

West Virginia Division of Highways
Administrative Operating Procedures
Section II, Chapter 6

SECTION TITLE: ACCOUNTING

CHAPTER TITLE: ACCOUNTS RECEIVABLE

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I. INTRODUCTION

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The purpose of the following procedure is to provide information needed for the preparation of Form BF-38, Invoice. The complete and accurate preparation of this form is necessary for Finance Division to efficiently and effectively dispense invoices to other agencies (municipalities and other political subdivisions of the State, other agencies, public bodies, etc.).

II. RESPONSIBILITIES

Ultimate responsibility for the accurate preparation of the invoice is performed by the District Comptroller or a designee in the District, or by a person designated by the Division Director in the Division.

III. PROCESSES

It is a policy of the Division of Highways to sell relatively small quantities of materials (stone, salt, tires, chains, etc.) to municipalities, other political subdivision of the State, other State agencies, and public and quasi-public bodies. However, before a sale can be made or equipment repaired for another agency, etc., it is imperative that three questions be considered: 1) Is the material in stock? 2) Will the sale compete with private industry? 3) Will the sale and/or repair delay Division of Highways' operations?

Although the material is in stock, the sale and/or repair is not necessarily the responsibility of the Division of Highways. For example, another agency needs a minor repair on a piece of equipment. It is determined that the parts needed are in stock and that the sale will not compete with private industry. However, repairs to Division of Highways' equipment are backed up. The parts may be sold to the other agency, but the repair is not a responsibility of the Division of Highways. If,

on the other hand, the material is in stock, the sale will not compete with private industry *and* the sale and/or repair may be made for the cost of the materials and labor plus a ten percent service charge. (If the charge of labor is estimated to exceed \$200, the repair *must* be handled by a reimbursable authorization. Refer to Section III, Chapter 6.)

A prerequisite to the sale of State-owned materials to municipalities, public and quasi-public bodies is the processing of a "permission to sell" requisition through regular channels. This requisition must be accompanied by a cashier's or certified check for the full amount of the sale.

A sale to a subdivision of the State or other State agency does not require a "permission to sell" requisition or cashier's or certified check. The District Comptroller prepares a BF-38 Invoice and a memo as described in steps below.

If time or other determining factors do not allow for the accepted procedure concerning a sale to another party, there are alternative steps that can be taken. For example, the city of St. Albans needs a certain amount of salt immediately. The funds for the salt are in the city's budget, but cannot be made available until the next city council meeting. The salt may be sold to St. Albans, providing the proper documentation is prepared so that they may be billed later.

- Prepare a Form DOT-6, Inventory Usage or Transfer.
- Have the person requesting the material sign his/her full name on the DOT-6. Also, the name of the responsible official from the receiving organization should be noted on the DOT-6.
- Prepare a Form BF-38, Invoice.
- Attach a signed memo explaining the circumstances of the sale.
- The usage is entered into REMIS and the DOT-6 is retained on file. Two copies of the signed DOT-6 are to be attached to the BF-38 and transmitted to Finance Division.