WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1987

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ENROLLED

Com. Sub. For

HOUSE BILL No. 2407

(By Rep. Speaker, Mr. Chambers
+ Delegate Swann

[By Request of the Executive]

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Passed MARCH 14, 1987

In Effect Ninety Days From Passage
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 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 education all moneys in his possession held on behalf of the county board of education, whether or not deposited in a bank or depository, unless the sheriff has been
designated treasurer of the board of education as
provided in this section. Such transfer of funds shall be
made as of the balances on hand on the thirtieth day of
June of the year in which the board of education
appoints a treasurer other than the sheriff, and shall be
completed no later than the first day of August of that
year. Such transfer shall be adjudged complete and final
upon the approval of the sheriff's official settlement for
the fiscal year ending on the thirtieth day of June of the
year in which the board of education appoints a
treasurer other than the sheriff, and any minor adjust-
ment made necessary by the actually known figures
shall also be made at that time. All balances in all
county school funds at the end of each month after the
thirtieth day of June of the year in which the board of
education appoints a treasurer other than the sheriff
shall be transferred by the sheriff to the county board
of education not later than the tenth day of the following
month.

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

The board of education may open a bank account, or
accounts, as required to adequately and properly
transact the business of the district in a depository, or
banks, within the county. Such depositories, or banks, shall provide bond to cover the maximum amount to be deposited at any one time. However, the county board of education may, in lieu of such bond, accept as security for money deposited securities of the United States, or of a state, county, district or municipal corporation, or federal agency securities. One hundred ten percent of the face or par value of such securities shall not be less than the sum hereinbefore specified as the amount to be named in the bond in lieu of which such securities are accepted, or the county board of education may accept such securities as partial security to the extent of their face value for the money so deposited and require bond for the remainder of the full amount hereinbefore specified, to be named in the bond, and, in the bond so required, such acceptance of securities as partial security and the extent thereof shall be set forth. The hypothecation of such securities shall be by proper legal transfer as collateral security to protect and indemnify by trust any and all loss in case of any default on the part of the banking institution in its capacity as depository as aforesaid. All such securities shall be delivered to or deposited for the account of the county board of education, and withdrawal or substitution thereof may be permitted from time to time upon approval by the county board of education by order of record, but such collateral security shall be released only by order of record of the county board of education when satisfied that full and faithful accounting and payment of all the moneys has been made under the provisions hereof. In the event actual possession of such hypothecated securities is delivered to the county board of education, it shall make ample provision for the safekeeping thereof, and the interest thereon when paid shall be turned over to the banking institution, so long as it is not in default as aforesaid. The county board of education may permit the deposit under proper receipt of such securities with one or more banking institutions within the state of West Virginia and may contract with any such institution for safekeeping and exchange of any such hypothecated securities, and may prescribe the rules and regulations for handling and protecting the
same.

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

If it be deemed that sufficient funds are on hand in any account at any one time which may be more than are normally required for the payment of incurred expenses, such funds in the amount so deemed available may be invested by the treasurer of the county board with the West Virginia municipal bond commission, or in guaranteed certificates of deposit issued by the depository or bank, or other guaranteed investments such as treasury bills, treasury notes or certificates of deposit issued by either the United States government or a banking institution in which federal or state guarantees are applicable. Interest earned in such investments is to be credited to the fund from which the moneys were originally available.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within approved this the 30th day of , 1987.

Governor