

610 Disbursement of Impact Fees

610.1 Legislative Authority

Authority for implementation of this policy is derived from WV Code §7-20 and from County Ordinance 2003-1.

610.1.1 State Code

The Local Powers Act (WV Code §7-20 *et seq*) discusses only County Commissions when outlining the entire fee determination-collection-disbursement cycle. The details related to disbursement of impact fees are discussed in §7-20-8(a)-(e).

610.1.2 County Ordinance

Appropriation of impact fees is discussed in Ordinance 2003-1, Impact Fees Procedure Ordinance, Section 3 – Establishment of Impact Fee Accounts; Appropriation of Impact Fee Funds; and Refunds. Of the three topics in this section, two are dealt with in other Department of Impact Fees policy documents.

- Management of impact fee accounts is discussed in 2003-1 Section 3(A). Refer to policy documents in series 500 of the Department of Impact Fees Policy Manual for details relating to account management.
- Procedures for refund of impact fees are discussed in series 575 of the Department of Impact Fees Policy Manual.

Impact Fee disbursement is discussed in 2003-1 Section 3(B) and (C). Section B reiterates the restrictions on expenditures, including eligible projects, fee districts, and time limitations. Section (C) specifically discusses the procedure for appropriation of impact fee funds.

610.2 Identification of Fee-Fundable Projects

As per §7-20-8(a)(b) and (e), and County Ordinance 2003-1 Section 3 (1) and (2), only projects identified in the County Capital Improvement Plan may be eligible for funding by impact fees. Further, it must be demonstrated that such projects are required either to fully or partially accommodate new growth (§7-20-8(a)). There are two, complimentary methods for identifying and quantifying such projects, as discussed in the next two sections.

The overall flow chart for project identification is presented in Appendix 1.

610.2.1 Capital Improvement Plan - General

The County Capital Improvement Plan is divided into three broad sections:

- The submission by the Board of Education. This is considered a required document but is not altered by the County Commission.

- Other entities for which impact fees are collected – this includes the fire departments, the Sheriff’s Office, and the Parks & Recreation Commission. The Impact Fee Coordinator manages this part of the CIP.
- The remaining section consists of those entities unrelated to impact fees. The County Administrator manages those sections.

The County Administrator manages the binding of these three components which together are considered the County Capital Improvement Plan. This document is reviewed by the County Commission prior to meetings on the General Budget. Review of the CIP generally occurs in January/February of each year in preparation for the upcoming fiscal year.

610.2.2. Capital Improvement Plan – Identification of Fee Fundable Projects

The Impact Fee Coordinator reviews the CIP submissions from the Board of Education, and any entity or department for which an impact fee is collected. For each project the Impact Fee Coordinator notes one of the following possibilities:

1. **Project is not eligible for funding by Impact Fees.** Such projects generally fall into two classes: (1) replacement or repair of capital items, or (2) projects which increase the standard of service. Neither of these project types are permitted under WV Code §7-20 to be funded by impact fees.
2. **Projects potentially fundable by Impact Fees.** These projects represent expansion of existing levels of service, in whole or in part. In determining the percentage of project funding for which impact fees may be applied, the Impact Fee Coordinator may refer to existing level of service standards, population projections (residences, students, commercial-generated traffic, etc), or other materials to assist in making a funding determination. As discussed below, the Impact Fee Coordinator may also rely on use of the most current Cash Flow Analysis for guidance.

610.2.3 Cash flow Analysis

This analysis tool tracks revenues by land use type and expenses by capital category for each of the Impact Fee groups. It is a useful tool for determining how impact fees should be expended by capital category over time.

The essence of the cash flow analysis is the ability to link the fees collected within a specific time period to the development charged those fees and the capital categories for which the fees were collected. Thus over time the cash flow analysis literally can guide the county as to how much must be spent within each capital category to ensure that no one category is over or under emphasized. Over the long term, each category which had been identified in the underlying fee calculation, should be addressed in a manner that ensures that fees expended are commensurate with the fees collected. Over the short term this linkage isn’t necessarily so important as frequently, within the time frame of a year’s fee collection, funds collected are insufficient for meaningful expenditure within a given capital category.

