P-Card travel receipts should be attached to the travel settlement form and referenced as a direct billed item. The Spending Unit's receipt requirements for those business-related travel expenses paid using the P-Card shall remain consistent with the Spending Unit's travel regulations.

#### **6.4 Usage Restrictions**

Except where otherwise exempted by statute, rule, or waiver from the State Auditor's Office P-Card Division, the P-Card may not be used to obtain cash, cash credits, or cash advances. The P-Card may be used for the purchase of gift cards, where authorized by applicable law, rules and regulations, or other governing instrument, only upon prior approval of the transaction by the State Auditor's Office P-Card Division. At this time, payments against state encumbered purchasing documents (WVFIMS PDoc) are also restricted.

#### **6.5 Tax Reportable Services**

The majority of payments made with a credit card or payment card and certain other types of payment, including third party network transactions, must now be reported by the vendor's payment settlement entity and are not subject to reporting by the State. Please refer to WVFIMS Administrative Policy Statement Number 35 for a listing of transaction types that are exceptions and/or otherwise prohibited from the payment with the P-Card.

#### **6.6 Ordering**

Payments may be made with the P-Card by phone, fax, mail, secured internet site, or in person. Payments may be made through 3<sup>rd</sup> Party Payment Processors such as PayPal only upon prior approval by the State Auditor's Office P-Card Division. When paying by telephone, fax, mail, or internet, the vendor should be provided with a complete shipping address.

Shipping and handling charges must be included in the stated price and the total charge may not exceed the cardholder's assigned transaction limit.

When placing the order, the vendor should be instructed to provide an itemized invoice or receipt.

The vendor may not charge the account until the merchandise has been shipped.

#### **6.7 Tax Exempt Status**

The State of West Virginia is tax exempt and should not pay tax to In-state vendors. Cardholders should remind vendors that the State of West Virginia is tax exempt before initiating a transaction.

The words "Tax Exempt" and the Spending Unit's tax identification number are printed on the P-Card.

The cardholder is required to provide the vendor with a copy of the Spending Unit's tax-exempt certificate.

Pursuant to our contract with Citi (*Appendix J Billing Disputes Guide*), we may not dispute sales tax or shipping and handling charges. It is the cardholder's responsibility to ensure charge accuracy. Sales tax or shipping charges should be addressed immediately with the vendor by the cardholder.

### **6.8 Hospitality**

Hospitality expenses may be paid using the P-Card. Specific documentation requirements exist for hospitality expenditures and that documentation must remain consistent regardless of the method of payment. Any hospitality documentation must be available to the State Auditor's Office P-Card Division for inspection.

### **6.9 Convenience Fees**

A surcharge for the convenience of paying with the P-Card may be paid with the P-Card. Vendors may not charge a percentage of the purchase as a convenience fee. Such fees must be a flat rate charge.

### **6.10 Ethics & Vendors**

It is unlawful for any vendor doing business with the State of West Virginia to provide a bribe, gratuity or kickback in any amount to a P-Card holder or a Spending Unit. Spending Unit receiving gifts with nominal value may keep such gifts (e.g., candy, fruit baskets, etc) as long as they are unsolicited and shared and distributed fairly throughout the Spending Unit or the gifts may be donated to charities. Any gift valued in excess of the amount noted in the State's Ethics Act, (West Virginia Code §6B-1-1, et seq.) "The Ethics Act," should be returned to the vendor if possible and reported to the State Auditor's Office P-Card Division.

Please check with your Spending Unit to see if it imposes rules of conduct in addition to those established by the Ethics Act. You can view the Ethics Act at [www.wvethicscommission.org](http://www.wvethicscommission.org) or email the Ethics Commission at [ethics@wvadmin.gov](mailto:ethics@wvadmin.gov).

## **Section 7.0: Transaction Documentation & Reconciliation**

Cardholders are responsible for the review, acknowledgement or dispute of all transactions that appear on their P-Card statement. Documentation must be obtained for each transaction placed on the P-Card and must be available upon request by the State Auditor's Office P-Card Division. Documentation may include itemized receipts, log sheets (manual or electronic), individual statements, or any other documentation required by applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments.

The reconciliation process should include a knowledgeable and independent review of documentation, receipts, and transaction reports. Each Spending Unit is required to develop and maintain accounting and internal controls that ensure P-Card usage is consistent with applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments and to develop guidelines for distribution to cardholders. In those cases where it is determined that internal controls are not adequate, the State Auditor's Office P-Card Division has the authority to request improvements and/or place P-Card restrictions on the Spending Unit until such controls are established, documented and implemented.

### **7.1 Receipts & Receiving Reports**

Except where otherwise exempted by statute or rule, an itemized receipt must be obtained for each transaction placed on the P-Card. The receipt must be legible, itemized (reflecting the goods or services purchased), and contain the vendor name, date of purchase and price of items. Receipt documentation may be paper or electronic and shall be retained by the Spending Unit. A receipt description, which only states "Miscellaneous", or "Merchandise", or only includes a vendor's stock or item number, is not acceptable. In the event that an acceptable form of receipt is not available, the cardholder shall create, either in paper or electronic form, an itemized list which satisfies the requirements set forth in this subsection. The cardholder and direct supervisor or coordinator's signatures, physical or electronic, are required as well as the date the goods were received, along with whatever receipt is available.

State Auditor's Legislative Rule 155 CSR 1, §155-1-4 requires "receiving reports" be filed with the State Auditor's Office for all commodities purchased for the State. P-Card "receiving reports" include: P-Card log sheets, itemized receipts, packing slips or other forms approved by the State Auditor's Office P-Card Division and shall be maintained by the Spending Unit and available for review upon request by the State Auditor's Office P-Card Division. The person receiving the goods shall sign the packing slip, itemized receipt or P-Card receiving report and state, in writing, the date the goods or services were received. If the person receiving the goods is not the cardholder, the signed P-Card receiving report must be forwarded to the cardholder for transaction documentation and reconciliation purposes.

### **7.2 Transaction Statements, Reconciliation & Disputed Items**

All spending units will receive electronic (or paper) statements. The statement closing date is the 3rd day of every month. Each cardholder is responsible for ensuring that his or her statement is reconciled every month. The Spending Unit P-Card coordinator or chief financial officer is responsible for ensuring the reconciliation of the master account(s). Cardholders must review all



transactions to ensure that they are legitimate, for official State business, and that all required documentation is included. The reconciliation process must be documented.

Individual statements are available online at [www.citimanager.com](http://www.citimanager.com). Individual and master statements must be examined carefully for billing errors, debits due to erroneous billing, or credits made to correct a previously disputed item.

Cardholders may be required to sign an individual statement and submit it to the appropriate office in accordance with the Spending Unit's guidelines. The signed statement should be filed with that month's corresponding receipts.

Upon completion of reconciliation, the cardholder must forward his or her documentation to the Spending Unit's appropriate P-Card coordinator for review.

**Disputed items** may result from failure to receive goods, fraud, misuse, defective merchandise, incorrect amounts being charged, duplicate charges, credits not yet received or taxes other than sales tax charged by an in-state vendor. Transactions that appear fraudulent should be reported to the financial institution and the State Auditor's Office P-Card Division immediately. Charges that are unauthorized by the cardholder should be disputed on the affidavit of unauthorized use form. All other items should be disputed on the cardholder dispute form.

Pursuant to our contract with Citi (*Appendix J Billing Disputes Guide*), we may not dispute sales tax or shipping and handling charges. It is the cardholder's responsibility to ensure charge accuracy. Sales tax or shipping charges should be addressed immediately with the vendor by the cardholder.

The first step in the dispute process is for the cardholder to contact the vendor and attempt to resolve the problem. If the vendor is unwilling to credit the charge, the cardholder must provide documentation that the vendor was contacted and was unwilling to credit the charge and a dispute form should be filed with the State Auditor's Office P-Card Division within 60 days from the statement date that contains the disputed item. A copy of the signed log sheets or screen print of the online reconciliation that identifies the disputed item(s) MUST be attached to ALL disputes and authorized use forms. These forms are to be faxed to the State Auditor's Office P-Card Division at 304-340-5083. DO NOT fax forms directly to the bank. The coordinator must maintain documentation in a centralized location concerning the resolution of each disputed transaction submitted. The Spending Unit must pay the statement amount pending resolution of the dispute.

If a cardholder consistently has problems with a particular vendor, a P-Card Vendor Complaint Form should be submitted to the State Auditor's Office P-Card Division. The State Auditor's Office P-Card Division will work with the Spending Unit and the vendor to seek a resolution.

### **7.3 Reconciliation Software**

Spending Units have several different products available to assist with the reconciliation process. STARS (Software for Transaction Accounting and Reporting System), is a sub-system of the State's accounting system, WVFIMS. The provider bank (currently Citi) also provides software reconciliation and reporting tools.

By January 1, 2009, all Spending Unit's must use one of the electronic reconciliation tools available, which allows reconciliation and account coding at the transaction level. The choice of tool and the reconciliation process should be documented in the Spending Unit's internal controls and approved by the State Auditor's Office P-Card Division.

#### **7.4 Record Retention**

For P-Card inspection and post-audit review purposes, Spending Units must keep all cardholder documentation relating to the State Auditor's Office P-Card Program (cardholder applications, agreements, maintenance forms and training certificates). All documentation must be kept for a minimum of two (2) years from the end of the fiscal year in which the last transaction was completed and/or a program evaluation has been completed by the SAO P-Card Division. These records must be available to the State Auditor's Office P-Card Division upon request. The P-Card division takes no position regarding the appropriate records retention period records reduction schedule for any specific agency. The Division does recommend that agencies consult with legal counsel prior to the destruction of any document.

This rule does not supersede the record retention policy of the Spending Unit or other state or federal retention policies or record retention policies otherwise provided for herein.

#### **7.5. Imaging**

Spending units may elect to participate in the State Auditor's Office Imaging Program. Imaged documents are retained by the State Auditor's Office for a minimum of then (10) years.

### **Section 9.0: Fraud, Misuse & Abuse**

*West Virginia Code*, §12-3-10b, states:

"It is unlawful for any person to use a state P-Card, issued in accordance with the provisions of section ten-a of this article, to make any purchase of goods or services in a manner which is contrary to the provisions of section ten-a of this article or the rules promulgated pursuant to that section. Any person who violates the provisions of this section is guilty of a felony and, upon conviction thereof, shall be confined in the penitentiary not less than one nor more than five years, or fined no more than five thousand dollars, or both fined and imprisoned."

Failure to comply with P-Card Policies and Procedures, rules, and law associated with the State P-Card Program may result in revocation or limitation of P-Card privileges, a period of probation, or mandatory P-Card training in addition to any other discipline deemed necessary or appropriate by the Spending Unit.

Instances of unlawful use, possible fraud, misappropriation, or mismanagement with the P-Card shall be reported immediately to the CFO of the Spending Unit. The CFO shall report all aforementioned instances to the Executive Director of the State Auditor's Office P-Card Division

within 24 hours of his or her discovery in a format approved by the State Auditor's Office P-Card Division.

The P-Card is a privilege not a right and disciplinary action will be taken for fraud, misuse or abuse of the P-Card.

### **9.1 Fraud**

Fraud is a deception deliberately practiced in order to secure unfair or unlawful gain. For example, fraud occurs when the cardholder's account information has been intentionally utilized for personal gain. Intentional use of the P-Card to make purchases for personal use or non-state business is fraudulent and is prohibited.

Individuals using the P-Card to knowingly pay for items intended for personal use will be subject to disciplinary action up to and including termination and prosecution under state law, and may be subject to civil action by the credit card company for personal liability.

