Title: Checks, Warrants and Vouchers (Issuance)  

DOC Policy: 30.1.2

Effective: 9/1/17  

Supersedes: 12/7/11

Applicability: All functional units

Directives Cross-Reference:
- Purchasing – Div 164
- Purchasing – Work Programs – Div 163
- Trust Account (Inmates) – Div 158
- Commissary Operations – 40.2.3
- Oregon Accounting Manual Policy 10.40.00

Attachments: None

I. PURPOSE

To establish specific responsibility within the Department of Corrections (DOC) for efficient and uniform accounting procedures governing issuance of checks, warrants, and vouchers.

II. DEFINITIONS

A. Check: A demand instrument-payable upon demand.

B. Voucher: A payable document.

C. Warrant: A voucher authorizing payment or receipt of money.

III. POLICY:

A. Internal Control

1. Internal controls shall be established to assure that no individual creates an obligation to certify vouchers for payment or to authorize transfers against allotted funds without proper authorization. Duties and functions must be segregated to assure separation between authorization, record keeping, custody of resources, and review to provide proper internal checks and balances on performance.

2. Accounting office personnel without delegated expenditure decision authority or any pre-audit responsibility are responsible for the accuracy of their actions in processing claims based upon the information available to them. Claim processors should exercise reasonable care in performing the duties assigned to them. Likewise, employees who execute payment documents do not have expenditure decision authority unless specifically designated.

B. Requirements for Purchase Orders
Checks, warrants, and vouchers shall not be issued unless the legality and propriety of all stages of the transaction have been assured. Purchase orders will be processed in accordance with the Department of Administrative Services purchasing policies and the DOC rules on Purchasing (OAR 291-164) and Purchasing-Work Programs (OAR 291-163.)

C. Authorization of the Obligation

For the State of Oregon to pay a claim, certain requirements must be met, including:

1. Payment documents used to authorize expenditures include invoices, entitlements, awards and grants, grant disbursement requests, vouchers, check requests, insurance claims, purchase orders, contract release orders, travel claims, personnel actions for payroll transactions, and other similar forms. When an approving officer with sufficient delegated authority approves these or similar documents, claim processors make the payment in a timely way consistent with good cash management practices. Claim processors can rely on the approval as the only necessary authorization to make payment if so directed by agency policy.

2. Contracts, purchases, invoices, grants and expenditure claims are approved by an approving officer who authorizes the state obligation. If in doubt about the appropriateness of an expenditure, the approving officer could consider documenting his or her rationale and the reasonable business purpose of the expenditure.

3. The signature or electronic approval of the approving officer means that adequate funds are available with existing budgetary authority, that this is an appropriate and authorized expenditure of state resources, that personal financial liability could be assessed if later determined to be an inappropriate expenditure of state funds, and the person authorizing the expenditure is authorized to make it. The following are specific meanings for certain approvals:

   a. State Purchase Order or Contract Release Order: Approval means the items purchased are authorized by or comply with the Department of Administrative Services’ policies and procedures and that provision for payment is by law and appropriation to cover this purchase. In addition, approval means this purchase is allowed by statute and is a responsible and appropriate use of these funds.

   b. Invoices and Credit Card Charges: Approval means the materials, services, or other expenses covered by the claim have been furnished, rendered, or expended on behalf of the state. Approval means the provision for payment is by law and appropriation, the obligation or expenditure is authorized by law, and the claim satisfies the requirements as provided by section B above. The claim has been approved for payment in a specific amount.

   c. Travel Claims: After the traveler certifies the accuracy and appropriateness of the claim, the approving officer should approve the claim. A commissioner, board member, or other approving authority in an agency will approve the agency head’s travel claims. The approval signature means that expenses claimed are valid and authorized "duty required" expenses, the
expenses comply with current travel policies and ORS 292.220, and that provision for payment is by law and appropriation.

d. Payroll Actions and Personnel Action Forms: Approval means the person named on the form is an employee of the state in a permanent or temporary position authorized by the legislatively approved budget, that provision for payment is by law and appropriation to pay the salary and benefits indicated, and that the approval signature is that of the designated appointing authority.

e. Entitlements, Awards, and Grants: Approval means that the "grantee" meets the criteria for the award, that provision for payment of the award is by law and appropriation, and that the current disbursement complies with the provisions of the grant or contract and any related federal requirements.

f. Other Claims: Approval means the expenditure is legally authorized and is a responsible and appropriate use of the funds, provision for payment is by law and appropriation, and the approval is by an authorized employee of the state.