The Impact Fee Coordinator shall attach a copy of the current cash flow analysis to the CIP. Notes may be associated with the cash flow analysis for the purpose of justifying particular expenditures of impact fees, and for the purposes of tracking funding of each fee category's capital categories over time.

610.2.4 Non-binding Recommendations to County Commission

The Impact Fee Coordinator will review the CIP and each current cash flow analysis and issue a memorandum to the County Commission which lists the projects which are recommended for impact fee funding.

610.2.4.1 Basis for Recommendations

The Impact Fee Coordinator, in formulating a non-binding list of potentially fundable projects, shall only list projects with requested funding amounts which satisfy either of the following two conditions: (1) the requested funding is equal to or less than the amount allocated to that project's capital category as determined by cash flow analysis, or (2) the requested funding is in excess of the amount allocated to that project's capital category, as determined by cash flow analysis and the requested amount is less than twice the allocated amount. This second criteria ensures that no funding request will create a funding deficit for a capital category for more than 1 year into the future (at the current growth rate).

If the requesting entity wishes to request more than the amount specified above, they may request a hearing before the County Commission. This hearing should be scheduled through the Impact Fee Coordinator.

610.2.5 County Fee-Fundable Projects List

The County Commission, following review of the impact fee coordinator's non-binding recommendations, the CIP, and the General Budget documents, will create a list of projects approved for funding either in whole or in part by Impact Fees. No project may be listed in this document which isn't listed in the CIP. Additionally, any project listed should have received a favorable funding recommendation from the Impact Fee Coordinator.

610.3 Requisition Process

Except for refunds (outlined in section 575 of this policy document), impact fee funds are only released for expenditure using this requisition process. Fees are released as direct payments to contractors for services or supplies following inspection of invoices submitted to the Department of Impact Fees.

The overall flow chart for the requisition process is presented in Appendix 2.

610.3.1 Preliminary Steps – Identification of Fee Fundable Projects

- Step 1. Impact Fee Coordinator conducts analysis of CIP and appropriate cash flow analyses and issues funding recommendations to the County Commission.
- Step 2. County Commission identifies projects eligible for impact fee funding. This document is distributed to Impact Fee Coordinator and vested departments, agencies, commissions and boards.

610.3.2 Requisition Process

- Step 1. Any agency, department, board or commission eligible for project funding using impact fees will identify the individual or individuals with authority to submit requisitions. This person is identified as the requestor.
- Step 2. Requestor submits **Form 705 – Impact Fee Requisition** along with *original* invoice(s) to the Department of Impact Fees by the 5th of each month.
 - Requestor is responsible for ensuring that the submitted invoices are related to a fee fundable project and are appropriate requests (e.g. invoices may only be for expansion of capital projects, not repair or replacement, and not for operating and maintenance costs).
 - It is the intent of the Department of Impact Fees that requisitions received by the 5th of each month are paid by the 20th. Note however that there are several approval checkpoints in this process and impact fee accounts require the signatures of three elected officials for withdraw.
 - Submission of multiple invoices is permitted provided that they are for expenses for the same recognized project.
 - For multiple project submissions, a separate Form 705 must be used to document each project's requisition.
- Step 3. The Impact Fee Coordinator will review each requisition and verify the following:
 - The requisition is for a single project and this project was identified in the current year CIP as eligible for fee funding.
 - The attached invoice or invoices are for appropriate expenditures.
 - The requisition amount does not represent an over expenditure of approved funds (in the case of previous requisitions for this project, the Impact Fee Coordinator shall maintain a running tally of fees expended and check this against the approved total amount of funding).
 - The appropriate account to be used for payment.
 - If any part of a requisition is not appropriate or represents an over expenditure, the full requisition package is returned along with a detailed explanation by the Impact Fee Coordinator detailing the reason for rejection.
- Step 4. The Impact Fee Coordinator will complete the appropriate sections of **Form 705** and forward the original to the County Commission for review.
- Step 5. The Commission president will complete his/her section of **Form 705** and return it to the Impact Fee Coordinator.
- Step 6. The original **Form 705** will be forwarded to the Finance Department. Finance will prepare the check or checks for withdraw of funds. Finance shall ensure

that the checks are signed by the President of the Count Commission, Sheriff of Jefferson County, and the Clerk of the County Commission.

