

<b>CASH MANAGEMENT AGENCY MANUAL</b>		NUMBER 02 18 02 PO
OFFICE OF THE STATE TREASURER	<b>POLICY</b>	EFFECTIVE December 1, 2006
CHAPTER	CASH MANAGEMENT	Revised May 4, 2011
PART	CHECK ISSUANCE	
SECTION		APPROVAL

Authority      ORS 293.875

#### PURPOSE OF THE POLICY

- .101    To describe the roles and responsibilities of state agencies, boards, and commissions for ordering and controlling check stock and issuing checks.
- .102    The Office of the State Treasurer recognizes the financial risks associated with the issuance of checks. The single state check utilizes a controlled paper stock with numerous security features and a background design that makes all state checks and warrants easily recognizable as state items.

#### AGENCY RESPONSIBILITIES

- .103    All agencies drawing checks and warrants on the State Treasurer's accounts will use the single state check. All orders of check stock will be coordinated through the vendor contract established by the Department of Administrative Services. Check stock specifications and instructions for ordering check stock, including bank testing procedures, are included in the Disbursements Section of the State Treasurer's Cash Management Manual.
- .104    Agencies drawing checks and warrants on State Treasurer accounts will maintain adequate systems of internal controls designed to prevent and detect errors and irregularities in a timely manner. A discussion of internal control policies and procedures can be found in Chapter 10 of the Oregon Accounting Manual.
- .105    Agencies shall maintain physical controls over blank check stock. At a minimum, these controls must include:
  - Limited access to all unissued check stock.

- Unissued check stock is kept in a locked storage area or in a locking storage device.
- Use of a check control log to account for all checks.
- Periodic physical inventories of blank stock reconciled to the control log by someone lacking access and responsibility for check stock and check issuance.
- Procedures to deface and retain voided checks. Voided checks should be retained as required by the Oregon Accounting Manual and State Archive schedule..
- Physical controls over check signing equipment.
- Timely reconciliation of Treasury accounts and timely resolution of reconciling items.

.106 Agencies shall maintain adequate physical controls over checks, which have been issued but not mailed. Agencies shall not prepare checks using typewriters that contain corrective ribbons.

.107 Agencies shall maintain on file with the State Treasurer, current Signature Authorization forms. All applicable personnel changes require submission of a new Signature Authorization form complete with all original signatures. This form may be found in the Forms Section of the Cash Management Manual.

.108 The use of rubber stamps to affix the maker signature on checks or warrants issued by agencies is prohibited. Legislation was enacted in 1997, which deleted "rubber stamps" as an allowable method for signing such items.