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AFTER OF WEST VICENS
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 1998

ENROLLED

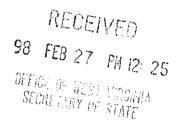
HOUSE BILL No. 4055

(By Delegates Seacrist, Michael, Laird and Campbell)

Passed February 17, 1998

In Effect from Passage





ENROLLED

H. B. 4055

(By Delegates Seacrist, Michael, Laird and Campbell)

[Passed February 17, 1998; in effect from passage.]

AN ACT to amend article three, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section twenty, relating to payment of funds of county boards of education, county commissions, municipal corporations by electronic or wire transfer, inclusion of appropriate electronic remittance voucher information; and specifying effective date.

Be it enacted by the Legislature of West Virginia:

That article three, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section twenty, to read as follows:

ARTICLE 3. APPROPRIATIONS, EXPENDITURES AND DEDUCTIONS.

§12-3-20. Electronic or wire transfer.

- 1 (a) Notwithstanding any other provision of this code to
- 2 the contrary, whenever the treasurer of a county board of
- 3 education, a county commission or a municipality is
- 4 authorized or directed pursuant to law to disburse or
- 5 transfer on behalf of the county board of education,
- 6 county commission or municipality, funds in the custody
- 7 of the treasurer or in the treasury of the county board of

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education, county commission or municipality, the treasurer is authorized to disburse or transfer the funds by 10 means of electronic or wire transfer and that transfer shall 11 include appropriate electronic remittance voucher 12 information. The county board of education, county 13 commission or governing body of a municipality may 14 enter into a written agreement with the banking institution 15 in which the funds are deposited, prescribing the manner 16 in which electronic or wire transfer of the funds shall be 17 accomplished, identifying by number and name those accounts from which electronic or wire transfers may be 18 19 made, identifying which person or persons are authorized to order the electronic or wire transfer of funds from those 20 21 accounts, and implementing a security procedure as 22 defined in section two hundred one, article four-a, chapter 23 forty-six of this code.

- (b) It is the duty of the county board of education, county commission or governing body of a municipality to adopt a system of internal controls satisfactory to the tax commissioner as ex officio, the chief inspector and supervisor of public offices for the documentation and reporting of all transfers or disbursements of funds accomplished by electronic or wire transfer to ensure the safety and integrity of the payment process.
- (c) The county board of education, county commission or governing body of a municipality shall also adopt procedures:
- (1) Governing the method by which the treasurer is authorized to direct payments from the funds of the county board of education, county commission or municipality on deposit with a banking institution;
- 39 (2) Governing the method of payment of obligations 40 of the county board of education, county commission or 41 municipality, including payment by check, draft, 42 electronic or wire transfer, or other method of payment 43 mutually acceptable to the county board of education, 44 county commission or governing body of a municipality, 45 and the banking institution; and

46 (3) Covering any other matters it believes necessary to ensure the safety and integrity of the payment process.

- (d) A county board of education, county commission or governing body of a municipality shall file a copy of the procedures it adopts in accordance with the provisions of subsection (c) of this section with each banking institution in which its funds are deposited.
- (e) The treasurer of the county board of education, county commission or municipality, and the banking institution shall agree to follow rules and procedures for electronic fund transfers promulgated by the federal reserve bank and the national clearing house association (NACHA) to ensure the safety and integrity of the payment process. These safeguards must be approved by the county board of education, county commission or governing body of a municipality. If the county board of education, county commission or governing body of a municipality finds that the safeguards are consistent with and do not contravene the procedures adopted under the provisions of subsection (c) of this section, the safeguards must be approved.
- 67 (f) This section applies to disbursements or transfers 68 made after the thirty-first day of May, one thousand nine 69 hundred ninety-eight.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.
Karely Achoarover
Chairman Senate Committee
Chairman House Committee
Originating in the House.
Takes effect from passage.
Clerk of the Senate
Brigging Br. Bary
Clerk of the House of Delegates
President of the Senate
Speaker of the House of Delegates
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this the 2707 day of 1998.
day of
Governor
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