### **9.2 Misuse & Abuse**

Misuse/Abuse is the improper, unlawful or incorrect use, compromise or misapplication of the P-Card. Examples include:

Failure to maintain security protecting your P-Card

Paying for items in which the P-Card is not authorized for payment

Purchase of authorized goods or services, at terms (e.g. price, quantity) that are excessive

### **9.3 Failure to Follow P-Card Policies and Procedures**

Individuals or Spending Units failing to properly follow the P-Card Policies and Procedures, rules, and laws associated with the State P-Card Program will be subject to disciplinary action as referenced in this section.

The State Auditor's Office may limit and revoke P-Card privileges, institute a period of probation or require a mandated training for any Spending Unit or subdivision of a Spending Unit if that Spending Unit is found to have violated State P-Card policies and procedures and failed to take corrective action.

Spending Units whose P-Card privileges have been suspended will be eligible for assessment of a special penalty fee double the amount of the current penalty fee and will incur the increased costs of conventional payment processing. Spending Units may also be assessed a penalty fee of two (2) dollars for any purchase submitted for payment to the State Auditor's Office through the conventional payment process that could have been paid using the P-Card.

## **Section 10.0: Program Evaluations**

### **10.2 Spending Unit Reviews**

Spending Units are encouraged to conduct random reviews of transactions within their programs. Various reports are available through the electronic reconciliation software products. Coordinators should be knowledgeable of the types of transactions appropriate for cardholders

within their area of responsibility and review, and have the authority to request documentation for any transaction appearing on a cardholder's account.

Instances of unlawful use, possible fraud, misappropriation, or mismanagement with the P-Card shall be reported immediately to the CFO of the Spending Unit. The CFO shall report all aforementioned instances to the Executive Director of the State Auditor's Office P-Card Division within 24 hours of his or her discovery in a format approved by the State Auditor's Office P-Card Division.

# PURCHASING DIVISION PROCEDURES HANDBOOK

September 12, 2011

(Selected Sections)

## SECTION 1: GENERAL INFORMATION

### 1.0 GENERAL INTRODUCTION

**1.2 Statutory Authorization:** The Purchasing Division was created and its duties are defined in the *West Virginia Code*, §5A-3-1 *et seq.* According to the Code, "the Purchasing Division was created for the purpose of establishing centralized offices to provide purchasing, travel, and leasing services to the various state agencies." The Purchasing Division offers many other services to state agencies, political subdivisions, and the vendor community. These programs include, but are not limited to, Acquisition and Contract Administration, Surplus Property Program, Travel Management, Purchase Order Encumbrance and Inventory Management.

**1.3 Regulatory Authorization:** The Purchasing Division functions in adherence to its Legislative Rules and Regulations (148 CSR 1). This Legislative Rule is included in this manual in Appendix D and serves as an explanation and clarification of operative procedures for the purchase of commodities and services by the Purchasing Division. It applies to all spending units of state government, except those statutorily exempted.

**1.4 Required Use of Handbook:** State procurement officers and their support staffs are required to use this handbook to perform procurement and other related activities.

## SECTION 3: PURCHASING LEVELS OF AUTHORITY

### 3.0 PURCHASING LEVELS OF AUTHORITY

**3.1 General:** Competitive bidding is the foundation of public purchasing in the State of West Virginia.

There are two (2) levels of purchasing authority, depending upon the dollar value of the purchase:

(1) **Agency Delegated Acquisitions** (performed by the state agency for procurements \$25,000 or less)

(2) **Formal Acquisitions** (processed by the Purchasing Division for procurements over \$25,000).

State agencies have a procurement officer who is responsible and knowledgeable in state purchasing guidelines as well as their own agency procedures. All purchases must be approved by the secretary or head of the spending unit, or a designee, whose name shall be filed with the Director of Purchasing. The person(s) named should take available purchasing training and have responsibility for the function of purchasing. Each spending unit shall process all purchases through this person(s), who shall be responsible for correspondence and communication with the Purchasing Division. It is important to note that questions from agency personnel relating to purchasing issues should be directed **first** to the respective agency procurement officer rather than directly to the Purchasing Division.

**3.2 Agency Delegated Acquisitions (\$25,000 or Less):** The Purchasing Division has delegated purchasing authority to state agencies for procurements estimated to cost \$25,000 or less. No agency shall issue a series of requisitions to circumvent this \$25,000 threshold.

Amounts spent with vendors are viewed comprehensively. State agencies should continuously monitor their expenditures with vendors to ensure that the total amount spent with a given vendor, in a year's time, does not exceed a bid threshold without the proper level of documentation and bidding.

Agencies must indicate "not to exceed" an amount of \$25,000, which will allow the State Auditor's Office to determine if the involvement of the Purchasing Division and Attorney General's Office is required.

Purchases made under Agency Delegated authority are processed at the agency level. Therefore, requisitions, purchase orders or other documentation should be retained by the agency and not forwarded to the Purchasing Division.

**Agency personnel are always encouraged to use West Virginia vendors for delegated purchases.** Utilizing our resident vendors helps to strengthen our overall state economy. Refer to Vendor Registration requirements in Section 5 for more information.

Commodities and services that are expected to cost \$2,500 or less require **no bids**; however, competition is always encouraged.

For purchases \$2,500.01 to \$5,000, three (3) **verbal** bids are required, where possible, and the lowest bid meeting specifications must be awarded the purchase order/contract. All bids should be documented on a **Verbal Bid Quotation Summary (WV-49)**. A "no bid" is not considered a bid.

Purchases \$5,000.01 to \$25,000 require three (3) **written** bids, where possible, and the lowest bid meeting specifications must be awarded the purchase order/contract. Agencies should use the **Request for Quotation (WV-43)** to document those vendors solicited and their responses. Signed fax or electronic bids are acceptable. A vendor choosing to submit a bid or a written change to a bid by electronic transmission accepts full responsibility for transmission and receipt of the bid or written change to a bid. The state accepts no

responsibility for the unsuccessful and/or incomplete transmission of bids by electronic transmission.

A “no bid” is not considered a bid. All efforts to obtain bids must be documented and maintained in the file.

For technical purchases, please refer to Section 4.6.1.4.

For more information on agency delegated purchasing authority, see Section 6.

**3.3 Formal Acquisitions (Over \$25,000):** The Purchasing Division of the Department of Administration is responsible for acquiring all commodities and services on behalf of the state. Agencies under the executive branch of state government are required to process purchases estimated to exceed \$25,000 through the Purchasing Division, unless statutorily exempt.

The Purchasing Division has the authority to make, amend or repeal guidelines set forth to comply with the established Code. The Purchasing Director may make specific exemptions to these guidelines if particular purchases are determined to be in the best interest of the State of West Virginia.

In addition, the Purchasing Division has the responsibility for the standardization of commodities and services purchased, and may adopt standard specifications to apply in all purchases of a particular commodity or service.

**4.6 Define Sources:** In the planning process, it is mandatory that agencies review all internal sources and mandatory resources as detailed below.

#### **4.6.1 Internal Sources, Considerations and Approvals**

**4.6.1.1 Surplus Property:** The West Virginia State Agency for Surplus Property operates a state and federal surplus property program.

The State Property Program consists of property no longer needed within state government agencies which is made available to eligible public and nonprofit organizations. The property may also be made available to the general public through competitive public auctions and sealed bids.

In addition to the state Property Program, a federal Property Program is administered. The program serves all eligible organizations and acts as a clearinghouse by offering new and used equipment at reduced costs for acquisition.

In addition to the availability of surplus property, another function of this program is to approve the disposal of property no longer needed by the agencies, including trade-ins against the purchase of new property.

Agencies do not have authority to dispose of any property regardless of value without written approval from the West Virginia State Agency for Surplus Property. All methods of property disposal **must** be coordinated through Surplus Property.

State agencies are encouraged to refer to the West Virginia Surplus Property Program Reference Manual (see **Appendix H**) or visit its website at [www.state.wv.us/admin/purchase/surplus](http://www.state.wv.us/admin/purchase/surplus).

Any questions concerning the disposal or sale of state surplus property should be directed to the West Virginia State Agency for Surplus Property at the address below:

**West Virginia State Agency for Surplus Property  
2700 Charles Avenue  
Dunbar, West Virginia 25064**

**(304) 766-2626  
1-800-576-7587**

**4.6.1.2 Commodities and Services Provided by Correctional Industries:** In accordance with *West Virginia Code* §25-7-5, all offices, departments, institutions and agencies of the state which are supported in whole or in part by this state shall purchase, and all political subdivisions of this state may purchase, all articles or products which they require from the commissioner, if those articles or products are produced or manufactured by correctional industries, as provided by article 7 of Chapter 25 of the West Virginia Code. No state office, department, institution or agency may purchase an article or product which correctional industries produces from any other source, unless specifically excepted from the provisions of §25-7-5 pursuant to §25-7-6.

These commodities and services must meet certain quality and price standards which are comparable to open-market sources. Use of Correctional Industries does not require bidding.

In accordance with *West Virginia Code* §25-7-6, exceptions from the mandatory purchase provisions of §25-7-5 may be granted when a correctional industries article or product does not meet the reasonable requirements of the requesting state office, department, institution or agency, or when the requisition cannot be fulfilled because of insufficient supply or other reason. No state office, department, institution or agency may evade the requirements of §25-7-5, or of §25-7-6, by making insubstantial variations from the characteristics of correctional industries products or articles.



Correctional Industries offers a wide variety of products and services to state agencies. In addition to being the preferred contractor for wooden furniture, it also provides other types of furniture, Braille, welding, engraved signs, mattresses, custom signs, tags, janitorial supplies, linens, seating, detergents, inmate clothing, upholstery and decals. Correctional Industries is the sole source supplier for all printing and quick copy services.

For specific information on available commodities and services, contact Correctional Industries at (304) 558-6054 or visit <http://www.wvcorrectionalindustries.com/>.

**4.6.1.3 Commodities and Services Provided by Sheltered Workshops:** All state agencies are required by *West Virginia Code* §5A-3-10, to purchase commodities and services from sheltered workshops whenever such commodities and services are available and meet certain quality and price standards which are comparable to open-market sources. Use of sheltered workshops does not require bidding for commodities and services included in the WVARF statewide contract. Commodities and services not included in the WVARF statewide contract require competitive bidding.

If the West Virginia Association of Rehabilitation Facilities is unable to provide the requested commodities and services, a written notice will be provided by WVARF advising the agency that their request is unable to be met at that time and competition may be sought in accordance with the state purchasing procedures. For specific information on the sheltered workshops or the available commodities and services, contact WVARF at (304) 766-4894, or visit [www.state.wv.us/admin/purchase/swc](http://www.state.wv.us/admin/purchase/swc).

**4.6.1.4 Technology:** The *West Virginia Code* §5A-6-4 (3) requires that the Chief Technology Office (CTO), in conjunction with the Information Services & Communications Division (IS&C) of the Department of Administration, review and approve all data processing procurements for state agencies.

All infrastructure purchases, regardless of dollar value, require CTO approval. All state entities, with the exception of Constitutional Officers, Higher Education and K-12, shall request approval for, at a minimum, but not limited to, the purchase of servers, storage device, routers, hubs, switches, firewalls, video conferencing and telephone equipment, including PBX system. The applicable infrastructure purchases also include infrastructure software of all types, whether it is e-mail applications, anti-virus software or any other interoperability application.

Different than infrastructure purchases in the previous paragraph, state agencies may procure computer application software and other non-infrastructure software, as well as IT consulting services with an estimated value of less than \$10,000 without CTO approval, but must provide copies of

agency purchase orders to the CTO. All purchases of computer hardware, software and consulting services in excess of \$10,000 must have prior approval of the CTO before it can be processed. Such proposed purchases must be submitted to the Office of Technology for review and evaluation, and the results will be forwarded to the CTO for final approval.

The agency must obtain approval from the CTO prior to submitting purchasing transactions to the Purchasing Division.