- Step 7. The original Form 705 and associated check(s) are returned to the Impact Fee Coordinator.
- Step 8. For each payment, the Department of Impact Fees Payments will deliver a copy of the original invoice and the corresponding check to the appropriate vendor.
- Step 9. Copies of all requisition-related documents are returned to the original requestor.
- Step 10. The Impact Fee Coordinator shall maintain a running tally of the fees released for this project in order to ensure that over expenditure of funds does not occur.
- Step 11. The Impact Fee Coordinator will note the withdraw of funds as they related to appropriate Process Numbers in JCIFTS. Process Number/impact fees are always treated in a FIFO order.

610.3.2 Documents required

For each requisition include the following documents:

- Original invoices
- Form 705 – Impact Fee Requisition.

610.3.2.1 Original Invoice(s)

Each invoice must clearly include:

- The vendor name and address
- A uniquely identifying invoice number – provided by the vendor. Note that for requisitions involving a single invoice from this vendor, the invoice date shall suffice.
- Detail sufficient to identify the item to be purchased or the service to be performed such that the relationship to the requisition project as outlined in the CIP is clear.
- The total invoice amount.

NOTE: Any penalty or interest due amounts WILL NOT BE APPROVED by the Impact Fee Coordinator. Such amounts, if appropriately due to the vendor, shall be reimbursed by the requesting entity using non-impact fee revenues.

610.4 Document Routing

- The Department of Impact Fees shall maintain the original **Form 705** and the associated original invoice(s). These documents shall be scanned for electronic retrieval.
- The requestor will receive copies of the original **Form 705** and the associated original invoice(s).

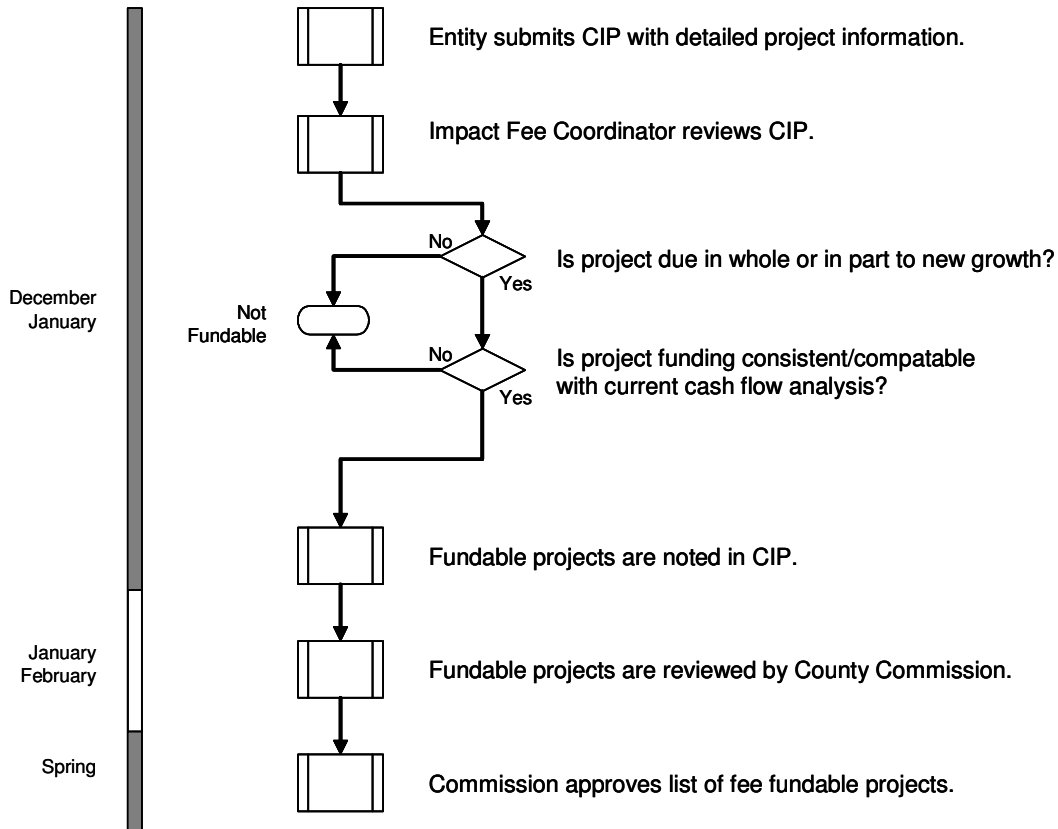
610.5 Information Systems Processing

- The Capital Improvement Plan as it relates to impact fee fundable entities is managed and stored within the Capital Improvement Plan on line (CIPol) system. This system

maintains details related to specific projects, fee fundable status, funding approved, and total funds expended.

