



85.38 Other Warrant Procedures

85.38.10

July 1, 2013

Agency-initiated warrant cancellations

85.38.10.a

When an agency becomes aware of the need to cancel a warrant and it is prior to the warrant reaching Statute of Limitations (SOL) status (180 days), the agency is to initiate a warrant cancellation. Warrants issued in error should be canceled by the agency as soon as the error is discovered. For lost warrants, destroyed warrants and non-deliverable warrants, agencies are to follow specific cancellation instructions in this chapter.

If an agency does not initiate a cancellation prior to the warrant reaching SOL status, follow the SOL instructions in Subsection 85.38.40.

85.38.10.b

Agency-initiated cancellations may be done either manually or using an automated process.

- A manual cancellation entails the agency preparing a Journal Voucher (A7) with the appropriate cancellation transactions and entering the transactions in the Agency Financial Reporting System (AFRS).
- Alternatively, an agency may use the AFRS automated cancellation process to initiate cancellations. AFRS will generate the cancellation transactions for agency review, and it will generate a report that serves as the Journal Voucher. For procedures, refer to the AFRS Payment Cancellations & Returns documentation available online at: http://www.des.wa.gov/SiteCollectionDocuments/ITSolutions/Payment_Cancellation_January_2013.pdf.

Regardless of the process used, for non-SOL warrant cancellations the agency must send the original Journal Voucher (or AFRS-generated report) along with appropriate supporting documentation (either the warrant or the “Affidavit of Lost or Destroyed Warrant”) to the Office of State Treasurer to complete the cancellation process.

85.38.10.c

When canceling a warrant, the agency is to debit GL Code 7130 “Warrant Cancellations In-Process” and credit the appropriate GL Code, depending on the reason for the cancellation.

For **warrants that are non-deliverable**, statutorily canceled, lost or destroyed, credit GL Code 5194 “Liability for Canceled Warrants/Checks - Short-Term.” Refer to Subsection 85.42.80 for illustrative entries.

For **warrants that were issued in error**, credit the GL Code debited when the payment was issued. For example, if the warrant was an expenditure payment, credit GL Code 6510 “Cash Expenditures/Expenses.” Refer to Subsection 85.42.85 for illustrative entries.

85.38.15

July 1, 2012

Non-deliverable warrant

A warrant in the custody of an agency is considered non-deliverable only after a search did not locate the payee.

A warrant deemed to be non-deliverable is to be canceled by an agency-initiated cancellation. Refer to Subsection 85.38.10.

Agencies are to maintain a record of all transactions concerning non-deliverable warrants.

85.38.20

July 1, 2013

Lost or destroyed warrants

When a warrant is reported as lost or destroyed, an agency is to contact the Office of the State Treasurer (OST) and request information on the status of the warrant. Then the agency is to follow the procedures described in this subsection under the appropriate warrant status.

85.38.20.a **Lost or Destroyed Warrants Statutorily Canceled** - If the warrant has been statutorily canceled per RCW 43.08.062, the procedures listed in Subsection 85.38.40 are to be followed.

85.38.20.b **Lost or Destroyed Warrants (Redeemed)** - If the warrant has been redeemed, the procedures listed in Subsection 85.38.30 are to be followed.

85.38.20.c **Lost or Destroyed Warrants (Unredeemed)** - An agency must first determine whether the warrant was lost or destroyed before or after delivery to the payee.

Note: Delivery to the U.S. Postal Service constitutes delivery to the payee.

Accounting Procedures

1. If an unredeemed warrant was lost or destroyed prior to delivery to the payee, the issuing agency is to complete the affidavit section of the “Affidavit of Lost or Destroyed Warrants.” The form need not be notarized. Refer to form included in this subsection.

If the unredeemed warrant was lost or destroyed after delivery to the payee, the payee is to complete the affidavit section of the “Affidavit of Lost or Destroyed Warrants.” The “Affidavit of Lost or Destroyed Warrants” is to be notarized.