**4.6.1.5 Other Considerations:** Depending upon the commodity, there are certain requirements to consider when preparing specifications.

If the contract requires a craft identified in the prevailing wage scale, a provision requiring payment of the prevailing wage rates should become a part of the specification. Other considerations should include the contractor's license, certificate of insurance, and Workers' Compensation, unemployment compensation and bonds. (See Sections 6.2.3 and 7.2.19 for additional information.)

**Recycled Products:** In accordance with *West Virginia Code* §22-15A-21, all agencies and instrumentalities are encouraged, to the maximum extent possible, to purchase recycled products.

Recycled paper products shall be given a price preference of ten percent, provided, however, that priority shall be given to paper products with the highest post-consumer content. Agencies should remove any language in the specifications that discriminate against recycled products. The use of disposable and single-use products should be eliminated, to the maximum extent possible. Compost in all land maintenance and landscaping activities are to be used by state agencies and the use of composted or deep stacked poultry litter products, certified by the Commissioner of Agriculture as being free from organisms that are not found in poultry litter produced in this state, have priority unless determined to be economically unfeasible by the agency.

**Required Attachments:** A *Purchasing Affidavit* is a required attachment on written Request for Quotations (RFQ) for all purchases exceeding \$5,000. In addition, the *Resident Vendor Preference Certificate* is attached to all RFQ's with the exception of construction projects (See Appendix B).

#### **4.6.2 Mandatory Contracts**

**4.6.2.1 Statewide Contracts:** *West Virginia Code* §5A-3-5, authorizes the Purchasing Director to promulgate and adopt standard specifications based on scientific and technical data for appropriate commodities and services, which establishes the quality to which such commodities and services to be purchased and services to be contracted for by the state must conform. These

standard specifications are used to establish statewide contracts for commodities that are needed on a repetitive basis and are established for the benefit of state spending units. (See Appendix E).

No agency may be exempt from using statewide contracts without prior written approval from the Purchasing Director. When such prior written approval is obtained, it must be retained with the purchase order file for each transaction to which the approval applies.

The commodities and services available on statewide contracts are to be used for official purposes only and are not available for employees of a spending unit for their personal use.

**Use of the State Purchasing Card shall not to be used as a payment method to circumvent purchases from established contracts.**

**4.6.2.2 Agency Open-End Contracts (Over \$25,000):** Upon request by the state agency, the Purchasing Division establishes agency open-end contracts through competitive bid for commodities and services needed on a repetitive basis. Once established, the agency is required to use this contract.

**Piggybacking on agency open-end contracts may be permitted upon written approval of the Purchasing Director.**

**4.6.2.3 Agency Delegated Contracts (\$25,000 or Less):** The agency is required to use its established contracts through the life of the contract. Piggybacking on agency delegated open-end contracts is discouraged as it may exceed \$25,000.

**4.7.1.8 Sole Source Procurement:** In a sole source situation, competition is not available. The commodity or service is only available from one (1) source.

Regardless of the dollar amount, written justification is required with the following criteria to be used by the Purchasing Division to determine validity of the request:

- (a) The item cannot be obtained through ordinary purchasing procedures;
- (b) The item is unique and not available from any other source; or
- (c) The item is available from a State spending unit or other institution with preference under the West Virginia Code, provided the price, availability, and quality are comparable to those in the open market.

Agencies are encouraged to solicit competition rather than process a sole source request. The Purchasing Director has authority to reject sole source requests whenever competition is believed to be available.

**4.7.1.8.1 Sole Source Procurements – \$25,000 or Less:** If an item is unique and possesses specific characteristics that are available from only one (1) source, an **Agency Purchase Order (WV-88 or TEAM-generated Purchase Order)** must be completed.

A written, signed quotation from the sole source vendor and written justification from the state agency for purchases over \$2,500 must be obtained. Signed fax or electronic quotations are acceptable. A specific description, terms, FOB point of shipment and price must be included in the signed quotation. *(A quotation may also be accepted on the vendor's letterhead).*

The spending unit must maintain written documentation at their location certifying that no other sources are available and that the spending unit exhausted all attempts to secure competition.

**4.7.1.8.2 Sole Source Procurements – More than \$25,000:** Whenever an item is unique and possesses specific characteristics that the agency views as being available from only one (1) source, the agency is to submit a **Purchase Requisition**, marked as "Direct Purchase," with a general description of the commodity and service, along with the vendor's quote, **Purchasing Affidavit**, and **Non-Conflict of Interest Certification**. The agency should also submit an electronic copy of the language for the sole source determination advertisement (See **Appendix N**). The Purchasing Division will advertise the potential sole source purchase in the **West Virginia Purchasing Bulletin** to ensure no other vendor may provide this commodity or service.

The spending unit must provide written documentation to the Purchasing Director certifying that no other sources are available and that the spending unit exhausted all attempts to secure competition.

Should no vendor respond to the sole source advertisement, the agency's **Purchase Requisition** will be processed as a sole source purchase. A signed bid quotation from the sole source vendor must also be submitted with the completed **Purchase Requisition (WV-35)**. A specific description, terms, FOB shipping point, and price must be included in the signed quotation. *(The quotation may be on the vendor's letterhead).*

Sole Source purchases require a completed WVFIMS agency coversheet; an original signed vendor quotation; a signed letter of

justification from the agency and, if the vendor offers alternate terms and conditions, an **Agreement Addendum (WV-96)**.

If a vendor(s) does respond, indicating they can provide the commodity or services advertised, the sole source **Purchase Requisition** will be canceled and the agency must resubmit a new **Purchase Requisition**, with detailed specifications. The Purchasing Division will process this requisition competitively and advertise in the **West Virginia Purchasing Bulletin** accordingly. Backdating transactions resulting from sole source determination or any other documents may not be honored.

## **SECTION 6: AGENCY DELEGATED ACQUISITION PROCEDURES**

### **6.0 AGENCY DELEGATED ACQUISITION PROCEDURES:**

This section will address purchases of \$25,000 or less which are processed by state spending units.

**6.1 Definition of Authority:** In accordance with the Legislative Rules and Regulations, state agencies may make purchases in the amount of \$25,000 or less of certain commodities and services.

The \$25,000 limit shall be determined based on any of the following conditions:

1. A one-time payment of \$25,000 or less made within a twelve (12) month period.
2. Monthly payments of \$2,083.33 or less for twelve (12) consecutive months.
3. Periodic payments made in any dollar amount as long as the total amount is \$25,000 or less in a twelve (12) month period.

The twelve (12) month period begins with the effective date of the contract. Purchase orders and/or contracts which are renewed or extended for a period of one (1) year and meet one (1) of the above conditions shall also be considered as having met the \$25,000 limitation requirement.

State agencies are encouraged to use the State Purchasing Card as a payment method for these purchases, in accordance with State Purchasing Card guidelines.

It is expected that procurements made under delegated authority will mirror, to the greatest extent possible, formal procurement procedures. It is further expected that the forms used in the bidding process will be the most recent version approved by the Purchasing Division, which are available on the Purchasing Division's Internet and intranet sites.

Issuing a series of requisitions or purchase orders to circumvent competitive bidding or to defeat the State Purchasing Card transaction or delegated purchasing limit, commonly referred to as "stringing," is prohibited by law. The Purchasing Director has the authority to suspend or reduce purchasing authority for any spending unit that fails to report multiple contract awards that are deemed by the Director to circumvent the \$25,000 threshold within a twelve (12) month period. In the event of suspension or reduction of purchasing authority, the Director shall prescribe revised procedures and limits which may require all spending unit purchases, regardless of amount, be made by the Purchasing Division.

Most state agencies have a procurement officer who is responsible and knowledgeable in state purchasing guidelines as well as their own agency procedures. It is important to note that questions from agency personnel relating to purchasing issues should be directed **first** to the respective agency procurement officer rather than directly to the Purchasing Division. If the agency procurement officer needs assistance, they are encouraged to contact the appropriate state buyer in the Acquisition and Contract Administration Section of the Purchasing Division for assistance in preparing specifications. (See **Appendix C**).

Amounts spent with vendors are viewed comprehensively. State agencies should continuously monitor their expenditures with vendors to ensure that the total amount spent with a given vendor, in a year's time, does not exceed a bid threshold without the proper level of documentation and bidding.

**Agency personnel are encouraged to use West Virginia vendors for delegated purchases, when possible, while maintaining compliance with state purchasing guidelines.** A resident vendor preference is required for agency delegated purchases. For more details regarding this preference, please see **Section 7.3**.

**6.1.1 Purchases \$2,500 and Less:** Competitive bids are not required, but are encouraged when possible.

Prior to seeking competitive bids, agencies must first check the following mandatory contracts or internal resources: statewide contract or agency open-end contract existing for the commodity or service, Surplus Property, Correctional Industries and the West Virginia Association of Rehabilitation Facilities. If the product/service is available from one of these sources but that source is not able to supply the product/service, a waiver must be obtained and retained with the purchase order file for each transaction to which the waiver applies.

**6.1.2 Purchases \$2,500.01 to \$5,000:** A minimum of three (3) verbal bids are required, *when possible*, and must be present in the file.

Bids shall be documented and recorded for public record. (See **Appendix B for Verbal Bid Quotation Summary** form, **WV-49**). An **Agency Purchase Order, WV-88**, or **TEAM-generated Purchase Order** is required for purchases exceeding \$2,500. Awards are to be made only to vendors who are properly registered with the Purchasing Division. Signed fax

bids or electronic bids are acceptable. Screen prints from Internet sites are not acceptable as a valid bid.

Prior to seeking competitive bids, agencies must first check the following mandatory contracts or internal resources: statewide contract or agency open-end contract existing for the commodity or service, Surplus Property, Correctional Industries and the West Virginia Association of Rehabilitation Facilities.

**6.1.3 Purchases \$5,000.01 to \$25,000:** A minimum of three (3) **written** bids are required, *when possible*, and the lowest bid meeting specifications must be awarded the purchase order/contract. All bids must be present in the file.

A **Request for Quotations form, WV-43, or TEAM-generated RFQ (See Appendix A)** should be used for documenting and making these requests. In all cases, state agencies must attempt to obtain at least three (3) written bids for a product or service. A "no bid" is not considered a bid. The date and time of the bid opening shall be published on the Request for Quotation. An **Agency Purchase Order or TEAM-generated Purchase Order** is required. Signed fax bids or electronic bids are acceptable. Screen prints from Internet sites are not acceptable as a valid bid.

A vendor choosing to submit a bid or a written change to a bid by electronic transmission accepts full responsibility for transmission and receipt of the bid or written change to a bid. The state accepts no responsibility for the unsuccessful and/or incomplete transmission of bids by electronic transmission.

Prior to seeking competitive bids, agencies must first check the following mandatory contracts or internal resources: statewide contract or agency open-end contract existing for the commodity or service, Surplus Property, Correctional Industries and the West Virginia Association of Rehabilitation Facilities.

**6.2 The Bid Process:** The agency delegated purchasing process requires certain steps to be taken to complete the purchasing cycle after the acquisition planning process. These steps are explained below:

**6.2.1 Solicitation of Bids:** In order to achieve the goal of competitive bidding, a minimum of three (3) bids is required, when possible. For agency delegated purchasing (procurements \$25,000 or less), care must be taken to solicit vendors capable of providing the necessary products or services. For procedures relating to technology purchases, visit **Section 4: Acquisition Planning, 4.6.1.4 Technology.**

**Agency personnel are encouraged to use West Virginia vendors for delegated purchases.**

**6.2.1.1 Requests for Quotations:** The Request for Quotation (RFQ) should be used to acquire all tangible property (i.e., equipment, supplies, etc.). The

RFQ is required for all purchases between \$5,000.01 and \$25,000. Exceptions to this requirement may be granted by the Purchasing Director.