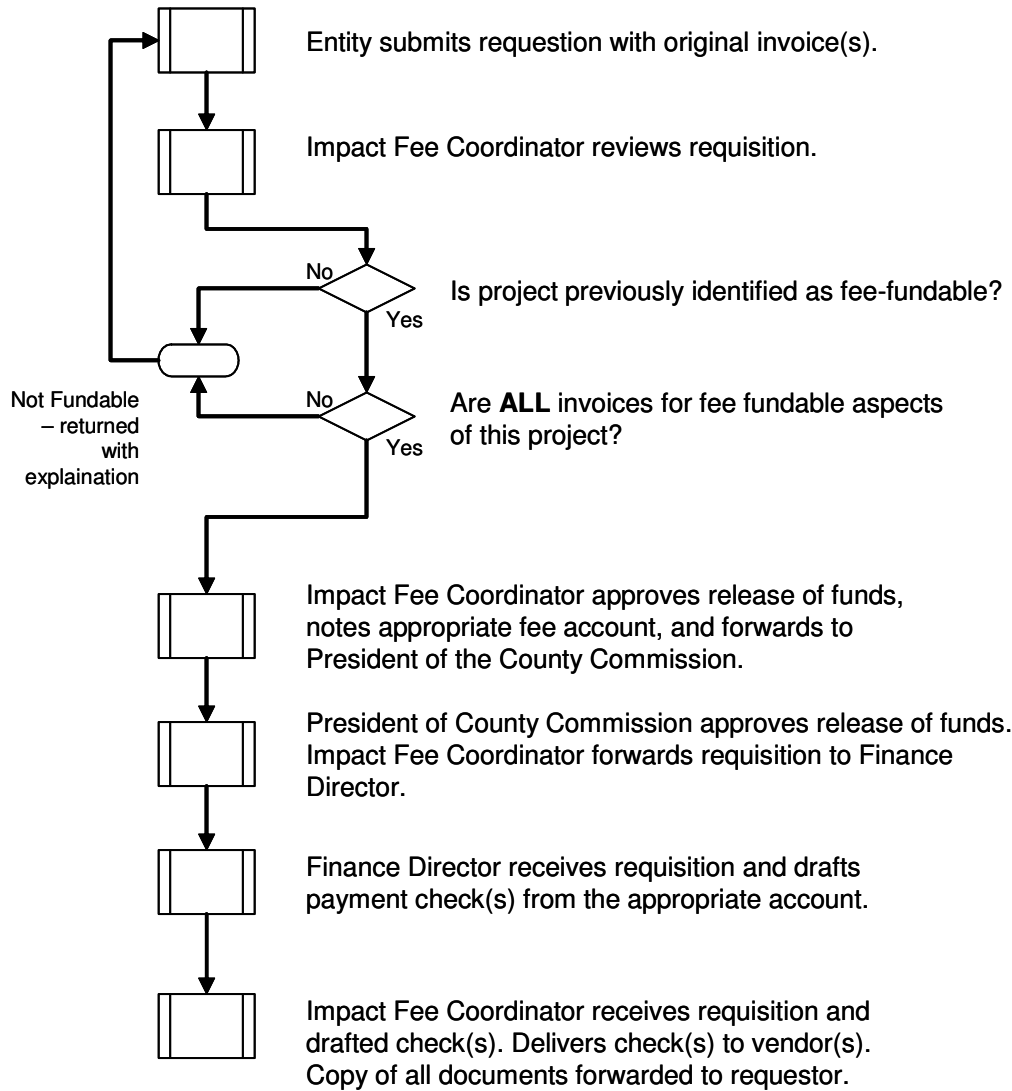
- The list of County Commission approved fee-fundable projects is maintained within CIPol.
- Monies withdrawn from any long-term impact fee account are registered in JCIFTS/AAM.
- Process Numbers related to fee expenditure are tracked using JCIFTS/AAM. All Process Numbers are associated with a project or projects in a FIFO manner. Note that there are limitations to this system in that (1) the system is not capable of breaking a process number into two or more projects. Some process numbers may bridge funding of two projects but will be associated with only one project.
- Details concerning each **Form 705** submission are tracked using the RTS (Requisition Tracking System). This system links to CIPol and to JCIFTS/AAM.

