



Policy Type: Administrative

Category: Fiscal and Budget

Policy Name: Accounts Payable Warrant Cancellation

Policy Owner: Controller-Treasurer Department

Policy Purpose

The purpose of this policy is to provide County Agencies and Departments with processes for canceling and reissuing outstanding warrants when necessary.

This policy does not provide guidance for reissuing a stale-dated warrant, which is addressed by the Managing Unclaimed Money policy.

Policy Summary

In certain situations, a warrant issued by the County may be canceled. When a warrant is canceled, it may be reissued with a new warrant number.

Before an operating department initiates a request to cancel a warrant, the department must ensure that the warrant has not been voided, cleared (or cashed), canceled, or replaced according to the County's accounting system.

There are two types of warrant cancellation that operating departments may initiate:

- Canceling and reissuing a damaged or lost warrant.
- Canceling a warrant without reissuing.



Canceling and Reissuing a Lost or Damaged Warrant

A warrant may be canceled and reissued when it has been damaged or lost by the payee, or when the warrant is lost in the mail.

Operating departments reissuing a payment using an interface system must ensure adherence and compliance with this policy. In addition, prior to reissuing a payment, the operating department must ensure that:

- The damaged warrant is marked "VOID". If a damaged warrant is not presented, a Declaration to Obtain Duplicate of Lost or Destroyed Warrant must be obtained from the payee and retained by the operating department.
- Any document created to originate the warrant has been canceled in the operating department's interface system.
- The original warrant has been canceled in the County's accounting system.

Canceling a Warrant Without Reissuing

A warrant is typically canceled without being reissued in one of two situations:

- The warrant was later discovered to be a duplicate payment.
- The information on the warrant was incorrect.

Warrants that are later discovered to have been duplicate payments may be canceled with no further action required.

If a warrant was issued with the wrong vendor code or amount paid, the warrant cannot be reissued. Both the warrant and the transaction record must be voided in the County's accounting system by the Controller-Treasurer Department Claims Unit. Once the warrant and transaction



record are voided, the department must re-enter a new transaction through the County's accounting system. In some cases, this may require vendor master updates. The new transaction will follow the regular payment cycle.

If a warrant is issued with the wrong address, but the vendor name and payment amount are correct, the warrant does not need to be reissued. In these instances, follow the procedures as outlined in the *Handling Returned Warrants* policy.

Procedures

Canceling and Reissuing a Lost or Damaged Warrant

- 1) Upon being notified that a warrant has been damaged or lost, the **operating department** must take the following actions:
 - 1a) Confirm through the County's accounting system that the warrant has not been canceled, voided, cleared (or cashed), or replaced;
 - 1b) Complete the [Warrant Cancellation Request Form](#), and ensure that the Form has been authorized by the appropriate supervisor;
 - 1c) If the damaged warrant is not available, forward the Declaration to Obtain Duplicate of Lost or Destroyed Warrant to the payee for signature. The **operating department** must instruct the payee to send the Declaration to Obtain Duplicate of Lost or Destroyed Warrant directly to the Controller-Treasurer Department General Accounting Unit [Bank Desk]; and
 - 1d) Submit the Warrant Cancellation Request Form and damaged warrant, if available, to the Controller-Treasurer Department General Accounting Unit [Bank Desk].



2) Upon receipt of the Warrant Cancellation Request Form, the **Controller-Treasurer Department General Accounting Unit [Bank Desk]** must take the following actions:

2a) Review documents submitted by the operating department;

- If the damaged warrant is included, ensure that it is marked "VOID".
- If the damaged warrant is not available, contact the operating department and request the operating department to send the Declaration to Obtain Duplicate of Lost or Destroyed Warrant to the payee for signature.

2b) Review Declaration to Obtain Duplicate of Lost or Destroyed Warrant submitted by the payee;

2c) Confirm with the bank that the warrant has not been cashed;

2d) Cancel the warrant through the bank and obtain confirmation of the cancellation; and

2e) Forward the [Warrant Cancellation Request Form](#) and relevant documents to the Controller-Treasurer Department Claims Unit.

3) Upon receipt of the [Warrant Cancellation Request Form](#), the **Controller-Treasurer Department Claims Unit** must void and reissue the warrant with a new number through the County's accounting system.

4) The reissued warrant will be mailed by the **Controller-Treasurer Department Claims Unit** to the payee or designated for pick up by the operating department.

Canceling a Warrant Without Reissuing

1) Upon identifying the need to cancel a warrant without reissuing, the **operating department** must take the following actions:



- 1a) Confirm through the County's accounting system that the warrant has not been canceled, voided, cleared (or cashed), or replaced;
 - 1b) Complete the [Warrant Cancellation Request Form](#);
 - 1c) If necessary, correct the vendor's name by following the vendor master update process; and
 - 1d) Submit the Form, along with the original warrant if the payee was able to provide it, to the Controller-Treasurer Department General Accounting Unit.
- 2) Upon receipt of the Warrant Cancellation Request Form, the **Controller-Treasurer Department General Accounting Unit [Bank Desk]** must take the following actions:
- 2a) Cancel the warrant through the bank and obtain confirmation of the cancellation; and
 - 2b) Forward the [Warrant Cancellation Request Form](#) and relevant documents to the Controller-Treasurer Department Claims Unit.
- 3) Upon receipt of the [Warrant Cancellation Request Form](#), the **Controller-Treasurer Department Claims Unit** must cancel the warrant and transaction record in the County's accounting system and retain the [Warrant Cancellation Request Form](#) on file.

Definitions

For the purposes of this policy, the following definitions apply:

- 1) "**County's accounting system**" means the SAP System or other similar system currently used by the County as its primary accounting and finance system.



- 2) **“Stale dated warrant”** means a warrant or other similar document issued by the County that has not been deposited or otherwise cashed within the time limit specified. County warrants usually expire between 30 and 180 days after its issued date, depending on the type of warrant and issuing bank.
- 3) **“Warrant”** means a check or other similar document issued by the County and approving the disbursement of a set amount of funds.
- 4) **“Outstanding Warrant”** means a warrant that has not been cleared (or cashed), canceled, voided, or replaced before the standard expiration date.

Frequently Asked Questions

None.

Related Policies

- Managing Unclaimed Money - <https://saecommon.sccgov.org/countypolicy/Managing-Unclaimed-Money.pdf>
- Voiding a Stale-Dated Warrant [Department Policy] – <https://sccconnect.sharepoint.com/sites/controller/Controller-Treasurer%20Policies%20and%20Procedures/Documents/Voiding-Stale-Dated-Warrant.pdf>
- Accounts Payable Wire Transfers - <https://saecommon.sccgov.org/countypolicy/Accounts-Payable-Wire-Transfers.pdf>



Related Forms and Information

- Declaration to Obtain Duplicate of Lost or Destroyed Warrant –
[url]/sites/policies/FormsrelatedtoPolicies/Declaration-to-Obtain-Duplicate-of-Lost-or-Damaged-Warrant.pdf
- Warrant Cancellation Request Form -
<https://na2.docusign.net/Member/PowerFormSigning.pdf?PowerFormId=399c73f7-5884-4ab3-bd79-524aee0af992>

History

| Date | Changes Made |
|-----------|--|
| 1/14/2019 | Links Updated. (David Bruno) |
| 4/3/2018 | Updated link to Warrant Cancellation Request Form. (Kyle Larson) |
| 12/4/2017 | Policy updated. (David Bruno) |
| 4/25/2014 | Policy uploaded. (John Myers) |