



## 85.38 Other Warrant Procedures

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### 85.38.10 Agency-initiated warrant cancellations

July 1, 2013

#### 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



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documentation available online at: <https://ofm.wa.gov/sites/default/files/public/itsystems/afrs/PaymentCancellationandReturns.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.

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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

July 1, 2015

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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.



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### 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 only 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 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](#)



### 85.38.30 Redeemed warrants reported as lost or destroyed

July 1, 2013

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 - Short-Term." (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](#)



## 85.38.40 Statutorily canceled warrants

June 1, 2014

### 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. 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 Cancelled Warrants](#)" signed by those requesting a copy of the log of statutorily canceled warrants. Refer to form included in the 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; [OCIO Policy 141](#); 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.



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### 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](#)

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## 85.38.50 Liability for canceled warrants/checks

May 1, 1999

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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 63.29](#), the Uniform Unclaimed Property Act, applies to the outstanding liability for canceled warrants/checks. Canceled payroll warrants/checks which remain unclaimed for more than one year are



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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.

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### **85.38.80 Warrant voiding and destruction procedures**

Jan. 1, 2012

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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.

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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](#).