Appendix 1. Preliminary Details – Fee-Fundable Project Identification



Appendix 2: Requisition Processing

Process begins after start of fiscal year. Projects must have been listed in the CIP for this fiscal year.



Requisition Number (*county use only*) _____

Project Number (*county use only*) _____

705

Impact Fee Requisition

Jefferson County Government – Department of Impact Fees

Use this form to request release of funds for a specific capital project. For multiple projects use multiple forms. Requestor completes items 1-13, and 23. Attach *original* invoices to this form. Impact Fee Coordinator completes items 14-19, 21, 22, 24, 27-29. County Commission President completes item 25. Finance Director completes items 20, 26.

1 Date (mm-dd-yyyy) _____

Agency/Department/Board/Commission Identification

2 Entity Name _____

continued _____

3 Address _____

continued _____

4 City _____

State _____ ZIP _____

5 Requestor Name _____

6 Title _____

7 Phone _____

Project Information – completed by Requestor

8 Project Title _____

continued _____

9 Location _____

continued _____

10 Phase/Task/Subproject (if applies) _____

continued _____

11 Total This Requisition _____

12 Number of invoices attached _____ (*attach only original documents*)

Invoice Details

13

Vendor	Invoice Date	Invoice #	Amount

Page/Grand Total

If attaching more than 15 invoices, copy this page, insert after page two and complete:
 This page is an insert. Page number is _____ (use numbering scheme 2A, 2B, 2C, etc).

CIP Identification – completed by Impact Fee Coordinator

14 Project is listed in County Commission approved Capital Improvement Plan.
15 Impact Fee Coordinator has qualified project for funding by impact fees.

16 CIP Entity Name _____
continued _____

17 Project Title _____
continued _____

18 CIP FY _____ Line number _____
Entity ID _____ Project ID _____

Capital Category _____
Impact Fee _____
Category _____

19 CIP Total Project Cost _____
CIP Approved Impact Fee Funding – Current FY _____
CIP Current FY Request _____
Previous FY Requisition Funding _____
This Requisition Request _____
Impact Fee Funds Remaining – Current FY _____

County Finance – Checks Drafted			
Check #	Date Prepared	Payee	Amount
20			
			Page/Grand Total

This page is an insert. Page number is ____ (use numbering scheme 4A, 4B, 4C, etc).

Impact Fee Coordinator – Checks Received

21

Signature		Date			
Check #	Date Delivered/Mailed	Payee	Invoice	Amount	
22					
				Page/Grand Total	

This page is an insert. Page number is _____ (use numbering scheme 5A, 5B, 5C, etc).

Certifications and Tracking

Requestor Signature

23 _____
Signature _____ Date _____
By this signature I certify that the information provided by the requestor is true and accurate.

Impact Fee Coordinator - Approval

24 Requisition Approved Rejected
(If rejected, the Impact Fee Coordinator will attach a memorandum detailing the reason or reasons for rejection)

Account _____ Bank _____

Signature _____ Date _____

County Commission President – Approval and Release to County Finance

25 Requisition Approved Rejected

Signature _____ Date _____

County Finance – Received By

26 _____
Signature _____ Date _____

Impact Fee Coordinator – Check Delivery Completed

27 _____
Signature _____ Date _____

28 There are continuation sheets attached. There are no continuation sheets attached.

Impact Fee Coordinator – Process Numbers Involved

Note that this range may include development for which a fee does not apply (for example commercial development and the school impact fee) and may include Process Numbers for exemptions.

29 Start Date _____ End Date _____
Start Process Number _____ End Process Number _____

Audit Log

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