2. For an unredeemed lost or destroyed warrant that is canceled and reissued, an agency is to follow the procedures listed below:
 - An agency prepares a separate Journal Voucher (A7) for lost or destroyed warrants that debits GL Code 7130 “Warrant Cancellations In-Process” and credits GL Code 5194 “Liability for Canceled Warrants/Checks.” Refer to Subsection 85.42. 80 for an illustrative entry. The Journal Voucher is to state that the warrant was lost or destroyed.
 - AFRS agencies are to enter the Journal Voucher through the normal AFRS batch process.
 - Then the agency is to send a **copy** of the “Affidavit of Lost or Destroyed Warrants” and the **original** Journal Voucher to OST for processing. OST is to debit GL Code 4310 “Current Treasury Cash Activity (OST Only)” and credit GL Code 7130 “Warrant Cancellations In-Process.”
 - When the warrant is reissued, the agency is to debit GL Code 5194 “Liability for Canceled Warrants/Checks.” Refer to Subsection 85.42.90 for an illustrative entry.

85.38.20.d

If the original warrant is returned unredeemed after reissue, an agency is to immediately void the original warrant. Procedures listed in Subsection 85.38.70.e are to be followed for all voided warrants.

Affidavit of Lost or Destroyed Warrant

STATE OF WASHINGTON
COUNTY OF _____

FUND _____
WARRANT NO. _____

I, _____, having been duly sworn, depose and say that I am the proper owner, payee, or legal representative of such owner or payee of the State of Washington's Warrant No. _____ dated ____/____/____, in the amount of _____ dollars and that said warrant has been lost, destroyed, or not delivered to me, and to the best of my knowledge has not been paid. If the warrant is subsequently found I will return the warrant. Further, I agree that should the original warrant be redeemed subsequent to the redemption of the replacement warrant that I will promptly (within 5 days of notification) reimburse the state the amount of this warrant.

Payee's Signature

Payee's Mailing Address

Payee's Printed Name

City State Zip

Payee's Street Address

Payee's Phone Number

City State Zip

Title of person signing affidavit (for vendors only)

Witness if signed by "X"

Signature

Signature

Printed Name

Printed Name

Street Address

Street Address

City State Zip

City State Zip

Subscribed and sworn before me this _____ day of _____, 20_____.

Notary Public in and for the State of Washington

Residing at

My appointment expires: _____, 20_____.

85.38.30

July 1, 2013

Redeemed warrants reported as lost or destroyed

When a redeemed warrant has been reported as lost or destroyed, the Office of the State Treasurer (OST) is to send a copy of the redeemed warrant to the agency. The agency is to notify the legal owner that the warrant has been redeemed. A copy of the redeemed warrant and a blank “Affidavit of Forged Endorsement,” are to be included with this notification. Refer to form included in this subsection.

85.38.30.a

Forged Endorsement

85.38.30.a.(1)

If the legal owner claims the endorsement is a forgery, the legal owner is required to complete the “Affidavit of Forged Endorsement.” Refer to form included in this subsection. The affidavit must be signed and notarized.

85.38.30.a.(2)

After receipt of the signed and notarized “Affidavit of Forged Endorsement,” the agency is to compare the signature on the redeemed warrant to the signature on the affidavit. If forgery is questionable, the agency is to investigate further until it is resolved whether or not the warrant has a forged endorsement. If forgery is determined or is obvious, the following procedures apply:

- The **original** signed and notarized “Affidavit of Forged Endorsement” is to be sent to OST. OST is to return the forged warrant to the bank for credit.
- OST is to record collection of the bank credit on a Cash Receipts Journal Summary (A8) by debiting GL Code 4310 “Current Treasury Cash Activity (OST Only)” and crediting GL Code 7110 “Receipts In-Process.” OST is to send a copy of the A8 to the issuing agency.
- The agency is to utilize the A8 received from OST to record the collection of the bank credit. The agency is to debit GL Code 7110 “Receipts In-Process” and credit GL Code 5199 “Other Liabilities.” Refer to Subsection 85.42.95.a for an illustrative entry.
- When the warrant is reissued, the agency is to debit GL Code 5199 “Other Liabilities.” Refer to Subsection 85.42.95.b for an illustrative entry.