4. Receipt of goods or services will be verified by warehouse staff or other authorized person, who will document the receipt by signature or electronic receiving. Electronic receiving will be input without delay. Signature receipts will be sent to Central Accounting within two working days to assure the payment of the claim is not delayed.

5. Documentation must show that an agency has received proper value, as defined by agency management, and has complied with ORS 293.295 before a voucher is authorized for payment. This may consist of evidence that:

a) Goods or services have been received;

b) Items delivered were as specified;

c) Prices, terms, and extensions shown on the vendor's invoices are correct.

d) Agencies should pay vouchers by the due dates to take advantage of maximum discounts.

D. Preparation of the Voucher

After gathering proper documentation, a voucher is prepared by Central Accounting. Warrant requests and accounting data will be sent electronically to Department of Administrative Services for issuance of a warrant. Warrants are returned to Central Accounting and mailed to the vendor with a copy of the voucher for payment of material and services.

1. Paid Voucher File: All paid vouchers and supporting documentation will be filed and retained for the period of time specified by the Secretary of State, State Archivist.

2. Processing of Warrants and Checks: Warrants received from Department of Administrative Services in response to the vouchers submitted will be verified individually against the transmittal list and forwarded to the vendor along with a copy of the voucher.
E. Checks

Revolving Fund (Petty Cash):

1. All DOC petty cash checks, unless otherwise specified, shall be controlled and issued by the Central Accounting unit. In specified situations or due to geographic location, the Administrator of Financial Operations may approve direct issuance of petty cash checks by a functional unit. These situations require close controls to maintain budget and accounting requirements.

2. All approved back-up documentation will be maintained on file in the Central Accounting Unit until audit and record retention requirements are met. Checks will be reconciled monthly to the State Treasury Statement of Account, including identification of outstanding checks.

F. Central Trust Checks

Each employee authorized to make an expenditure decision involving inmate funds is responsible for the good judgement and lawfulness of the expenditure. He or she must ensure that the transaction is for authorized inmate purposes and is a responsible and appropriate use of inmate funds.

1. All DOC Trust check stock will be controlled and issued by Central Trust Unit using the inmate/commissary financial system. Only in extreme circumstances can the CFO or designee approve issuance of an alternative method.

2. Inmate expenditures refer to the DOC rules on Trust Accounts (OAR 291-158).

3. Electronic purchasing technology shall be used when available.

4. Inmate club expenditures will be requested by submitting a signed withdrawal request (CD28A).

5. If a state-issued credit card is used to make an authorized purchase, the card holder shall submit the purchase log with authorized signatures to Central Trust for cost center reimbursement.

6. Commissary expenditures for purchase order payments that have met the requirements in section III B above and the DOC policy on Commissary Operations (40.2.3) shall be submitted with supporting documents to Central Trust for payment.

7. Purchases not covered in section (5) and (6) above such as non-inventory purchases shall submit a withdrawal request (CD28A) with authorized signatures.
8. Central Trust Unit shall maintain access to all back-up documentation for a period to meet Secretary of State, State Archivist rules and the department’s retention requirements.

9. Checks will be reconciled monthly to the State Treasury Statement of Account, including identification of outstanding check.

10. State issued checks that have cleared Treasury shall be reviewed daily for fraudulent activity.

11. Fraudulent checks shall be reported to Treasury using Form C-24.

G. Authority to Sign Checks

1. Staff authorized to sign checks will be limited to the Administrator of Financial Operations or his/her designee. Signature authorization forms will be maintained for all authorized staff at the Oregon State Treasury and in the Administrator of Financial Operations’ office.

2. Notwithstanding the above procedures, as electronic approval methods are implemented by the department, the authorized employee’s confidential sign-on identification number will be considered the equivalent of his/her formal signature and be equally acceptable.

IV. IMPLEMENTATION

This policy will be adopted immediately without further modification.

Certified: __________________________ signature on file
Birdie Worley, Rules Coordinator

Approved: __________________________ signature on file
Brian Belleque, Deputy Director