

No. 2407

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1987



# ENROLLED

Com. SUB. FOR

HOUSE BILL No. 2407

(By ~~Delegate~~ *Mr. Speaker, Mr. CHAMBERS*  
*+ Delegate SWANN*)

[By Request of the Executive]



Passed *MARCH 14,* 1987

In Effect *NINETY Days From* Passage

**ENROLLED**  
COMMITTEE SUBSTITUTE  
FOR  
**H. B. 2407**

(By MR. SPEAKER, MR. CHAMBERS and DELEGATE SWANN)  
[By request of the Executive]

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[Passed March 14, 1987; in effect ninety days from passage.]

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AN ACT to amend and reenact section six, article nine, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to county board of education depositories; providing alternatives to bonding as a means of securing funds of a county board of education for a bank selected as a county board of education depository.

*Be it enacted by the Legislature of West Virginia:*

That section six, article nine, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

**ARTICLE 9. SCHOOL FINANCES.**

**§18-9-6. Transfer of moneys; appointment of treasurer; bonding of treasurer; approval of bank accounts; authority to invest; security for funds invested.**

1     The sheriff of each county shall remit to the board of  
2     education all moneys in his possession held on behalf of  
3     the county board of education, whether or not deposited  
4     in a bank or depository, unless the sheriff has been

5 designated treasurer of the board of education as  
6 provided in this section. Such transfer of funds shall be  
7 made as of the balances on hand on the thirtieth day of  
8 June of the year in which the board of education  
9 appoints a treasurer other than the sheriff, and shall be  
10 completed no later than the first day of August of that  
11 year. Such transfer shall be adjudged complete and final  
12 upon the approval of the sheriff's official settlement for  
13 the fiscal year ending on the thirtieth day of June of the  
14 year in which the board of education appoints a  
15 treasurer other than the sheriff, and any minor adjust-  
16 ment made necessary by the actually known figures  
17 shall also be made at that time. All balances in all  
18 county school funds at the end of each month after the  
19 thirtieth day of June of the year in which the board of  
20 education appoints a treasurer other than the sheriff  
21 shall be transferred by the sheriff to the county board  
22 of education not later than the tenth day of the following  
23 month.

24 On or before the first Monday in May each county  
25 board of education shall upon recommendation of the  
26 county superintendent appoint a treasurer for the board.  
27 Such treasurer shall be the fiscal officer of the board,  
28 or an employee commonly designated as the person in  
29 charge of the financial affairs of the county board, or  
30 the county sheriff: *Provided*, That once a board of  
31 education has appointed a treasurer other than the  
32 sheriff, the sheriff shall not be named treasurer of the  
33 board in a subsequent year. Upon appointment this  
34 person shall be titled and referred to as treasurer of the  
35 board of education. For the faithful performance of this  
36 duty, such treasurer shall execute a bond, to be  
37 approved by the board of education, in the penalty to  
38 be fixed by the board of education, not to exceed the  
39 amount of school funds which it is estimated the  
40 treasurer will handle within any period of two months.  
41 The premium on such bond shall be paid by the board  
42 of education.

43 The board of education may open a bank account, or  
44 accounts, as required to adequately and properly  
45 transact the business of the district in a depository, or

46 banks, within the county. Such depositories, or banks,  
47 shall provide bond to cover the maximum amount to be  
48 deposited at any one time. However, the county board  
49 of education may, in lieu of such bond, accept as security  
50 for money deposited securities of the United States, or  
51 of a state, county, district or municipal corporation, or  
52 federal agency securities. One hundred ten percent of  
53 the face or par value of such securities shall not be less  
54 than the sum hereinbefore specified as the amount to be  
55 named in the bond in lieu of which such securities are  
56 accepted, or the county board of education may accept  
57 such securities as partial security to the extent of their  
58 face value for the money so deposited and require bond  
59 for the remainder of the full amount hereinbefore  
60 specified, to be named in the bond, and, in the bond so  
61 required, such acceptance of securities as partial  
62 security and the extent thereof shall be set forth. The  
63 hypothecation of such securities shall be by proper legal  
64 transfer as collateral security to protect and indemnify  
65 by trust any and all loss in case of any default on the  
66 part of the banking institution in its capacity as  
67 depository as aforesaid. All such securities shall be  
68 delivered to or deposited for the account of the county  
69 board of education, and withdrawal or substitution  
70 thereof may be permitted from time to time upon  
71 approval by the county board of education by order of  
72 record, but such collateral security shall be released  
73 only by order of record of the county board of education  
74 when satisfied that full and faithful accounting and  
75 payment of all the moneys has been made under the  
76 provisions hereof. In the event actual possession of such  
77 hypothecated securities is delivered to the county board  
78 of education, it shall make ample provision for the  
79 safekeeping thereof, and the interest thereon when paid  
80 shall be turned over to the banking institution, so long  
81 as it is not in default as aforesaid. The county board of  
82 education may permit the deposit under proper receipt  
83 of such securities with one or more banking institutions  
84 within the state of West Virginia and may contract with  
85 any such institution for safekeeping and exchange of any  
86 such hypothecated securities, and may prescribe the  
87 rules and regulations for handling and protecting the

88 same.

89 On and after the first day of July, one thousand nine  
90 hundred seventy-three, all levies and any other school  
91 moneys received by the sheriff and paid to the treasurer  
92 of the county board of education shall be deposited in  
93 these accounts, and all proper payments from such  
94 funds shall be made by the designated depository or  
95 bank upon order or draft presented for payment and  
96 signed by the duly authorized signatories of the board  
97 of education: *Provided, however,* That in determining the  
98 depository for board of education funds a board member  
99 who has a pecuniary interest in a bank within the county  
100 shall not participate in the determination of the  
101 depository for such funds.

102 If it be deemed that sufficient funds are on hand in  
103 any account at any one time which may be more than  
104 are normally required for the payment of incurred  
105 expenses, such funds in the amount so deemed available  
106 may be invested by the treasurer of the county board  
107 with the West Virginia municipal bond commission, or  
108 in guaranteed certificates of deposit issued by the  
109 depository or bank, or other guaranteed investments  
110 such as treasury bills, treasury notes or certificates of  
111 deposit issued by either the United States government  
112 or a banking institution in which federal or state  
113 guarantees are applicable. Interest earned in such  
114 investments is to be credited to the fund from which the  
115 moneys were originally available.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Bruce O. Whittier*  
-----  
Chairman Senate Committee

*Lyle Setzer*  
-----  
Chairman House Committee  
member

Originating in the House.

Takes effect ninety days from passage.

*Todd C. Wallis*  
-----  
Clerk of the Senate

*Donald S. Kopp*  
-----  
Clerk of the House of Delegates

*Sam Tombari*  
-----  
President of the Senate

*W. H. C. [Signature]*  
-----  
Speaker of the House of Delegates

The within *approved* this the *30th*  
*March* day of \_\_\_\_\_, 1987.

*Arch A. Brown, Jr.*  
-----  
Governor

PRESENTED TO THE

GOVERNOR

Date 3/25/87

Time 4:44 p.m.

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