



West Virginia DEPARTMENT OF  
**EDUCATION**

# HB2573: Sworn Statement of Expenditures

*July 14, 2021*

## Original Legislation affecting County Boards: SB 345

- Passed during the 2019 legislative session.
- Amended and reenacted WV Code 12-4-14.
- Imposed new state grant reporting requirements on county boards of education.
- Effective for FY20 audits.

## Updated Legislation: HB 2573

- Passed during the 2021 legislative session.
- Amends WV Code 12-4-14.
- Created additional reporting requirements.
- Created additional WV State Auditor and grantor oversight.

## Updated Legislation: HB 2573

- Changes
  - The state grant reporting requirements that went into effect for FY20 would also need reported to the State Auditor, not just the grantor.
    - Sworn Statement of expenditures and/or
    - Separate attestation agreement or Agreed Upon Procedures conducted on the State Agency Grant Award schedule required to be included in the county's financial statements
  - If the State Auditor determines that applicable reporting or record keeping provisions for state grants are delinquent or not in compliance, the State Auditor shall notify the State Treasurer and no further grant funds appropriated to the grantor agency under the specific grant shall be encumbered or expended until the State Auditor determines that all applicable reporting or record keeping provisions are brought into compliance.

## Updated Legislation: HB 2573

- Changes (continued)
  - The State Auditor, in cooperation with state grant-making agencies, shall create legislative rules to govern:
    - Procedures concerning issuing and lifting stop payments and other corrective actions
    - Factors to be considered in determining whether to issue a stop payment order including whether or not a stop payment order is in the best interest of the state
    - Factors to be considered in determining whether a stop payment order should be lifted
    - Procedures for notification to the grantee or subgrantee of the issuance of a stop 116 payment order, the lifting of a stop payment order, and any other related information
  - The State Auditor shall maintain a searchable and publicly accessible database listing all awarded state grants.
  - The State Auditor shall maintain a debarred list identifying grantees who have failed to file reports and sworn statements required by this section.

## State Grants

- Definition: funding provided by a state spending unit, regardless of the original source of the funds, to a person upon application for a specific purpose.
- The term “State Grant” does not include:
  - Payments for goods and services purchased by a state spending unit.
  - Compensation to state employees and public officials.
  - Reimbursements to state employees and public officials for travel or incidental expenses.
  - Grants of student aid.
  - Government transfer payments.
  - Direct benefits provided under state insurance and welfare programs.

## State Grants

- The term “State Grant” does not include (continued)
  - Funds reimbursed to a person for expenditures made for qualified purposes when receipts for the expenditures are required prior to receiving the funds.
  - Retirement benefits.
  - Federal pass-through funds that are subject to the federal Single Audit Act Amendments of 1996.
  - Formula distributions to volunteer and part-time volunteer fire departments made pursuant to WV Code 33-3-14d, 33-3-33, and 33-12C-7.
  - **State aid funding under the Public School Support Plan.**
  - **Reimbursement grants from the WVDE that are coded to Project 00000 since such awards do not require an application and the use of funds is not restricted.**

## Reporting Requirements

- County boards who receive one or more state grants that amount to less than \$50,000 in the aggregate in a state’s fiscal year will be required to file a “sworn statement of expenditures” with the grantor **and the state auditor.**
  - Must be filed within **two years** of the county board’s fiscal year end in which the grantor disbursed the funds to the county board.
- County boards who receive one or more state grants in the amount of **\$50,000 or more** in the aggregate in a state’s fiscal year will be required to have an independent CPA test to make sure that grant funds are being expended as intended. Depending on the type of testing the CPA performs, a sworn statement of expenditures may also be required



# Submission Requirements

```

3/15/21  FY 20  MARSHALL COUNTY SCHOOLS  09:10:44  QPADEV003Z
FMS      General Financial Report Writer  Ref: GNL_570_11
Report ID: SWORN STMT
Report Title: SWORN STMT
Items to Print: B
                A - Print account number only.
                T - Print account title only.
                B - Print both the account number and the title.

Report Sequence Logic:
Element Name      New  Print  Offset  Select: From or
(defines sequence) Page Total  From  To      Only  To
1. *TYPE          N    Y     0     0      7     8
2. FUND           N    Y     0     0
3. PROJECT        N    Y     0     0      02011
4. PROGRAM/FUNCTION N    Y     0     0
5. OBJECT         N    Y     0     0      009     999
6. COST CENTER    N    N     0     0
7. SUBJECT        N    N     0     0
8. EXPANSION      N    N     0     0
9.                N    N     0     0
10.               N    N     0     0
(*TYPE' for financial statement classification.)

Mode: Lookup
Cancel? N
    
```