85.38.30.b

Endorsement Not Forged

If the signature on the original warrant is not a forgery, the warrant is not to be reissued.

Affidavit of Forged Endorsement

STATE OF WASHINGTON
COUNTY OF _____

FUND _____
WARRANT NO. _____

I, _____, being the rightful owner of the State of Washington's
Warrant No. _____ dated ____/____/____, in the amount of _____ dollars,
do hereby certify that my name as signed on the back of the said warrant is a forgery, and that I have not received
nor endorsed the said warrant: neither have I been benefited in any way from the proceeds there from.

Payee's Signature

Payee's Mailing Address

Payee's Printed Name

City State Zip

Payee's Street Address

Payee's Phone Number

City State Zip

Title of person signing affidavit (for vendors only)

Witness if signed by "X"

Signature

Signature

Printed Name

Printed Name

Street Address

Street Address

City State Zip

City State Zip

Subscribed and sworn before me this _____ day of _____, 20_____.

Notary Public in and for the State of Washington

Residing at

My appointment expires: _____, 20_____.

85.38.40

July 1, 2012

Statutorily canceled warrants

85.38.40.a

Cancellation of Warrants

85.38.40.a.(1)

As prescribed in RCW 43.08.062, the Office of the State Treasurer (OST) is required to cancel warrants that have not been presented for payment within 180 days from the date of issue.

85.38.40.a.(2)

Agencies are advised to monitor the Aged Outstanding reports in the OST's Treasury Management System (TM\$) on a regular basis. Contact OST for access to TM\$. Agencies may want to notify the payee that state law requires outstanding warrants to be canceled after 180 days.

85.38.40.a.(3)

A list of Statute Of Limitations (SOL) canceled warrants is available in TM\$ for agency review. This list includes warrant number, date issued, and amount.

85.38.40.a.(4)

Agencies are to maintain a log of statutorily canceled warrants. If this information is requested in accordance with the Public Records Act, RCW 42.56.070(9), agencies are to ensure this information will not be used for commercial purposes. To this end, before releasing this information, agencies are to have the "Affidavit to Release Outstanding or Canceled Warrants" signed by those requesting a copy of the log of statutorily canceled warrants. Refer to form included in this subsection. Information related to statutorily canceled warrants might contain personal information about citizens.

Privacy Notice: Safeguarding and disposition of personal information must be consistent with Executive Order 00-03, April 25, 2000; and RCW 42.56.210.

85.38.40.a.(5)

At the same time that OST runs its SOL process, the Agency Financial Reporting System (AFRS) automatically generates cancellation transactions for all SOL warrants (both AFRS and non-AFRS generated warrants) and holds them for agency review and release. Instructions regarding disposition of these funds are contained in Subsection 85.38.50.

In lieu of the automated process, an agency may prepare a Journal Voucher (A7) to clear their In Process as stated in Subsection 85.38.10. Refer to Subsection 85.42.80 for illustrative entries.

The Journal Voucher (A7) for SOL warrant cancellations should not be sent to OST.

