



## 85.38 Other Warrant Procedures

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### 85.38.10 Agency-initiated warrant cancellations

Apr. 1, 2023

#### 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).



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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: [AFRS Payment Cancellations and Returns](#).

Regardless of the process used, for non-SOL warrant cancellations the agency must send the scanned Journal Voucher (or AFRS-generated report) which includes the warrant number(s) to the Office of State Treasurer by email to complete the cancellation process. Do not include the original warrant or the scanned images of the original warrant(s) or the "[Affidavit of Lost or Destroyed Warrant](#)" in the email. Rather, the original warrant(s) and affidavit are to be maintained by the agency in accordance with records retention policies. Agencies are to ensure that adequate controls for safeguarding the original warrant(s) are in place. The general records retention schedule for state agencies can be found at: [State Agencies Records Retention Schedules](#).

### 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.

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## 85.38.15 Non-deliverable warrant

July 1, 2012

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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.

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## 85.38.20 Lost or destroyed warrants

Apr. 1, 2023

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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 is to 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.

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 of Lost or Destroyed Warrants" per RCW 43.08.066. The "Affidavit of Lost or Destroyed Warrants" must be notarized and returned to the issuing agency before a duplicate warrant is reissued.

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 the lost or destroyed warrant 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 the scanned Journal Voucher (or AFRS-generated report) which includes the warrant number(s) to OST by email for processing. Do not include the original or scanned image of the "[Affidavit of Lost or Destroyed Warrant](#)" in the email. Rather, the original affidavit is to be maintained by the agency in accordance with records retention policies. Refer to [Subsection 85.38.10.b](#). OST is to debit GL Code 4310 "Current Treasury Cash Activity (OST Only)" and credit GL Code 7130 "Warrant Cancellations In-Process."



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- 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 85.38.80](#) are to be followed for all voided warrants.

### [Affidavit of Lost or Destroyed Warrant](#)

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## 85.38.30 Redeemed warrants reported as lost or destroyed

July 1, 2013

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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 - Short-Term." 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 - Short-Term." Refer to [Subsection 85.42.95.b](#) for an illustrative entry.



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### 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](#)

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## 85.38.40 Statutorily canceled warrants

June 6, 2024

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### 85.38.40.a Cancellation of Warrant

#### 85.38.40.a.(1)

As prescribed in [RCW 43.08.062](#), the Office of 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. Information related to statutorily canceled warrants might contain personal information about citizens, including names of individuals. If this information is requested in accordance with the Public Records Act, [RCW 42.56.070](#), and a requested record contains names of individuals, agencies are to ensure this information will not be used for commercial purposes. To this end, before releasing information that contains names of individuals, agencies are to have the "[Affidavit to Release Outstanding or Cancelled Warrants](#)" signed by those requesting a copy of the log of statutorily canceled warrants. Refer to form included in this subsection.

**Privacy Notice: Safeguarding and disposition of personal information must be consistent with [Executive Order 16-01, January 5, 2016](#); [WTS Policy SEC-01](#); 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.



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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)**

If an agency gains possession of a statutorily canceled warrant, the agency is to immediately void the original warrant. Procedures listed in [Subsection 85.38.80](#) are to be followed for all voided warrants.

#### **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](#)**

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## **85.38.50 Liability for canceled warrants/checks**

Jan. 1, 2023

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### **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 63.30](#), the Revised Uniform Unclaimed Property Act, applies to the outstanding liability for canceled warrants/checks. All canceled warrants/checks which remain unclaimed for more than one year are considered abandoned. 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.

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## 85.38.70 State warrant stock control procedures

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Apr. 1, 2023

### 85.38.70.a

To control the receipt, issue, and inventory of state warrant stock, the procedures outlined below are to be followed. Only the Department of Enterprise Services (DES), Production Services, will have custody of and responsibility for state warrant stock.

### 85.38.70.b

All state warrant stock is 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 state warrant stock is to be limited to the designated custodian and the alternate.

### 85.38.70.c

Warrants are standard items stocked by DES. Agencies using and providing preprinted state warrant stock to DES are to establish reasonable inventory and reorder levels, in consultation with DES, and are to follow normal ordering procedures for procurement of warrant stock. When warrant stock is received by Production Services, the designated custodian or the alternate is to record the following information on an appropriate inventory control form:

- a. The date received
- b. Quantity received
- c. Inclusive serial numbers and
- d. The new balance on hand

### 85.38.70.d

When state warrant stock is required from the locked storage area, standardized requisition forms are to be used and signed by the individual requesting the state warrant stock. In addition, the designated custodian or the alternate is to record the following information on the control form:

- a. The date issued
- b. Quantity issued
- c. Inclusive serial numbers, if applicable





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- d. Name of the individual receiving the state warrant stock and
- e. The new balance on hand

### 85.38.70.e

If a warrant is damaged or destroyed prior to being mailed, DES will follow standard operating procedures as agreed to by the Office of State Treasurer for handling, reprinting, and destroying warrants. A record is to be maintained of all warrants destroyed and reprinted by DES. This record is to include the following:

- a. The date destroyed
- b. The serial number(s), if applicable
- c. Quantity destroyed and reason for destroying and
- d. Initials of the individual taking action

Refer to [Subsection 85.38.80](#) - Warrant voiding and destruction procedures.

### 85.38.70.f

A physical count of the state warrant stock is to be performed periodically as necessary to maintain an effective system of internal control over the state 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:

- a. Date of physical count
- b. Date the reconciliation form is completed
- c. The book quantity as of the date of physical count
- d. The physical count and
- e. 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 70.75](#), Suspected losses of public funds or property.

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## 85.38.80 Warrant voiding and destruction procedures

Apr. 1, 2023

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Warrants damaged during printing are to be controlled by the Department of Enterprise Services (DES). Other warrants to be voided and/or destroyed are to be controlled by the agency in possession of the warrant (i.e., the issuing agency). Agencies are to develop and implement procedures for voiding and





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destroying canceled warrants in accordance with records retention policies. Voiding warrants includes, at a minimum, stamping or manually writing "VOID" on the face of the warrant. Destroying/disposing includes cross-shredding and/or disposing in a secure, locked recycle bin.

DES Production Services is to develop and implement written procedures for destroying signed warrants, as described above, but is also to include other warrant handling requirements, such as federal guidelines.

The general records retention schedule for state agencies can be found at:

[State Agencies Records Retention Schedules](#).

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### **85.38.90 Local check control procedures**

May 1, 1999

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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](#).