



County of Santa Clara

Policy Name: Handling Returned Warrants

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Policy Type: Administrative

Category: Fiscal and Budget **Sub-Category:** Payments and Fees

Policy Name: Handling Returned Warrants

Policy Owner: Controller-Treasurer Department

Policy Purpose

The purpose of this policy is to provide guidance to County Agencies and Departments on how to process warrants returned to the County's Controller-Treasurer Department.

Policy Summary

The Controller-Treasurer Department Claims Unit receives warrants returned to the County. County warrants are returned to the Controller-Treasurer Department for reasons like the following:

- Invalid/wrong vendor address
- Wrong vendor or payment amount
- Duplicate payment
- Missing/incomplete remittance information
- Not cashed within 180 days (Stale dated warrant)

The Controller-Treasurer Department Claims Unit is responsible for logging returned warrants into a spreadsheet with warrant information (e.g., warrant number, issuing date, returned date, operating department, payee number and name, and reason for return if it can be identified) before forwarding the returned warrant back to the original operating department that requested the warrant.



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It is the responsibility of the operating department to research the reason for the return, if it has not been identified by the Controller-Treasurer Department Claims Unit, and to process the returned warrant depending on the type of return.

This policy only applies to warrants issued by the Controller-Treasurer Department Claims Unit. County Agencies and Departments that issue warrants through stand-alone warrant issuance systems must ensure their handling of returned warrants is done in a manner consistent with the controls established in this policy. Such County Agencies and Departments must develop written procedures to be approved by the Controller-Treasurer, or designee, that demonstrate appropriate internal controls consistent with those established in this policy.

Procedures

An operating department will process a returned warrant differently, depending on the type of return:

Check for Incorrect Vendor and/or Payment Amount

- 1) The **operating department** verifies the payment information against invoice.
- 2) If the vendor or payment amount is incorrect, the **operating department:**
 - 2a) Completes a [Warrant Cancellation Request Form](#) and ensures that the Form has been authorized by the appropriate supervisor, pursuant to the [Accounts Payable Warrant Cancellation Policy](#). Departments are encouraged to use the DocuSign version of the Warrant Cancellation Request Form to



submit the request. This will allow departments to receive current notifications regarding the status of the request until its completion.

- 2b) Voids the returned warrant.
- 2c) Submits both documents to the Controller-Treasurer Department General Accounting Unit to cancel the warrant.

- 3) The **Controller-Treasurer Department General Accounting Unit [Bank Desk]**:
 - 3a) Ensures that the warrant is marked "VOID".
 - 3b) Confirms with the bank that the warrant has not been cashed.
 - 3c) Cancels the warrant with the bank and obtains confirmation of the cancellation.
 - 3d) Forwards the Warrant Cancellation Request Form and relevant documents, including the Bank Confirmation of the cancellation, to the Controller-Treasurer Department Claims Unit

- 4) The **Controller-Treasurer Department Claims Unit**:
 - 4a) Cancels the warrant record and payable transaction record in the County's accounting system within two business days of the receipt of the request from the Controller-Treasurer Department General Accounting Unit [Bank Desk].
 - 4b) Completes the DocuSign version of the [Warrant Cancellation Request Form](#), which will generate an automatic notification to the operating department when the request has been completed.
 - 4c) Retains the record on file in accordance with the applicable Records Retention and Destruction Schedule.

- 5) The **operating department** reprocesses a new transaction for the invoice in the County's accounting system once the warrant and transaction record are cancelled. The new entered invoice will follow the regular payment cycle.



- 6) The reissued warrant will then be mailed to the payee or designated for pick up by the initiating operating department.

Check for Invalid/Wrong Vendor Address

- 1) The **operating department** contacts the vendor directly and updates the address on the warrant. The warrant is re-mailed to the vendor. Warrant cancellation is not necessary if vendor name and payment amount are correct.
- 2) The **operating department** submits an online vendor master update request in the County's accounting system to update the vendor's profile by following the vendor master update process.

Check for Duplicate Payment

- 1) The **operating department** verifies in the County's accounting system that a duplicate payment was generated.
- 2) If a duplicate warrant was processed, the **operating department** completes the [Warrant Cancellation Request Form](#) pursuant to the [AP Warrant Cancellation Policy](#), voids the returned warrant, and submits both documents to the Controller-Treasurer Department General Accounting Unit.
- 3) The **Controller-Treasurer Department General Accounting Unit [Bank Desk]**:
 - 3a) Ensures that the warrant is marked "VOID".
 - 3b) Confirms with the bank that the warrant has not been cashed.
- 3c) Cancels the warrant with the bank and obtains confirmation of the cancellation.



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- 3d) Forwards the [Warrant Cancellation Request Form](#) and relevant documents to the Controller-Treasurer Department Claims Unit.
- 4) The **Controller-Treasurer Department Claims Unit** cancels the warrant and transaction record in the County's accounting system, completes the DocuSign version of the [Warrant Cancellation Request Form](#) to generate an automatic notification to the operating department that the request has been completed and retains the records on file for reference, in accordance with the applicable Records Retention and Destruction Schedule.

Check for Missing/Incomplete Remittance Information

- 1) The **operating department** researches in the County's accounting system the correct remittance information.
- 2) The **operating department** re-mails the warrant to the vendor along with the correct and complete remittance information.

Stale Dated Warrant

- 1) The **Controller-Treasurer Department** processes stale dated warrants in accordance with the Controller-Treasurer Department's departmental policy: [Voiding a Stale Dated Warrant](#).
- 2) The **operating department** confirms in the County's accounting system that the stale dated warrant has been processed as unclaimed money, in accordance with the administrative policy: [Managing Unclaimed Money](#).

Definitions

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



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- 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"** means a warrant issued by the County that has not been deposited, cashed, or presented for payment within the time limit specified. County warrants usually expire and become void 180 days after the issue date.
- 3) **"Warrant"** means a check or other similar document issued by the County and approving the disbursement of a set amount of funds.

Frequently Asked Questions

None.

Related Policies

- Request to Create or Update a Vendor Number
[url]
/teams/controller/pp/AdminPolicies/_layouts/15/WopiFrame.pdf?sourcedoc=/teams/controller/pp/AdminPolicies/Shared%20Documents/Request-to-Create-or-Update-a-Vendor-Number.docx&action=default
- Accounts-Payable-Warrant-Cancellation Policy
<https://saecommon.sccgov.org/countypolicy/Accounts-Payable-Warrant-Cancellation.pdf>
- Managing Unclaimed Money Policy
<https://saecommon.sccgov.org/countypolicy/Managing-Unclaimed-Money.pdf>



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Related Forms and Information

- AP Warrant Cancellation Request -
<https://na2.docusign.net/Member/PowerFormSigning.pdf?PowerFormId=399c73f7-5884-4ab3-bd79-524aee0af992>
- Stale-Dated Warrant Request form -
[url]/sites/forms/controller/ControllerCountywideforms/Form%20-%20Stale-Dated%20Warrant%20Reissuance%20Request.pdf
- CT Department Policy - Voiding a Stale Dated Warrant -
[https://sccconnect.sharepoint.com/sites/controller/Controller-TreasurerPolicies and Procedures/Documents/Voiding-Stale-Dated-Warrant.pdf](https://sccconnect.sharepoint.com/sites/controller/Controller-TreasurerPolicies%20and%20Procedures/Documents/Voiding-Stale-Dated-Warrant.pdf)

History

Date	Changes Made
01/25/2019	Policy Adopted.