85.38.40.b **Reissue of Statutorily Canceled Warrants**

- 85.38.40.b.(1) As prescribed in RCW 43.08.062, an agency may issue a new warrant for a statutorily canceled warrant presented for payment.
- 85.38.40.b.(2) Statutorily canceled warrants presented to OST for payment are to be sent to the issuing agency (i.e., warrant items sent on collection).
- 85.38.40.b.(3) When a statutorily canceled warrant is reported as lost or destroyed, an agency may issue a new warrant. If the issuing agency determines to reissue the statutorily canceled warrant, the agency is to issue a new warrant payable to the legal owner of the statutorily canceled warrant. The re-issuance is to be recorded in AFRS, so as to reduce the liability (GL Code 5194). Refer to Subsection 85.42.90 for illustrative entries.
- 85.38.40.b.(4) If the issuing agency determines **not** to reissue the warrant, a letter explaining the reason for disallowance is to be sent to the legal owner.
- 85.38.40.b.(5) OST is responsible for controlling statutorily canceled warrants. If an agency gains possession of a statutorily canceled warrant, it is to be sent to OST for destruction. Refer to Subsection 85.38.80 for further information on warrant voiding and destruction procedures.
- 85.38.40.b.(6) Agencies are to maintain a log of reissued statutorily canceled warrants. This log is to reference, or be incorporated within, the log of statutorily canceled warrants and contain the following for both the original and the reissued warrant: warrant number, warrant register, date of issue, and amount. Refer to Subsection 85.38.40.a.(4).

Affidavit to Release Outstanding or Canceled Warrants

STATE OF WASHINGTON
COUNTY OF _____

Name and Address

Having been duly sworn, deposes and states:

1. I have requested access to those records described as listings or registrations of unpaid state checks or warrants classified by your office as "Outstanding" or "Canceled" (or such other adjective as may encompass these terms), excepting those items that have been issued within the six months preceding this letter.
2. I understand that Washington State law, RCW 42.56.070(9), prohibits the use of lists of individuals for commercial purposes.
3. I understand that the use for commercial purposes of said records may also violate the rights of the individuals named therein and may subject me to liability for such commercial use.
4. I understand that Section 2 or 3 herein apply when I use said records for commercial purposes and when others use said records or copies of same for commercial purposes. I understand that I may be liable in either case.
5. I understand that "commercial purposes" means that the person requesting the record intends that the list will be used to communicate with the individuals named in the record for the purpose of facilitating profit-expecting activity.
6. Therefore, I do hereby swear and affirm on oath and under penalty of law that I will not use said records for commercial purposes and further, that I will not aid or assist others in using said records for commercial purposes.

Signature

Printed Name

Street Address

City

State

Zip

Subscribed and sworn before me this _____ day of _____, 20_____.

Notary Public in and for the State of Washington

Residing at

My appointment expires: _____, 20_____.

85.38.50

May 1, 1999

Liability for canceled warrants/checks

85.38.50.a

GL Code 5194 “Liability for Canceled Warrants/Checks” is to be used to record obligations for canceled warrants and checks for which proper disposition has not yet been determined.

85.38.50.b

RCW 63.29, the Uniform Unclaimed Property Act, applies to the outstanding liability for canceled warrants/checks. Canceled payroll warrants/checks that remain unclaimed for more than one year are considered abandoned. All other intangible property in the custody of the state is considered abandoned after two years. Agencies are to develop procedures for systematically reviewing canceled/outstanding warrants and checks and remitting “abandoned property” to the Department of Revenue. For methods of reporting and remitting, contact the Department of Revenue, Unclaimed Property Section. Refer to Subsection 85.74.30 for further discussion related to Department of Revenue accounting for unclaimed property.

85.38.60

January 1, 2012

“X” warrants

85.38.60.a

If a warrant was damaged or destroyed prior to being mailed, an “X” warrant may be issued to replace the warrant. Agencies preparing “X” warrants are to utilize the Consolidated Technology Services online system. The “damaged” warrant must be delivered and turned over to the Department of Enterprise Services (DES) before the “X” warrant will be released. The agency will need to get system access as well as detail procedures to create an “X” warrant from DES. The “X” warrant is to be “MICR encoded” by the Office of the State Treasurer and included with the batch of warrants. The “X” warrant is to be input by the agency exactly the same as the original warrant. If a warrant is lost or destroyed after being mailed, the procedures at Subsection 85.38.20 apply.

