West Virginia Division of Highways
Administrative Operating Procedures
Section II, Chapter 13

SECTION TITLE: ACCOUNTING

CHAPTER TITLE: INVOICE PROCESSING FOR INTERIM
                  LEASES

I.   INTRODUCTION

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The Division of Highways, on occasion, rents property on a short-term basis. This type of rental, defined as an "interim lease," is primarily between the DOH and individuals who occupy buildings located on property purchases for new roadways. Leases of this nature provide those individuals with living accommodations until the time when they acquire new residences.

The purpose of this procedure is to determine guidelines for the processing of invoices and the collecting of payments in regard to interim leases. Interim leases are defined as those leases established for one year or less for rental properties owned by the Division of Highways.

II.   RESPONSIBILITIES

A. PROPERTY MANAGER, RIGHT OF WAY DIVISION

1. Provide copies of each executed lease to the District Right of Way Agent and the Accounts Receivable Section of Finance Division.

2. Establish and maintain a file for each executed lease from execution through termination.

3. Transmit a copy of the termination notice to the Accounts Receivable Section when received from the District.

B. DISTRICT RIGHT OF WAY AGENT

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1. Establish and maintain file for each lease until it is terminated.

2. Collect rent payments.

3. Notify the Property Manager, Right of Way Division, of termination of each lease.

C. ACCOUNTS RECEIVABLE SECTION OF FINANCE DIVISION

1. Establish a file for each lease received from the Property Manager.

2. Prepare an invoice monthly for each lease. (Billing will be prepared twice a month to accommodate the establishment of only two rental due dates.)

3. Personally deliver billing to Property Manager.

4. Upon receipt of a termination notice, close the file on the lease.

III. PROCESSES

Rent for all leases on property owned by the Division of Highways is to be paid by the lessee in advance. Rent for each month will be collected on, or before, either the first or the fifteenth of the month (depending on the due date established by the lease).

The District Right of Way Agent, the Property Manager of Right of Way Division, and the Accounts Receivable Section of Finance Division must all work together closely to assure that billing and collecting of payments are both accurate and prompt. To ensure that all records and files are similar, open communication must be maintained and correspondence must be prompt. If problems arise, (e.g. delinquent payments, etc.) they must be brought to the Property Manager's attention immediately.

A. ESTABLISHMENT OF INTERIM LEASES, FILES, AND INVOICES PROCESSING

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1. The District Right of Way Agent will:

     a. Transmit the following to Right of Way Division for execution of the lease:

         i. The lease signed by the tenant;

         ii. The first rental payment, in the form of a check or money order.

                 • If the first rental period being on the first or fifteenth of the month, the rent payment will be for an entire month
                 • If the first rental period begins on a date other than the first or fifteenth, the rent payment will be prorated and collected for the shortened period (less than one-half month).

     b. Prepare a file for each lease.

2. The Property Manager, Right of Way Division, will:

     a. Establish a file for each executed lease.

     b. Transmit to the Accounts Receivable Section of Finance Division:

         i. A copy of the lease;
         ii. The first rent payment; and
         iii. The rental due date established by the lease.

3. Accounts Receivable will:

     a. Establish a file for each lease received from the Property Manager.

     b. Prepare billings twice a month. For those payments due on the first of the month, the billing is to be personally delivered to the Property Manager's office by the fifteenth of the month prior to the due date. If the payments are due on the fifteenth of the month, the billing is to be personally delivered to the Property Manager's office by the first of the month prior to the due date.

     c. Update files on all leases as to the date invoices were prepared and walked to the Property Manager's office.

4. The Property Manager will:

     a. Upon receipt of the invoices from Accounts Receivable Section, update files on all leases invoiced.

    b. Transmit all invoices to the appropriate Districts.

5. The District Right of Way Agent will:

    a. Update files on all leases invoiced.

    b. Collect payment on invoices from lessees. Collection may be made in person or by mail. (Payment is to be made in the form of a check or money order.)

    c. Update files when payment is received.

    d. Transmit all payments upon receipt to the Accounts Receivable Section of Finance Division.

6. Accounts Receivable will:

    a. Update files on all payments received from the District.

    b. Promptly transmit a copy of the payment, with the date received and the lease number noted, to the Property Manager, Right of Way Division.

7. The Property Manager will update files upon receipt of the copies of the payments from Accounts Receivable.

B. TERMINATION OF AN INTERIM LEASE

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1. The District Right of Way Agent will:

    a. Temporarily close the file on the lease. Do not completely close until receiving notification from the Property Manager.

    b. Transmit a copy of the termination notice to the Property Manager.

2. The Property Manager, Right of Way Division, will:

    a. Upon receipt of the termination notice, review the file on the lease.

    b. If there are no problems, close the file.

    c. Promptly transmit notification of closure to Accounts Receivable and the District.

3. The District Right of Way Agent and Accounts Receivable will, upon receipt of the notification from the Property Manager, close the appropriate file.