An RFQ consists of:

- (1) a detailed description of, or specification for, the item(s) being purchased;
- (2) delivery date, if required;
- (3) bid price per unit of the item(s);
- (4) any applicable maintenance; and
- (5) quantities of all items.

Each item should be identified by a model number or some other specific identification. Prices cannot be altered after bids are opened. The RFQ should have a date and time for the bid opening, after which bids will no longer be accepted. All bids should be stamped with the date and time of receipt.

**6.3 Receiving Procedures:** In accordance with the West Virginia State Auditor's receiving report requirements (§155-1-4), materials must be opened and inspected within 24 hours of receipt, otherwise the state agency may be subject to difficulty in obtaining an adjustment. Agencies must verify the shipment against the specifications in the purchase order and retain a copy of the receiving report prepared for the Auditor's office with the purchasing file. For receipt of services, a receiving report similar in form to that required by the Auditor's office shall be completed, signed and retained with the purchasing file.

**6.3.2 Proper Receiving Techniques:** Any person receiving commodities is responsible for performing all of the inspection steps described below.

#### Receipt of Commodities and Services

The state agency shall check the shipment to determine if commodities are in conformance with the purchase order or contract and verify the following:

##### **Commodities:**

The make, model number, brand name and general description of the item(s) delivered match the specifications on the purchase order.

The quantity received agrees with the purchase order quantity, packing list and bill of lading. An actual count is necessary to assure receipt of all items.

##### **Services:**



Labor services must match the frequency (*daily, weekly, monthly, etc.*) and duration (*number of hours, days, etc.*) described in the purchase order or contract (*janitorial, security, etc.*).

Service contracts that require the vendor to provide consultant reports, audit reports, statistics or recommendations must be as specified in the purchase order or contract.

Service contracts that require the vendor to perform a particular service, such as elevator maintenance or carpet cleaning, must have all tasks completed as described in the purchase order or contract.

**6.4 Payment Process:** To promote good public relations and to avoid interest on late payments, state agencies should establish internal procedures to expedite payment of vendor's invoices. Please refer to the Payment Processing Guide issued by the State Auditor's Office (304-558-2261) for all questions regarding invoice processing.

**6.4.1 State Purchasing Card:** When possible, the spending unit is encouraged to use the State Purchasing Card. The use of the State Purchasing Card, however, is not justification to avoid utilizing statewide or agency contracts, but is simply a method of payment.

Agencies must use statewide contracts, unless specifically exempt by the Purchasing Director. For additional information, please refer to the State Auditor's Office Purchasing Card Program Procedures.

### **8.3 Data Processing Equipment or Software**

The *West Virginia Code* §5A-6-4 (3), requires that the Chief Technology Office (CTO), in conjunction with the Information Services & Communications Division (IS&C) of the Department of Administration, review and approve all data processing procurements for state agencies.

All infrastructure purposes, regardless of dollar value, require CTO approval. All state entities, with the exception of Constitutional Officers, Higher Education and K-12, shall request approval for, at a minimum, but not limited to, the purchase of servers, storage devices, routers, hubs, switches, firewalls, video conferencing and telephone equipment, including PBX system. The applicable infrastructure purchases also include infrastructure software of all types, whether it is e-mail applications, anti-virus software or any other interoperability application.

State agencies may procure computer application software and other non-infrastructure software, as well as IT consulting services with an estimated value of less than \$10,000 without CTO approval, but must provide copies of agency purchase orders to the CTO. All purchases of computer hardware, software and consulting services in excess of \$10,000 must have prior approval of the CTO before it can be processed. Such proposed purchases

must be submitted to the Office of Technology for review and evaluation, and the results will be forwarded to the CTO for final approval.

**8.5 Direct Purchase:** A direct purchase is a transaction in which a purchase is made for a commodity or service that is unique and possesses specific characteristics that are available from only one (1) known source.

To assure that there is no competition for such commodities or services, the Purchasing Division, upon a request from an agency for a sole source purchase, will advertise the potential sole source acquisition in the *West Virginia Purchasing Bulletin*. If a vendor acknowledges that they may fulfill the solicitation, the Purchasing Division may pursue competitively bidding out the solicitation and will notify the requesting agency of this action.

If no vendor states that it can provide the commodity or service, the Purchasing Division will notify the agency.

Written justification must be provided with the *Purchase Requisition*. The following criteria will be used by the Purchasing Division to determine validity of the request:

- A. Requested vendor is the only known source; or
- B. The items are of a unique or special nature; and
- C. The request is not an attempt to circumvent the normal bidding procedures.

Quotations from the sole source vendor must also be submitted with the completed *Purchase Requisition* and agency justification. Signed fax bids are permitted. A specific description, terms, FOB shipping point and price must be included in the signed quotation. *(The quotation may be on the vendor's letterhead).*

**8.10 Printing and Printing Equipment:** All printing and binding services must be performed by Correctional Industries or a letter of refusal must be attached to the *Purchase Requisition* (over \$25,000), or maintained with agency invoice or purchase order file (\$25,000 or less).

## SECTION 9: EXEMPT PURCHASES

In accordance with *West Virginia Code* §5A-3-10 and the *West Virginia Code of State Rules* §148-1-4, the Director has determined that it is not possible to obtain certain commodities and services through the competitive bidding process. The Director has identified those items that cannot be competitively bid in the Non-Competitive/Exempt List of Commodities and Services (hereinafter "Exempt List") shown below.

Purchasing Division approval is not required for these Exempt List procurements, unless specifically noted. Vendor registration and all other requirements for the dollar amount of the

purchase are mandatory for contracts for these commodities and services; however, the annual vendor registration fee is waived.

Except as outlined in the preceding paragraph, spending units purchasing from vendors under the Exempt List must continue to observe the standard purchasing procedure associated with a normal (non-Exempt List) purchase of the same dollar amount. For example, the use of a purchase order is required on all purchases over \$2,500. Similarly, spending units must continue to submit contracts to the Attorney General's office for approval, as to form.

Vendors providing commodities and services under the Exempt List must complete the necessary vendor registration forms, but the vendor registration fee is waived if the vendor only provides commodities or services to the spending unit under the Exempt List.

The following items comprise the non-competitive/exempt list of commodities and services that may be purchased directly by spending units without advertisement or bid.

1. **Advertising:** This exemption includes any advertisement placed directly with newspapers, trade magazines, internet publications, etc. This exemption does not include radio, broadcast television, cable television, etc. and does not include any indirect placement, promotional items, advertising consultant services, broadcast of Lottery prize drawings, etc. This exemption does include statewide radio advertising purchased directly from the broadcaster.
2. **Attorneys and Law Firms:** This exemption includes attorneys, law firms, temporary hearing examiners, administrative law judges and court reporters for any agency. The term of a contract made pursuant to this exemption for temporary hearing examiners, administrative law judges or court reporters shall not exceed one year. The selection of attorneys and law firms must be pre-approved by the West Virginia Attorney General's Office. Such pre-approval is not required for hearing examiners, administrative law judges or court reporters; however, approval "as to form" by the Attorney General's Office is required for hearing examiners and administrative law judges. The selection of bond counsel is exempt.
3. **Contracts Between Governmental Agencies:** This exemption includes any contract between a state agency and any other governmental agency (state, local, federal) where no competition is available and the other governmental agency directly or indirectly provides the service. Examples include water line projects with local communities and environmental studies with federal agencies. This exemption does not include piggybacking existing contracts or any contracts with research corporations.
4. **Hospitality:** This exemption includes food, beverages, facility rental, entertainment and other expenses **relating to conducting state business**. A Request for Hospitality Form TMO 3.0, signed by the agency head or designee, must accompany the invoice regardless of the amount. The Purchasing Division does not need to approve TMO.3
5. **Postage:** This exemption includes stamps, metering, overnight services (i.e., Federal Express, Airborne, UPS, etc.), but this does not include postage available from statewide contracts.
6. **Medical Fees:** Included in this exemption are fees for medical services (behavioral and physical) from individual doctors, dentists, clinics, hospitals, laboratory testing facilities, audiologists, county medical examiners, physical and occupational therapists, behavioral

counseling and evaluations, etc. for individual patients, inmates, students and clients where the state is responsible for payment for this one-time service. This exemption also includes programs designed for indigent patient care on an individual basis provided that the program is open to all service providers. Also, included in this exemption is body transportation for corpses and indigent burial expenses and sole source medical and psychological consultants for the purpose of determining Federal Social Security Administration Disability by the Disability Determination Services of the WV Division of Rehabilitation Services. This exemption does not include inmate health care management, hospital management, consulting services or agreements to provide services for groups of patients, inmates, students or clients, etc. for state agencies.

7. **Shipping Charges and Freight:** This exemption applies only to shipping charges and freight for items shipped or received that are not included in a contract or purchase order.
8. **System Maintenance:** This exemption applies to maintenance on all non-competitive proprietary software or bundled hardware/software system maintenance. This exemption does not include the purchase of new software, and does not apply to hardware or software maintenance, where multiple vendors are authorized by the manufacturer to provide service without voiding system warranties. The Office of Technology must pre-approve any purchase under this exemption.
9. **Subscriptions and publications:** This exemption includes newspapers, textbooks and publications – electronic and hard copy – purchased directly from the publisher.
10. **Utilities (Regulated Services by the Public Service Commission):** This exemption includes natural gas, water, sewage, electric, telephone, garbage, cable television service, connection fees, trash hauling and dumpster rental [if only one PSC approved hauler is in the area]. An **Agency Purchase Order (WV-88 or TEAM generated purchase order) or Agreement, WV-48**, is required for cable service and trash hauling in excess of \$2,500 per year. This exemption does not include propane gas and coal, both of which must be competitively bid.

## **APPENDIX B: PURCHASING FORMS**

Download the following forms from the Vendor Resource Center (VRC) on the Purchasing Division's Internet site at <http://www.state.wv.us/admin/purchase/vrc/pforms.htm>:

- Vendor Registration and Disclosure Statement
- Agreement Addendum
- Purchasing Affidavit
- Resident Vendor Preference Certificate
- Employment History Disclosure Statement
- Bond Forms

State employees can search and download a variety of forms on the West Virginia State Employees Intranet. For a direct link, access <http://intranet.state.wv.us/admin/purchase>.

## **APPENDIX D: LEGISLATIVE RULES AND REGULATIONS**

[Click Here](#) for the Purchasing Legislative Rules and Regulations.

For a direct link, access <http://www.state.wv.us/admin/purchase/rules.html>.

## **APPENDIX E: STATEWIDE CONTRACT LISTING**

[Click Here](#) for the current statewide contract listing.

For a direct link, access <http://www.state.wv.us/admin/purchase/swc/>.

## **APPENDIX N: SOLE SOURCE DETERMINATION**

[Click here](#) for the Sole Source Determination template. For a direct link, access <http://www.state.wv.us/admin/purchase/handbook/2007R14/ssdform.doc>

## WVFIMS Administrative Policy Statement Number 35

**SUBJECT:** PURCHASING CARD PURCHASES AND IRS FORM 1099 REPORTING

**DATE:** REVISED AND REISSUED SEPTEMBER 19, 2011

**PURPOSE:** To establish procedures for certain purchases where the form of payment is the State Purchasing Card

**PROCEDURE:**

The purpose of the following policy is to provide guidance for the use of the State of West Virginia Purchasing Card (PCard) and IRS Form 1099 reporting for certain transactions types. All other existing PCard rules and regulations will remain in effect.

As the result of changes to Internal Revenue Code Sections 6041 and others in this series, the majority of transactions, both goods and services, will be exempt from IRS Form 1099 reporting. These rules do not affect transactions where payment is made by some other method, such as cash, check, or a variety of electronic means.