85.38.60.b

Agencies preparing “X” warrants are to maintain a log containing the following “X” warrant information:

- Agency number;
- Warrant date;
- Original warrant number;
- “X” Warrant number;
- Warrant register number;
- Signature of the individual who input the “X” warrant; and
- Date the “X” warrant was prepared.

Accounting Procedures**85.38.70**

January 1, 2012

“X” and blank state warrant stock control procedures

- 85.38.70.a To control the receipt, issue, and inventory of blank warrants, the procedures outlined below are to be followed. Both regular warrants and “X” warrants are to be controlled in the same manner. Only the Department of Enterprise Services will have custody of and responsibility for “X” warrant stock.
- 85.38.70.b All blank warrants are to be kept locked in a climate controlled storage area and under the control of a designated custodian or designated alternate custodian. The designation of the custodian and alternate is to be in writing. Access to the blank warrant stock is to be limited to the designated custodian and the alternate.
- 85.38.70.c Warrants are standard items stocked by the Department of Enterprise Services’ Printing and Imaging. The Office of the State Treasurer and Printing and Imaging has responsibility for the issuance of blocks of warrants to agencies. Agencies are to establish reasonable inventory and reorder levels and follow normal ordering procedures for procurement of blank warrant stock. When warrants are received from Printing and Imaging, the designated custodian or the alternate is to record the following information on an appropriate control form:
- The date received;
 - Quantity received;
 - Inclusive serial numbers; and
 - The new balance on hand.
- 85.38.70.d When warrants are required from the locked storage, standardized requisition forms are to be used and signed by the individual requesting the warrants. In addition, the designated custodian or the alternate is to record the following information on the control form:
- The date issued;
 - Quantity issued;
 - Inclusive serial numbers;
 - Name of the individual receiving the blank warrants; and
 - The new balance on hand.

Accounting Procedures

85.38.70.e A record is to be maintained of all voided warrants. This record is to include the following:

- The date voided;
- The serial number(s);
- Quantity voided and reason for voiding; and
- Initials of individual taking action.

Refer to Subsection 85.38.80 - Warrant voiding and destruction procedures.

85.38.70.f A physical count of the blank warrant stock is to be performed periodically as necessary to maintain an effective system of internal control over the blank warrant stock. The physical count is to be performed by an individual other than the designated custodian or the alternate. The physical count is to be a blind count (i.e., the individual performing the count is not provided with the book quantity). Standardized forms to record the physical count are to be developed and used. The individual performing the physical count is to sign each form used to record the physical count. The forms are to be promptly completed and furnished to a designated supervisor who is to perform the inventory reconciliation. Standardized inventory reconciliation forms are to be developed and used. The inventory reconciliation form is to show the following:

- Date of physical count;
- Date the reconciliation form is completed;
- The book quantity as of the date of physical count;
- The physical count; and
- The name of the person performing the inventory.

If the physical count agrees with the book quantity, then certification of this fact, signed by the supervisor, is to be recorded on the inventory reconciliation form. If there is a variance between the book quantity and the physical count, a second physical count is to be conducted immediately by the supervisor or other party if the supervisor is the designated custodian or alternate. If a variance still exists, the situation is to be reported to the agency head and the agency is to follow procedures for a suspected loss. Refer to Section 20.30, Suspected losses of public funds or property.

85.38.80

January 1, 2012

Warrant voiding and destruction procedures

Warrants to be voided or destroyed are to be controlled by the Office of the State Treasurer (OST) and the Department of Enterprise Services (DES). OST and DES are to develop and implement written procedures for voiding and destroying signed warrants. Warrants that are to be destroyed must be sent to OST for destruction.

85.38.90

May 1, 1999

Local check control procedures

Agencies with local accounts are to develop and implement written procedures for controlling local checks. Procedures should provide for adequate internal control as prescribed in Subsection 85.38.70. Additional guidance on internal control can be found in Chapter 20.