# Submission Requirements

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3/15/21  FY 20  MARSHALL COUNTY SCHOOLS  09:11:20  QPADEV003Z
FMS      General Financial Report Writer  Ref: GNL_570_12

Balances to Print:
Column Heading Sign Cent Item FY  R  Available Items
1. YTD_TRANS      -    Y    03  -    -    1. Beginning transaction balance.
2.                -    Y    00  -    -    2. Current month transaction activity.
3.                -    Y    00  -    -    3. Year-to-date transaction activity.
4.                -    Y    00  -    -    4. Current transaction balance.
5.                -    Y    00  -    -    5. Prior month transaction balance
6.                -    Y    00  -    -    6. Beginning budget balance.
7.                -    Y    00  -    -    7. Current month budget activity.
8.                -    Y    00  -    -    8. Year-to-date budget activity.
9.                -    Y    00  -    -    9. Current budget balance.
10.               -    Y    00  -    -    10. Prior month budget balance.
11.               -    Y    00  -    -    11. Current month encumbrance activity.
12.               -    Y    00  -    -    12. Current encumbrance balance.
13.               -    Y    00  -    -    13. Non-transacted budget balance avail
14.               -    Y    00  -    -    14. Non-encumbered budget balance avail
15.               -    Y    00  -    -    15. Cur trans balance as % of budget ba
16.               -    Y    00  -    -    16. Cur month trans as % of budget bal.
17.               -    Y    00  -    -    17. Committed balance as % of budget ba

Sign: R-Reverse D-Drop -Leave Use HELP key to display items 18-45.
Mode: Lookup
Cancel? N
    
```

## Submission Requirements

- A senior representative of the grantee who possesses authority to bind the grantee must sign the statement and provide his or her:
  - Printed name
  - Title
  - Date of Signature
- Must be notarized

## Submission Requirements

- Only submit sworn statement of expenditures to the specific grantor **and the WV State Auditor.**
  - Example: The WVDE does not need the sworn statement of expenditures for SBA grants
- Your submission should contain the following:
  - Notarized completed sworn statement of expenditures.
  - Copy of the corresponding grant award
  - WVEIS Reports used to support the information on the sworn statement of expenditures.

## Submission Requirements

- There will be exceptions, but each grant received will normally need only **ONE** sworn statement of expenditures completed.
- This statement should only be completed when:
  - You have expended the total amount of the grant, or
  - You have reached the liquidation date of the grant or the due date for the sworn statement and you have not completely expended the funds
- File Name Structure
  - County Name grant\_year\_last four digits of the grant award
  - For example: if Harrison County is submitting their sworn statement for a grant with a grant award number of GRTAWD04022000000644 then the file should be named: **Harrison 20\_0644**
- Berkeley Example

## WVDE Review process

- The Office of School Finance coordinators will be responsible for reviewing submitted audit reports for audit findings related to state grants.
- The county's sworn statement of expenditures will be received by Office of School Finance coordinators and directed to the Office of Internal Operations.
- The Office of Internal Operations will then attach the State Agency Grant Award Compliance Information (SAGACI) checklist to the submission and forward the submission to the appropriate awarding official for review.



## WVDE Review process

- The awarding official will compare the expenses listed on the sworn statement to the purpose of the grant for reasonableness.
- The awarding official has been made aware that the WVEIS report has been approved as sufficient documentation by the State Auditor's office.
- If the awarding official has questions, they will reach out to the Office of Internal Operations or Office of School Finance before reaching out to the county.

## Consequences of Noncompliance

- Any grantee who files a fraudulent sworn statement of expenditures could be:
  - Found guilty of a felony
  - Fined not less than \$1,000 nor more than \$5,000 and/or,
  - Imprisoned in a state correctional facility for not less than one year nor more than five years.
- The grantor has primary responsibility for determining:
  - If the grantee has filed a required report or sworn statement of expenditures.
  - The date the report or statement was filed.
  - If the report or statement meets all statutory and administrative requirements.

## Process for Requesting an Extension

- If you have a State grant whose obligation/liquidation date is coming up or has passed and you have not spent the grant funds:
  - Contact the program official listed on the grant and request an extension.
  - If the listed official is not a current employee of the State Department, contact your assigned coordinator, and we will investigate further and work with Internal Ops to come to a resolution.
- **Expending your state grant funds within the stated grant period will be extremely important. Moving forward, it will be much more difficult for us to give grant extensions for any unexpended funds.**



# QUESTIONS?



# Thank You

Josh Harner, CPA MSA  
WVDE Office of School Finance  
304-558-6300  
Joshua.harner@k12.wv.us

