

**WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS
POLICY 40**

**FISCAL RESPONSIBILITY
West Virginia University**

Section 1 General

- 1.1. Scope: Policy regarding the application of fiscal responsibility at WVU.
- 1.2. Authority: WV code §18B-5-9
- 1.3. Effective Date: June 2, 2006

Section 2 Policy

- 2.1 West Virginia University shall establish procedures for implementing internal controls and best business practices to ensure the highest levels of fiscal accountability and oversight, including, but not necessarily limited to:
 - a. Implementing, as appropriate, tenets of Sarbanes-Oxley upon consideration of recommendations from such resources as the National Association of College and University Business Officers;
 - b. Complying with Generally Accepted Accounting Principles of the Governmental Accounting Standards Board (“GAAP”) and the Generally Accepted Government Auditing Standards of the Government Accountability Office (“GAGAS”);
 - c. Operating without material weakness in internal controls as defined by GAAP, GAGAS and, where applicable, the Office of Management and Budget (“OMB”) Circular A-133.
 - d. Maintaining annual audited financial statements with an unqualified opinion; and
 - e. Presenting annual audited financial statements to the Board of Governors of West Virginia University.
- 2.2 The above-referenced procedures will comply with West Virginia Code §18B-5-9 and will include provisions for West Virginia University to implement the practices as mentioned therein as well as other fiscally responsible practices as may be determined, from time to time, by the University’s administration.
- 2.3 In the interest of clarifying certain terms relevant to those procedures, and included in the above-referenced code section, the Board of Governors of West Virginia University hereby states as follows:

- a. The “quarterly financial statements” referenced in West Virginia Code §18B-5-9(a)(1)(E) shall consist of the Statement of Net Assets (SNA) and the Statement of Revenues, Expenditures and Changes in Net Assets (SRECNA). The “chief financial officer” to certify such statements on behalf of West Virginia University shall be the University’s Vice President for Administration, Finance and Human Resources.
- b. Examples of the “best practices from Sarbanes-Oxley”, as referenced in West Virginia Code §18B-5-9(a)(1)(F), are the hiring and use of external auditors, and the creation and institution of an Audit Committee of the Board, both of which were adopted by the Board of Governors of West Virginia University before the effective date of this policy.
- c. The “thirty days” period set forth in West Virginia Code §18B-5-9(a)(3) for the furnishing of financial reports, as indicated therein, shall begin to run upon the West Virginia University Board of Governors’ acceptance of the audit report submitted by the University’s external auditors.