### Calendar Year 2011 and Thereafter:

For calendar year 2011 and thereafter, the PCard can be used as the form of payment for the majority of transactions, both goods and services, regardless of the vendor's business designation code, with the following general exceptions:

Dividends, Interest, Royalties, Energy and Agricultural Grants, Trust and Annuity Payments;  
Real Estate purchases, Right of Way payments, Settlement payments;  
Payments of legal fees for Assignments or that include Settlement payments;  
Medical payments made by agreement for State Police Troopers injured in the line of duty; and,  
Medical payments for maternity, breast, or cervical related services made by the Department of Health and Human Resources or the Division of Rehabilitation.

For further information concerning specific transactions, please contact the following individual for clarification:

Joan Chapman  
Department of Administration  
Finance Division  
Financial Accounting & Reporting Section  
2101 Washington Street East  
Building 17, 2<sup>nd</sup> FL  
Charleston, WV 25305  
Phone: (304) 558-4587  
Fax: (304) 558-9173

Email: [Joan.E.Chapman@wv.gov](mailto:Joan.E.Chapman@wv.gov)



ATTACHMENT B

State of West Virginia  
Purchasing Division

Page 1 of \_\_\_ Pages

**RELEASE ORDER**

Release #	Req. Date	Buyer	PURCHASING DIVISION'S USE ONLY
WV FIMS Account #			
Agency Invoice To		TEAM Code	
Ship To		TEAM Code	
Vendor Name & Address			
WV FIMS Vendor #	TEAM Vendor #		
ERC #	Terms	FOE	

Item No.	Quantity	Description	Unit Price	Amount
Statewide or Agency Blanket Purchase Order Number				

Authorized Signature \_\_\_\_\_

Total Amount: \_\_\_\_\_

Title \_\_\_\_\_

Telephone \_\_\_\_\_

Original: Vendor  
Copy: Auditor's Office  
Copy: Purchasing Division



ATTACHMENT C

TWO 3 Form - Rev. 06/2011

Agency Ref # \_\_\_\_\_

**STATE OF WEST VIRGINIA**  
DEPARTMENT OF ADMINISTRATION  
TRAVEL MANAGEMENT OFFICE  
REQUEST FOR HOSPITALITY SERVICE

SPENDING UNIT NAME/ORG # \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

FUNCTION SPONSOR \_\_\_\_\_

LOCATION OF FUNCTION \_\_\_\_\_

DATE(S) OF FUNCTION \_\_\_\_\_

**ESTIMATED EXPENSES**

FOOD AND BEVERAGE	\$ _____
MEETING ROOM	\$ _____
EQUIPMENT RENTAL	\$ _____
LODGING	\$ _____
OTHER:	\$ _____
OTHER:	\$ _____
<b>TOTAL</b>	\$ _____

**PURPOSE/JUSTIFICATION OF FUNCTION:**

**FUNCTION ATTENDEES** (Must list individual names unless for a group of 20 or more. A list of attendees for groups of 20 or more must accompany the form):

**AGENCY AUTHORIZATION FOR THE ABOVE FUNCTION**

By \_\_\_\_\_  
FUNCTION REPRESENTATIVE'S SIGNATURE DATE

By: \_\_\_\_\_  
AGENCY HEAD / DESIGNEE SIGNATURE DATE



ATTACHMENT E



AFFIDAVIT OF UNAUTHORIZED USE

(Please return this Affidavit only if you are reporting unauthorized charges appearing on your statement.)

State of \_\_\_\_\_ County of \_\_\_\_\_

I, \_\_\_\_\_ the undersigned, being duly sworn and under oath, do hereby state and declare as follows:

1. This affidavit concerns Citibank Mastercard Visa Account Number \_\_\_\_\_

2. My business address is \_\_\_\_\_, in the City of \_\_\_\_\_

and the State of \_\_\_\_\_, Zip Code \_\_\_\_\_, Social Security Number \_\_\_\_\_

Business Phone # (\_\_\_\_) \_\_\_\_\_

3. I HAVE INDICATED ON MY BILLING STATEMENT(S) THOSE TRANSACTIONS THAT ARE FRAUDULENT AND INCLUDED IT WITH THIS AFFIDAVIT.

4. Neither I, nor anyone authorized by me, nor anyone with my knowledge or consent received or expect to receive any benefit or value as a result of this transaction(s).

5. My account number was used in an unauthorized fashion. (Please describe) \_\_\_\_\_

a. Lost/Stolen Date: \_\_\_\_\_ Location: \_\_\_\_\_ If Stolen Police Report Filed?  Yes  No  
If Yes: City \_\_\_\_\_ Precinct \_\_\_\_\_ Case # \_\_\_\_\_

b. Never received.

c. All card(s) were in my possession at the time of the fraudulent use.

Other Circumstances: \_\_\_\_\_

6. I have reason to believe the following individual(s) utilized or had access to my account number without my authorization.

Name(s) \_\_\_\_\_

Address(es) Street \_\_\_\_\_ Phone # (\_\_\_\_) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Reason: \_\_\_\_\_

7. The signatures set forth below are the signatures of ALL AUTHORIZED USERS on this account (continue additional authorized users signatures on the back):

PRINT NAME

SIGNATURE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. I understand that Bankcard Security investigates alleged fraudulent or unauthorized credit card usage and may refer the same to the appropriate law enforcement agency. I agree to cooperate in the prosecution of individuals charged with fraudulent or unauthorized credit card usage.

Cardholder Signature

Subscribed to and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_

Month Year

(Stamp or Seal)

My Commission expires: \_\_\_\_\_ Notary Public

A FALSE DECLARATION TO A FEDERALLY INSURED FINANCIAL INSTITUTION MAY BE A VIOLATION OF FEDERAL AND/OR STATE LAW

Fax or mail this document and the billing statement(s), which clearly indicate disputed transactions to Citibank:

Fax: 605-330-6801

Mail: Citibank USA, N.A.  
Security Services  
P.O. Box 6125  
Sioux Falls, SD 57117

Note: Notary services are typically available at local Banks or Government Offices

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ATTACHMENT F



CITIBANK<sup>®</sup> GOVERNMENT CARDHOLDER DISPUTE FORM

INQUIRER'S NAME: (1) \_\_\_\_\_ DATE: (2) \_\_\_\_\_  
 CARDHOLDER'S NAME: (3) \_\_\_\_\_  
 ACCOUNT NUMBER: (4) \_\_\_\_\_

CARDHOLDER: PLEASE PROVIDE A COPY OF ANY INFORMATION/FORMS REQUESTED BELOW ALONG WITH THE STATEMENT THE DISPUTED CHARGE APPEARS ON. PLEASE FAX TO 605-367-2019 or MAIL TO Citibank<sup>®</sup> Government Services, P.O. Box 6125, Sioux Falls, SD 57117-6125. This form must be filled out completely and forwarded to Citibank and the appropriate Agency officials (as determined by your internal procedures) within 60 calendar days of receipt of your invoice.

TRANSACTION DATE: (5) \_\_\_\_\_ DOLLAR AMOUNT OF CHARGE: \$ (6) \_\_\_\_\_ MERCHANT: (7) \_\_\_\_\_

CARDHOLDER SIGNATURE: (8) \_\_\_\_\_

Please read carefully each of the following descriptions and check the one most appropriate to your particular dispute. Card program regulations require that you provide additional statements to document specific items, where indicated below. If you have any questions, please contact us at 1-800-790-7206 (overseas call collect at 904-954-7850). We will be more than happy to advise you in this matter.

- **UNAUTHORIZED TRANSACTION** (9)  
 I have not authorized this charge to my account.
- **MULTIPLE PROCESSING - THE DATE OF THE FIRST TRANSACTION WAS \_\_\_\_\_**  
 The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.
- **MERCHANDISE NOT RECEIVED IN THE AMOUNT OF \$ \_\_\_\_\_**  
 Please enclose a separate statement detailing the merchant contact, and the expected date to receive merchandise.  
 My account has been charged for the above transaction, but I have not received the merchandise. I have contacted the merchant, but the matter was not resolved.
- **CANCELED TRANSACTION**  
 My account has been charged for the above listed transaction. I have contacted this merchant on \_\_\_\_\_ (date) and canceled the order. I will refuse delivery should the merchandise still be received.
- **MERCHANDISE RETURNED IN THE AMOUNT OF \$ \_\_\_\_\_**  
 Please enclose a separate statement detailing the merchant contact, date of the contact and the merchant response.  
 My account has been charged for the above listed transaction, but the merchandise has since been returned. A copy of the postal or UPS receipt is enclosed.
- **CREDIT NOT RECEIVED**  
 I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed.
- **DIFFERENCE IN AMOUNT**  
 The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is \$ \_\_\_\_\_.
- **COPY REQUEST**  
 I recognize this charge, but need a copy of the sales draft for my records.
- **SERVICES NOT RECEIVED**  
 Please enclose a separate statement with the date of the merchant contact and response.  
 I have been billed for this transaction; however, the merchant was unable to provide the services.
- **PAID FOR BY ANOTHER MEANS**  
 Please enclose a separate statement with the date of the merchant contact and response.  
 My card number was used to secure this purchase; however, the final payment was made by check, cash, or another credit card. Enclosed is my receipt, canceled check (front and back), copy of credit card statement, or applicable documentation demonstrating that payment was made by other means.
- **NOT AS DESCRIBED**  
 The item(s) specified do not conform to what was agreed upon with the merchant. (The Cardholder must specify what goods, services, or things of value were received. The Cardholder must have attempted to return the merchandise and state so in his/her complaint.)

• **IF NONE OF THE ABOVE REASONS APPLY:**  
 Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper and sign and date your description statement.

Numbers in parentheses correspond to numbers on guide sheet on next page.

CB003 1/2 Final 12/12/02  
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§ 8-22-18a. West Virginia Municipal Pensions Oversight Board created; powers and duties; management; composition; terms; quorum; expenses; reports

~~-8-22-18a (a)(1) There is established, on the effective date of the enactment of this section during the fourth extraordinary session of the Legislature in 2009, T~~the West Virginia Municipal Pensions Oversight Board is hereby continued as a public body corporate for the purpose of monitoring and improving the performance of municipal policemen's and firemen's pension and relief funds to assure prudent administration, investment and management of the funds. Management of the oversight board shall be vested solely in the members of the oversight board. Duties of the oversight board shall include, but not be limited to, assisting municipal boards of trustees in performing their duties, assuring the funds' compliance with applicable laws, providing for actuarial studies, distributing tax revenues to the funds, initiating or joining legal actions on behalf of active or retired pension fund members or municipal boards of trustees to protect interests of the members in the funds, and taking other actions as may be reasonably necessary to provide for the security and fiscal integrity of the pension funds. The oversight board's authority to initiate legal action does not preempt the authority of municipalities; municipal policemen's and firemen's boards of trustees; or pension fund active members, beneficiaries or others to initiate legal action to protect interests in the funds. Further, the oversight board may, in its discretion, investigate the actions or practices of municipal boards of trustees or of their administrators or employees that, in the oversight board's judgment, have the potential to threaten the security or fiscal integrity of the pension funds and such boards of trustees, administrators and employees will cooperate with the oversight board in any such investigation. Regardless of whether it has previously conducted an investigation, the oversight board may initiate or intervene in legal actions to challenge or prevent any such action(s) or practice(s). ~~The oversight board is created as a public body corporate.~~ Establishment of the oversight board does not relieve the municipal funds' boards of trustees from their fiduciary and other duties to the funds, nor does it create any liability for the funds on the part of the state. The failure of the oversight board to investigate or initiate legal actions regarding the actions or practices of municipal boards of trustees, their administrators or employees does not render the oversight board liable for such actions or practices. Members and employees of the oversight board are not liable personally, either jointly or severally, for debts or obligations of the municipal pension and relief funds. Except as otherwise provided herein, mMembers and employees of the oversight board have a fiduciary duty toward the municipal pension and relief funds and are liable for malfeasance or gross negligence that constitutes a breach of such fiduciary duty and that has the reasonably foreseeable effect of depleting or impairing any such fund. Employees of the oversight board are ~~nonclassified-classified-exempt~~ state employees.

18-22-18c Notice of Legal Actions by Or Against Municipal Policemen's and Firemen's Pension Funds.

The plaintiff or petitioner in any legal action in which a municipal policemen's or firemen's pension fund (including any legal action naming the board of trustees of such a fund or its administrator(s) or employee(s)) is named as a party will serve a copy of the complaint or petition upon the oversight board by certified mail, return receipt requested, within seven (7) days of filing such legal action. Until proof of such service is filed with the clerk of the court in which the action was filed, and for 60 days after the filing of such proof of service, no order shall be entered by the court that directly or indirectly requires the expenditure or other disposition of pension funds or that determines the eligibility or entitlement of any member to any pension benefit(s) payable from such funds; provided, however, that the court may enter such temporary or interim orders as may be needed to preserve and protect the assets of such fund. In any such legal action the oversight board shall be entitled to intervene for the purpose of preserving the security or fiscal integrity of the pension funds.

**§8-22-19a. Refunds of member contributions.**

~~Any member of a paid police or fire department who is removed or discharged or who before retirement on any retirement pension or disability pension severs his connection with said department, whether or not consecutive, shall, upon request, be refunded all pension and relief fund deductions made from his salary or compensation, but without interest.~~ After January 1, 2010, any member of a paid police department or fire department who is removed or discharged or who before retirement on any retirement pension or disability pension severs his or her connection with said department, whether or not consecutive, shall upon request, be refunded all pension and relief fund deductions made from his salary or compensation, but without interest from the fund. The refund shall come from the accounts which originally received the member deductions. For municipalities that are using the conservation method of funding, the member contributions are to be refunded from both the municipal pension and relief fund and the city benefit account, in the exact percentages that were initially deposited to the respective accounts. Any member who receives such refund and such member subsequently wishes to reenter the department, such police officer or fire fighter shall not be allowed to reenter the department unless such police officer or fire fighter repays to the pension and relief fund all sums refunded to him in a lump sum at the date of reentry or by monthly payroll deductions within thirty-six months from the date he reenters the department with interest at the rate of eight percent per annum. In the event such refund is made prior to the first day of January, one thousand nine hundred eighty-one, and such member subsequently reenters the department such police officer or fire fighter shall be allowed membership in such pension and relief fund; however, no credit may be allowed such member for any former service, unless such member repays to the pension and relief fund all sums refunded to him within one year from the date he reenters the department with interest at the rate of eight percent per annum: *Provided*, That any member who, on or before June three, one thousand nine hundred fifty-five, reentered the paid police or fire department shall be allowed credit for any former service in the same department reentered if he, within one year from said June three, one thousand nine hundred fifty-five, repaid all sums withdrawn or refunded to him with interest at the rate of six percent per annum, but for such member who receives such refund prior to the first day of January, one thousand nine hundred eighty, interest may not be charged for more than three years. Any probationary member of a paid police or fire department who is not given an absolute appointment at the end of his probationary period shall, upon request, be refunded all pension and relief fund deductions made from his salary or compensation, but without interest. Any member contribution made in fiscal years beginning on the first day of July, one thousand nine hundred eighty-one and thereafter by any members of such fund, which is in excess of the percentages, required in section nineteen of this article of such member's salary or compensation as defined in section sixteen of this article shall be refunded with eight percent interest to such member upon completion of the calculation of his retirement benefit.

**§8-22-20. Actuary; actuarial valuation report; minimum standards for annual municipality contributions to the fund; definitions; actuarial review and audit.**

(a) The West Virginia Municipal Pensions Oversight Board shall contract with or employ a qualified actuary to annually prepare an actuarial valuation report on each pension and relief fund. The selection of contract vendors to provide actuarial services, including the reviewing actuary as provided in subsection (c) of this section, shall be by competitive bid process but is specifically exempt from purchasing provisions of article three, chapter five-a of this code. The expense of the actuarial report shall be paid from moneys in the Municipal Pensions Security Fund. Uses of the actuarial valuations from the qualified actuary shall include, but not be limited to, determining a municipal policemen's or firemen's pension and relief fund's eligibility to receive state money and to provide supplemental benefits.

(b) The actuarial valuation report provided pursuant to subsection (a) of this section shall consist of, but is not limited to, the following disclosures: (1) The financial objective of the fund and how the objective is to be attained; (2) the progress being made toward realization of the financial objective; (3) recent changes in the nature of the fund, benefits provided or actuarial assumptions or methods; (4) the frequency of actuarial valuation reports and the date of the most recent actuarial valuation report; (5) the method used to value fund assets; (6) the extent to which the qualified actuary relies on the data provided and whether the data was certified by the fund's Auditor or examined by the qualified actuary for reasonableness; (7) a description and explanation of the actuarial assumptions and methods; (8) an evaluation of each plan using the alternative funding method, to assess advantages of changing to other funding methods as provided in this article; and (9) any other information required in section twenty-a of this article or that the qualified actuary feels is necessary or would be useful in fully and fairly disclosing the actuarial condition of the fund.

(c) (1) Except as provided in subsections (e) and (f) of this section, beginning June 30, 1991, and thereafter, the financial objective of each municipality shall not be less than to contribute to the fund annually an amount which, together with the contributions from the members and the allocable portion of the Municipal Pensions and Protection Fund for municipal pension and relief funds established under section fourteen-d, article three, chapter thirty-three of this code or a municipality's allocation from the Municipal Pensions Security Fund created in section eighteen-b of this article and other income sources as authorized by law will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than forty years beginning from July 1, 1991: *Provided*, That in the fiscal year ending June 30, 1991, the municipality may elect to make its annual contribution to the fund using an alternative contribution in an amount not less than: (i) One hundred seven percent of the amount contributed for the fiscal year ending June 30, 1990; or (ii) an amount equal to the average of the contribution payments made in the five highest fiscal years beginning with the fiscal year ending 1984, whichever is greater: *Provided, however*, That contribution payments in subsequent fiscal years under this alternative contribution method may not be less than one hundred seven percent of the amount contributed in the prior fiscal year: *Provided further*, That in order to avoid penalizing municipalities and to provide flexibility when making contributions, municipalities using the alternative contribution method may exclude a one-time additional contribution made in any one year in excess of the minimum required by this section: *And provided further*, That the governing body of any municipality may elect to provide an employer continuing contribution of one percent more than the municipality's required minimum under the alternative contribution plan authorized in this subsection: *And provided further*, That if any municipality decides to contribute an additional one percent, then that municipality may not reduce the additional contribution until the respective pension and relief fund no longer has any actuarial deficiency: *And provided further*, That any decision and any contribution payment by the municipality is not the liability of the State of West Virginia: *And provided further*, That if any municipality or any pension fund board of trustees makes a voluntary election and thereafter fails to contribute the voluntarily increase as provided in this section and in subsection (c), section nineteen of this article, then the board of trustees is not eligible to receive funds allocated under section fourteen-d, article three, chapter thirty-three of this code: *And provided further*, That prior to using this alternative contribution method the actuary of the fund shall certify in writing that the fund is projected to be solvent under the alternative contribution method for the next consecutive fifteen- year period. For purposes of determining this minimum financial objective: (i) The value of the fund's assets shall be determined on the basis of any reasonable actuarial method of valuation which takes into account fair market value; and (ii) all costs, deficiencies, rate of interest and other factors under the fund shall be determined on the basis of actuarial assumptions and methods which, in aggregate, are reasonable (taking into account the experience of the fund and reasonable expectations) and which, in combination, offer the qualified actuary's best estimate of anticipated experience under the fund: *And provided further*, That any municipality which elected the alternative funding method under this section and which has an unfunded actuarial liability of not more than twenty-five percent of fund assets, may, beginning September 1, 2003, elect to revert to the standard funding method, which is to contribute to the fund annually an amount which is not less than an amount which, together with the contributions from the members and the allocable portion of the Municipal Pensions and Protection Fund for municipal pension and relief funds established under section fourteen-d, article three, chapter thirty-three of this code and other income



sources as authorized by law, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than forty years, beginning from July 1, 1991.

(2) No municipality may anticipate or use in any manner any state funds accruing to the police or firemen's pension fund to offset the minimum required funding amount for any fiscal year.

(3) Notwithstanding any other provision of this section or article to the contrary, each municipality shall contribute annually to the fund an amount which may not be less than the normal cost, as determined by the actuarial report.

(4) The actuarial process, which includes the selection of methods and assumptions, shall be reviewed by the qualified actuary

no less than once every five years. Furthermore, the qualified actuary shall provide a report to the oversight board with recommendations on any changes to the actuarial process.

(5) The oversight board shall hire an independent reviewing actuary to perform an actuarial audit of the work performed by the qualified actuary no less than once every seven years.

(6) The most recent actuarial study containing projected employer contributions for each fiscal year is to be used by each municipality to budget for the upcoming fiscal year employer expenditures to the fund.

(d) For purposes of this section, the term "qualified actuary" means only an actuary who is a member of the Society of Actuaries or the American Academy of Actuaries. The qualified actuary shall be designated a fiduciary and shall discharge his or her duties with respect to a fund solely in the interest of the members and members' beneficiaries of that fund. In order for the standards of this section to be met, the qualified actuary shall certify that the actuarial valuation report is complete and accurate and that in his or her opinion the technique and assumptions used are reasonable and meet the requirements of this section.

(e)(1) Beginning January 1, 2010, municipalities may choose the optional method of financing municipal policemen's or firemen's pension and relief funds as outlined in this subsection in lieu of the standard or alternative methods as provided in subdivision (1), subsection (c) of this section.

(2) For those municipalities choosing the optional method of finance, the minimum standard for annual municipality contributions to each policemen's or firemen's pension and relief fund shall be an amount which, together with the contributions from the members and allocable portion of the Municipal Pensions and Protection Fund or Municipal Pensions Security Fund created in section eighteen-b of this article, and other income sources as authorized by law, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than forty years beginning January 1, 2010: *Provided*, That those municipalities using the standard method of financing in 2009 shall continue to amortize their actuarial deficiencies over a period of not more than forty years beginning July 1, 1991. The required contribution shall be determined each plan year as described above by the actuary retained by the oversight board, based on an actuarial valuation reflecting actual demographic and investment experience and consistent with the Actuarial Standards of Practice published by the Actuarial Standards Board. The most recent actuarial study released by the oversight board shall be used by municipalities using the optional method of financing municipal policemen's or firemen's pension and relief funds to budget for the upcoming fiscal year budget cycle.

(3) A municipality choosing the optional method of financing a policemen's or firemen's pension and relief fund as provided in this subsection shall close the fund to police officers or fire fighters newly hired on or after January 1, 2010, and provide for those employees to be members of the Municipal Police Officers and Firefighters Retirement System as established in article twenty- two-a of this chapter.

(f) (1) Beginning April 1, 2011, any municipality using the alternative method of financing may choose a conservation method of financing its municipal policemen's and firemen's pension and relief funds as outlined in this subsection, in lieu of the alternative method as provided in subdivision (1), subsection (c), or the optional method as provided in subsection (e) of this section.

(2) For those municipalities choosing the conservation method of finance, until a plan is funded at one hundred percent, a part of each plan member's employee contribution to the fund equal to one and one-half percent of the employee's compensation, shall be deposited into and remain in the trust and accumulate investment return. In addition, until a plan is funded at one hundred percent, an actuarially determined portion of the premium tax allocation to each fund provided in accordance with section fourteen-d, article three, and section seven, article twelve-c of chapter thirty-three of this code shall also be deposited into and remain in the trust and accumulate investment return. This variable percentage of premium tax allocation to be retained in each fund shall be determined annually by the qualified actuary provided pursuant to subsection (a) of this section to be an amount required, along with other assets of the fund as necessary to reach a funded level of one hundred percent in thirty-five years from the time of adoption of the conservation financing method. The variable percentage shall be calculated using a prospective four- year rolling average. The most recent actuarial study released by the oversight board shall be used by municipalities using the conservation method of finance to determine the variable percentage of the premium tax allocation which shall be deposited into the trust and accumulate investment return.

(3) Upon adoption of the conservation method of finance, the municipality shall close its pension and relief funds to new members and shall place police officers and firefighters newly hired after adoption of the conservation method into the Municipal Police Officers and Firefighters Retirement System created in article twenty-two-a of this chapter.

(4) Upon adoption of the conservation method of financing, the minimum standard for annual municipality contributions to each policemen's or firemen's pension and relief fund shall be an amount which, together with member contributions and premium tax proceeds not required to be retained in the trust pursuant to this subsection, and other income sources as authorized by law, is sufficient to meet the annual benefit and administrative expense payments from the funds on a pay-as-you-go basis: *Provided:* That at the time the actuarial report required by this section indicates no actuarial deficiency in the municipal policemen's or firemen's pension and relief fund, the minimum annual required contribution of the municipality may not be less than an amount which together with all member contributions and other income authorized by law, is sufficient to pay normal cost.

**§8-22-25. Retirement pensions.**

(a) Any member of a paid police or fire department who is entitled to a retirement pension hereunder, and who has been in the honorable service of such department for twenty years, may, upon written application to the board of trustees, be retired from all service in such department without medical examination or disability. If a member is charged with an offense that has the potential to lead to the member's termination, the member's municipal pensions and relief fund board of trustees may not consider the member's eligibility for retirement benefits until after investigation of the charge is completed and any disciplinary decision is implemented. On such retirement the board of trustees shall authorize the payment of annual retirement pension benefits commencing upon his retirement or upon his attaining the age of fifty years, whichever is later, payable in twelve monthly installments for each year of the remainder of his life, in an amount equal to sixty percent of such member's average annual salary or compensation received during the three twelve-consecutive-month periods of employment with such department in which such member received his highest salary or compensation while a member of the department, or an amount of five hundred dollars per month, whichever is greater.

(b) Any member of any such department who is entitled to a retirement pension under the provisions of subsection (a) of this section and who has been in the honorable service of such department for more than twenty years at the time of his retirement shall receive, in addition to the sixty percent authorized in said subsection (a):

(1) Two additional percent, to be added to the sixty percent for each of the first five additional years of service completed at the time of retirement in excess of twenty years of service up to a maximum of seventy percent; and

(2) One additional percent, to be added to such maximum of seventy percent, for each of the first five additional years of service completed at the time of retirement in excess of twenty-five years of service up to a maximum of seventy-five percent.

The total additional credit provided for in this subsection may not exceed fifteen additional percent.

(c) Any member of any such department whose service has been interrupted by duty with the armed forces of the United States as provided in section twenty-seven of this article prior to the first day of July, one thousand nine hundred eighty-one, shall be eligible for retirement pension benefits immediately upon retirement, regardless of his age, if he shall otherwise be eligible for such retirement pension benefits.

Any member or previously retired member of any such department who has served in active duty with the armed forces of the United States as described in section twenty-seven of this article, whether prior to or subsequent to becoming a member of a paid police or fire department covered by the provisions of this article, shall receive, in addition to the sixty percent authorized in subsection (a) of this section and the additional percent credit authorized in subsection (b) of this section, one additional percent for each year so served in active military duty, up to a maximum of four additional percent. In no event, however, may the total benefit granted to any member exceed seventy-five percent of the member's annual average salary calculated in accordance with subsection (a) of this section.

(d) Any member of a paid police or fire department shall be retired at the age of sixty-five years in the manner provided in this subsection. When a member of the paid police or fire department reaches the age of sixty-five years, the said board of trustees shall notify the mayor of this fact, within thirty days of such member's sixty-fifth birthday. The mayor shall cause such sixty-five-year-old member of the paid police or fire department to retire within a period of not more than thirty additional days. Upon retirement under the provisions of this subsection, such member shall receive retirement pension benefits payable in twelve monthly installments for each year of the remainder of his life in an amount equal to sixty percent of such member's average annual salary or compensation received during the three twelve-consecutive-month periods of employment with such department in which such member received his highest salary or compensation while a member of the department, or an amount of five hundred dollars per month, whichever is greater. If such member has been employed in said department for more than twenty years, the provisions of subsection (b) of this section shall apply.

(e) It shall be the duty of each member of a paid police or fire department at the time a fund is hereafter established to furnish the necessary proof of his date of birth to the said board of trustees, as specified in section twenty-three of this article, within a reasonable length of time, said length of time to be determined by the said board of trustees. Then the board of trustees and the mayor shall proceed to act in the manner provided in subsection (d) of this section and shall cause all members of the paid police or fire department who are over the age of sixty-five years to retire in not less than sixty days from the date the fund is established. Upon retirement under the provisions of this subsection (e), such member, whether he has been employed in said department for twenty years or not, shall receive retirement pension benefits payable in twelve monthly installments for each year of the remainder of his life in an amount equal to sixty percent of such member's average annual salary or compensation received during the three twelve-consecutive-month periods of employment with such department in which such member received his highest salary or compensation while a member of the department, or an amount of five hundred dollars per month, whichever is greater. If such member has been employed in said department for more than twenty years, the provisions of subsection (b) of this section shall apply.

**§8-22-27. General provisions concerning disability pensions, retirement pensions and death benefits.**

(a) In determining the years of service of a member in a paid police or fire department for the purpose of ascertaining certain disability pension benefits, all retirement pension benefits and certain death benefits, the following provisions shall be applicable:

(1) Absence from the service because of sickness or injury for a period of two years or less shall not be construed as time out of service; and

(2) Any member of any paid police or fire department covered by the provisions of sections sixteen through twenty-eight of this article who has been or will be on qualified military service in the armed forces of the United States, has an honorable discharge from the armed forces, presents himself or herself for resumption of duty to his or her appointing municipal official within six months from his or her date of discharge and is accepted by two medical examiners, at least one of which is appointed by the oversight board as being mentally and physically capable of performing the required duties as a member of the paid police or fire department, shall be given credit for continuous service in the paid police or fire department. The six-month period in which a member has to resume employment and receive credit for continuous service is extended to a period not to exceed two years if the member has been hospitalized for, or convalescing from, an illness or injury incurred in, or aggravated during, qualified military service. No member of a paid police or fire department shall be required to pay the monthly assessment during a period of qualified military service. However, a member who desires to make up member assessments, in whole or in part, has five years from the date of return to work, but shall not be required to pay any interest or other charges for the assessments being made up. The employer must pay the employer contributions for the periods made up by the member within ninety days of each payment, or within ninety days of the normal due date. A member who resumes duty with a paid police or fire department after qualified military service is entitled to accrued benefits only to the extent that the member made up the member assessments.

I have asked Silas Taylor to review this section, specifically because of the last sentence which is underlined. The section clearly indicates policemen and firemen who are in the armed services and who have been on qualified military service and have been honorably discharged and are fit to return to work are to be given credit for continuous service in the police or fire department. The paragraph continues by stating no member is required to pay the monthly assessment, however anyone who desires has 5 years from the return date to make up the assessments. The last sentence is the kicker

"A member who resumes duty with a paid police or fire department after qualified military service is entitled to accrued benefits only to the extent that the member made up the member assessments."

If the member does not make up the assessments, he/she is not entitled to the accrued benefits. Does accrued benefits include "credit for continuous service"? How are Boards to determine what the monthly assessment is if the member is not receiving pay during the time they are on military duty? Members pay a minimum of 7% of salary up to a maximum of 9.5% of salary generally. If no wages paid, how do you determine the monthly assessment? Base salary without any OT? Take an average of the last three months of the members actual income? Some other method?

WEST VIRGINIA CODE

§33-3-14d. Additional fire and casualty insurance premium tax; allocation of proceeds; effective date.

(a) (1) For the purpose of providing additional revenue for municipal policemen's and firemen's pension and relief funds and the Teachers Retirement System Reserve Fund and for volunteer and part-volunteer fire companies and departments, there is hereby levied and imposed an additional premium tax equal to one percent of taxable premiums for fire insurance and casualty insurance policies. For purposes of this section, casualty insurance does not include insurance on the life of a debtor pursuant to or in connection with a specific loan or other credit transaction or insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction while the debtor is disabled as defined in the policy.

(2) All moneys collected from this additional tax shall be received by the commissioner and paid by him or her into a special account in the State Treasury, designated the Municipal Pensions and Protection Fund: *Provided*, That on or after January 1, 2010, the commissioner shall pay ten percent of the amount collected to the Teachers Retirement System Reserve Fund created in section eighteen, article seven-a, chapter eighteen of this code, twenty-five percent of the amount collected to the Fire Protection Fund created in section thirty-three of this article for allocation by the Treasurer to volunteer and part-volunteer fire companies and departments and sixty-five percent of the amount collected to the Municipal Pensions and Protection Fund: *Provided, however*, That upon notification by the Municipal Pensions Oversight Board pursuant to the provisions of section eighteen-b, article twenty-two, chapter eight of this code, on or after January 1, 2010, or as soon thereafter as the Municipal Pensions Oversight Board is prepared to receive the funds, sixty-five percent of the amount collected by the commissioner shall be deposited in the Municipal Pensions Security Fund created in section eighteen-b, article twenty-two, chapter eight of this code. The net proceeds of this tax after appropriation thereof by the Legislature is distributed in accordance with the provisions of this section, except for distribution from proceeds pursuant to subsection (d), section eighteen-a, article twenty-two, chapter eight of this code.

(b) (1) Before the first day of August of each year, the treasurer of each municipality in which a municipal policemen's or firemen's pension and relief fund is established shall report to the State Treasurer the average monthly number of members who worked at least one hundred hours per month and the average monthly number of retired members including disability pensioners and survivors, of municipal policemen's or firemen's pension and relief fund or the Municipal Police Officers and Firefighters Retirement System during the preceding fiscal year: *Provided*, That beginning in the year 2010 and continuing thereafter, the report shall be made to the oversight board created in section eighteen-a, article twenty-two, chapter eight of this code. These reports received by the oversight board shall be provided annually to the State Treasurer by September 1.

(2) Before the first day of September of each calendar year, the State Treasurer, or the Municipal Pensions Oversight Board, once in operation, shall allocate and authorize for distribution the revenues in the Municipal Pensions and Protection Fund which were collected during the preceding calendar year for the purposes set forth in this section. Before the first day of September of each calendar year and after the Municipal Pensions Oversight Board has notified the Treasurer and commissioner pursuant to section eighteen-b, article twenty-two, chapter eight of this code, the Municipal Pensions Oversight Board shall allocate and authorize for distribution the revenues in the Municipal Pensions Security Fund which were collected during the preceding calendar year for the purposes set forth in this section. In any year the actuarial report required by section twenty, article twenty-two, chapter eight of this code indicates no actuarial deficiency in the municipal policemen's or firemen's pension and relief fund, no revenues may be allocated from the Municipal Pensions and Protection Fund or the Municipal Pensions Security Fund to that fund. The revenues from the Municipal Pensions and Protection Fund shall then be allocated to all other pension and relief funds which have an actuarial deficiency.

(3) The moneys, and the interest earned thereon, in the Municipal Pensions and Protection Fund allocated to volunteer and part-volunteer fire companies and departments shall be allocated and distributed quarterly to the volunteer fire companies and departments. Before each distribution date, the State Fire Marshal shall report to the State Treasurer the names and addresses of all volunteer and part-volunteer fire companies and departments within the state which meet the eligibility requirements established in section eight-a, article fifteen, chapter eight of this code.

(c)(1) Each municipal pension and relief fund shall have allocated and authorized for distribution a pro rata share of the revenues allocated to municipal policemen's and firemen's pension and relief funds based on the corresponding municipality's average monthly number of police officers and firefighters who worked at least one hundred hours per month during the preceding fiscal year. On and after July 1, 1997, from the growth in any moneys collected pursuant to the tax imposed by this section and interest thereon there shall be allocated and authorized for distribution to each municipal pension and relief fund, a pro rata share of the revenues allocated to municipal policemen's and firemen's pension and relief funds based on the ~~corresponding municipality's average number of police officers and firefighters who worked at least one hundred hours per month and~~ average monthly number of retired police officers and firefighters, including disability pensioners and survivors. For the purposes of this subsection, the growth in moneys collected from the tax collected pursuant to this section is determined by subtracting the amount of the tax collected during the fiscal year ending June 30, 1996, from the tax collected during the fiscal year for which the allocation is being made and interest thereon. All moneys received by municipal pension and relief funds under this section may be expended only for those purposes described in sections sixteen through twenty-eight, inclusive, article twenty-two, chapter eight of this code.

(2) Each volunteer fire company or department shall receive an equal share of the revenues allocated for volunteer and part-volunteer fire companies and departments.

(3) In addition to the share allocated and distributed in accordance with subdivision (1) of this subsection, each municipal fire department composed of full-time paid members and volunteers and part-volunteer fire companies and departments shall receive a share equal to the share distributed to volunteer fire companies under subdivision (2) of this subsection reduced by an amount equal to the share multiplied by the ratio of the number of full-time paid fire department members who are also members of a municipal firemen's pension and relief fund or the Municipal Police Officers and Firefighters Retirement System to the total number of members of the fire department.

(d) The allocation and distribution of revenues provided for in this section are subject to the provisions of section twenty, article twenty-two, and sections eight-a and eight-b, article fifteen, chapter eight of this code.

Note: WV Code updated with legislation passed through the 2011 2nd Special Session

DRAFT

Version: 12/15/2011

**Municipal Policemen's And Firemen's Pension and Relief Funds Of West Virginia  
Pension Calculator**

Period End Date: **6/30/2011**  
 Years of Service: **17.42**  
 Year of Active Duty Military Service: **1.42**

Three year High average compensation: **\$7,000**

High 3 Periods			Unadjusted Pay Used
Start Date	End Date		
7/1/2010	- 6/30/2011		\$18,000.00
7/1/2009	- 6/30/2010		\$3,000.00
7/1/2008	- 6/30/2009		\$0.00

Row #	Period		Base Pay	Overtime Pay	Total Pay with Overtime	12 Consecutive Months		
	Start Date	End Date				Base Pay	Overtime Pay	Total
1	6/1/2011	- 6/30/2011	1,000.00	500.00	\$1,500.00	\$12,000.00	\$6,000.00	\$18,000.00
2	5/1/2011	- 5/31/2011	1,000.00	500.00	1,500.00	12,000.00	6,000.00	18,000.00
3	4/1/2011	- 4/30/2011	1,000.00	500.00	1,500.00	12,000.00	6,000.00	18,000.00
4	3/1/2011	- 3/31/2011	1,000.00	500.00	1,500.00	11,000.00	5,500.00	16,500.00
5	2/1/2011	- 2/28/2011	1,000.00	500.00	1,500.00	10,000.00	5,000.00	15,000.00
6	1/1/2011	- 1/31/2011	1,000.00	500.00	1,500.00	9,000.00	4,500.00	13,500.00
7	12/1/2010	- 12/31/2010	1,000.00	500.00	1,500.00	8,000.00	4,000.00	12,000.00
8	11/1/2010	- 11/30/2010	1,000.00	500.00	1,500.00	7,000.00	3,500.00	10,500.00
9	10/1/2010	- 10/31/2010	1,000.00	500.00	1,500.00	6,000.00	3,000.00	9,000.00
10	9/1/2010	- 9/30/2010	1,000.00	500.00	1,500.00	5,000.00	2,500.00	7,500.00
11	8/1/2010	- 8/31/2010	1,000.00	500.00	1,500.00	4,000.00	2,000.00	6,000.00
12	7/1/2010	- 7/31/2010	1,000.00	500.00	1,500.00	3,000.00	1,500.00	4,500.00
13	6/1/2010	- 6/30/2010	1,000.00	500.00	1,500.00	2,000.00	1,000.00	3,000.00
14	5/1/2010	- 5/31/2010	1,000.00	500.00	1,500.00	1,000.00	500.00	1,500.00
15	4/1/2010	- 4/30/2010			0.00	0.00	0.00	0.00
16	3/1/2010	- 3/31/2010			0.00	0.00	0.00	0.00
17	2/1/2010	- 2/28/2010			0.00	0.00	0.00	0.00
18	1/1/2010	- 1/31/2010			0.00	0.00	0.00	0.00
19	12/1/2009	- 12/31/2009			0.00	0.00	0.00	0.00
20	11/1/2009	- 11/30/2009			0.00	0.00	0.00	0.00
21	10/1/2009	- 10/31/2009			0.00	0.00	0.00	0.00
22	9/1/2009	- 9/30/2009			0.00	0.00	0.00	0.00
23	8/1/2009	- 8/31/2009			0.00	0.00	0.00	0.00
24	7/1/2009	- 7/31/2009			0.00	0.00	0.00	0.00
25	6/1/2009	- 6/30/2009			0.00	0.00	0.00	0.00
26	5/1/2009	- 5/31/2009			0.00	0.00	0.00	0.00
27	4/1/2009	- 4/30/2009			0.00	0.00	0.00	0.00
28	3/1/2009	- 3/31/2009			0.00	0.00	0.00	0.00
29	2/1/2009	- 2/28/2009			0.00	0.00	0.00	0.00
30	1/1/2009	- 1/31/2009			0.00	0.00	0.00	0.00
31	12/1/2008	- 12/31/2008			0.00	0.00	0.00	0.00
32	11/1/2008	- 11/30/2008			0.00	0.00	0.00	0.00
33	10/1/2008	- 10/31/2008			0.00	0.00	0.00	0.00
34	9/1/2008	- 9/30/2008			0.00	0.00	0.00	0.00
35	8/1/2008	- 8/31/2008			0.00	0.00	0.00	0.00
36	7/1/2008	- 7/31/2008			0.00	0.00	0.00	0.00

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Version: 12/15/2011

**Municipal Policemen's And Firemen's Pension and Relief Funds Of West Virginia  
Pension Calculator**

Percent of Avg. Annual Salary: 53.68%  
 Three year average compensation for benefit purposes: \$6,800.00  
 Annual Benefit: \$3,650.24  
 Monthly Benefit: \$304.19

High 3 Periods			Adjusted Pay Used
Start Date	End Date		
7/1/2010	- 6/30/2011		\$18,000.00
7/1/2009	- 6/30/2010		2,400.00
7/1/2008	- 6/30/2009		0.00

Row #	Period		Base Pay	Overtime Pay	Year-One Adjusted Salary	Year-Two Adjusted Salary	Average Adjusted Salary	[1]	[2]	Minimum of [1], [2]
	Start Date	End Date						120% of Average Adjusted Salary	Total Pay with Overtime	
1	7/1/2010	- 6/30/2011	\$ 12,000.00 2,000.00 0.00	\$ 6,000.00 1,000.00 0.00	\$12,000.00	\$18,000.00	\$15,000.00	\$18,000.00	\$18,000.00 3,000.00 0.00	\$18,000.00
2	7/1/2009	- 6/30/2010	\$ 2,000.00 0.00 0.00	\$ 1,000.00 0.00 0.00	\$2,000.00	\$2,000.00	2,000.00	2,400.00	3,000.00 0.00 0.00	2,400.00
3	7/1/2008	- 6/30/2009	\$ 0.00 0.00 0.00	\$ 0.00 0.00 0.00	\$0.00	\$0.00	0.00	0.00	0.00 0.00 0.00	0.00

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Municipal Policemen's And Firemen's Pension and Relief Funds Of West Virginia  
Pension Calculator

Version: 12/15/2011

Period End Date: 6/30/2011  
 Years of Service: 17.42  
 Year of Active Duty Military Service: 1.42  
 Percent of Avg. Annual Salary: 53.68%  
 Three year average compensation for benefit purposes: \$0.00  
 Annual Benefit: \$0.00  
 Monthly Benefit: \$0.00

High 3 Periods		
Start Date	End Date	Adjusted Pay Used
7/1/2010	- 6/30/2011	\$0.00
7/1/2009	- 6/30/2010	0.00
7/1/2008	- 6/30/2009	0.00

Row #	Period		Base Pay	Overtime Pay	Year-One Adjusted Salary	Year-Two Adjusted Salary	Average Adjusted Salary	[1]	[2]	Minimum of [1], [2]
	Start Date	End Date						120% of Average Adjusted Salary	Total Pay with Overtime	
1	7/1/2010	- 6/30/2011			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	7/1/2009	- 6/30/2010			0.00	0.00	0.00	0.00	0.00	0.00
3	7/1/2008	- 6/30/2009			0.00	0.00	0.00	0.00	0.00	0.00
4	7/1/2007	- 6/30/2008			0.00	0.00	0.00	0.00	0.00	0.00
5	7/1/2006	- 6/30/2007			0.00	0.00	0.00	0.00	0.00	0.00
6	7/1/2005	- 6/30/2006			0.00	0.00	0.00	0.00	0.00	0.00
7	7/1/2004	- 6/30/2005			0.00	0.00	0.00	0.00	0.00	0.00
8	7/1/2003	- 6/30/2004			0.00	0.00	0.00	0.00	0.00	0.00
9	7/1/2002	- 6/30/2003			0.00	0.00	0.00	0.00	0.00	0.00
10	7/1/2001	- 6/30/2002			0.00	0.00	0.00	0.00	0.00	0.00
11	7/1/2000	- 6/30/2001			0.00	0.00	0.00	0.00	0.00	0.00
12	7/1/1999	- 6/30/2000			0.00	0.00	0.00	0.00	0.00	0.00
13	7/1/1998	- 6/30/1999			0.00	0.00	0.00	0.00	0.00	0.00
14	7/1/1997	- 6/30/1998			0.00	0.00	0.00	0.00	0.00	0.00
15	7/1/1996	- 6/30/1997			0.00	0.00	0.00	0.00	0.00	0.00
16	7/1/1995	- 6/30/1996			0.00	0.00	0.00	0.00	0.00	0.00
17	7/1/1994	- 6/30/1995			0.00	0.00	0.00	0.00	0.00	0.00
18	7/1/1993	- 6/30/1994			0.00	0.00	0.00	0.00	0.00	0.00
19	7/1/1992	- 6/30/1993			0.00	0.00	0.00	0.00	0.00	0.00
20	7/1/1991	- 6/30/1992			0.00	0.00	0.00	0.00	0.00	0.00



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**Municipal Policemen's And Firemen's Pension and Relief Funds Of West Virginia  
Pension Benefit COLA Calculator**

COLA Factor: **1.50%**  
Annual or Monthly: **M**

Row #	Name	Original Monthly Benefit	Current Monthly Benefit	Benefit Increase	New Monthly Benefit	Actual Increase
1	Name 1					
2	Name 2					
3	Name 3	\$ 2,093.57	\$ 2,463.72	\$24.30	\$2,488.02	0.99%
4	Name 4	\$ 985.97	\$ 2,185.53	\$32.78	\$2,218.31	1.50%
5	Name 5	\$ 1,050.00	\$ 2,219.78	\$33.30	\$2,253.08	1.50%
6		\$ 2,861.03	\$ 2,863.60	\$18.79	\$2,882.39	0.66%
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