

## Administrative Policy No: 19.85.06

<b>Subject:</b>	Reissuing Warrants that are Reported as Lost, Stolen, Destroyed, or Warrants Subject to the Statute of Limitations (SOL)
<b>Contact:</b>	Office of Accounting Services Chief, (360) 664-5716
<b>Authorizing Source:</b>	Revised Code of Washington (RCW) <a href="#"><u>43.08.062</u></a> , Warrants—Presentation—Cancellation <a href="#"><u>43.08.064</u></a> , Lost or destroyed warrants, instruments, or other evidence of indebtedness—Issuing officer to issue duplicate <a href="#"><u>43.08.066</u></a> , Lost or destroyed warrants, instruments, or other evidence of indebtedness—Conditions on issuance. <a href="#"><u>43.08.068</u></a> , Lost or destroyed warrants, instruments, or other evidence of indebtedness—Records to be kept—Cancellation of originals—Notice. Washington Administrative Code (WAC) <a href="#"><u>388-412-0035</u></a> , Loss, theft, destruction or non-receipt of a warrant issued to clients and vendors. State Administrative and Accounting Manual (SAAM) <a href="#"><u>85.38</u></a> , Other Warrant Procedures
<b>Effective Date:</b>	November 30, 2016
<b>Revised:</b>	March 24, 2021
<b>Approved By:</b>	<u>Original signed by Judy Fitzgerald</u> Assistant Secretary / Chief Financial Officer

---

### Purpose

This policy describes and documents the Department of Social and Health Services' (DSHS) process for reissuing warrants after the original warrant was lost, stolen, destroyed or has become stale-dated.

### Scope

This policy applies to all payments made via warrants by DSHS. This also applies to IPOne checks that have gone past the statute of limitations (SOL). This includes but is not limited to payments made to vendors, employees, volunteers, board members, clients or custodians.

This policy does not apply to employee payments made via electronic funds transfer (EFT) or warrants made to incorrect payee(s).

### **Additional Guidance**

#### **DSHS Administrative Policy**

[19.25.01](#), Overpayments to DSHS Employees for Salary, Wages, Benefits, and Miscellaneous Expenditures

[19.85.04](#), Warrants Returned to the Department

[10.02](#), Overpayments and Debts for Providers and Vendors

#### **DSHS Forms Picker**

09-013, DSHS Affidavit of Lost, Stolen, or Destroyed Warrant

07-008, Affidavit of Lost, Stolen, or Destroyed Assistance Warrant

09-052, Affidavit of Forged Endorsement

### **Definitions**

**Board members** means those individuals who serve on a board, commission, or committee in either an advisory, coordinating or planning capacity, or a rule making capacity.

**Client** is a person who uses the services offered by the department or who receives a financial benefit based on that person's individual or family need.

**Custodian** is a person who is responsible for the care, confinement, immediate charge, and/or control of clients.

**Department** or DSHS refers to the Department of Social and Health Services (DSHS).

**Electronic fund transfer (EFT)** is any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument that is initiated through an electronic terminal, telephone instrument, or computer or magnetic tape to authorize a financial institution to debit or credit an account.

**Employee** means an individual in DSHS who:

1. Is paid a salary, or wages, and receives benefits for work performed for the department;
2. Has been issued a state employee identification number;

3. Is recognized as a state employee by the state Office of Financial Management (OFM); and.
4. Is paid through the Human Resource Management System (HRMS).

For the purpose of this policy, employee can also refer to the payee.

**IPOne** is the payment subsystem of the Washington State Medicaid Management Information System (MMIS), ProviderOne, used to capture reporting of hours worked by individual providers providing in-home care services and process payroll.

**Issuing office** is the office that processes the original payment

**Originating DSHS fiscal office** means the unit that issued the warrant.

**ProviderOne** is the official Washington State Medicaid Management Information System (MMIS) payment system owned by Health Care Authority (HCA) used to pay providers.

**Reissue request for lost or destroyed check paid via third party vendor** this is not an official DSHS form. This is a document provided by IPOne to the provider for completion, signature and notarization. The provider then submits to the office of accounting services statute of limitation desk for reissue.

**Stale-dated** means warrants that meet the criteria for the statute of limitations. The Office of the State Treasurer automatically cancels all warrants that remain uncashed 180 days after the date of issue.

**Statute of limitations (SOL) warrants** refers to warrants that have gone stale-dated and are past the statute of limitations (SOL), which is 180 days.

**Vendor** is any person, business, non-profit, or government entity who provides goods/services to DSHS or its clients. A vendor may or may not have a contractual agreement. For the purpose of this policy vendor can also refer to the payee.

**Volunteer** is a person, other than an emergency services worker as described by chapter 38.52 RCW, who, of his/her own free choice, performs any assigned or authorized duties for the state or any agency thereof. A volunteer receives no wages, and is registered and accepted as a volunteer by the state or any agency thereof, for the purpose of engaging in authorized volunteer service.

**Warrant** is a payment instrument for each invoice voucher or other evidence of indebtedness validated by the State Treasurer for payment.

## **Policy**

- A. **Delivery to the U.S. Postal Service constitutes delivery to the payee (SAAM [85.38.20c](#)).**
- B. **The office of accounting services (OAS) is the designated office responsible for the reissuance of all lost, stolen, destroyed warrants and IPOOne stale-dated checks when the replacement is for the original payee and the original amount. When a payment requires a new payee or a different amount, the payment will be handled by the issuing office.**
- C. **DSHS must follow the state replacement process when a payee's warrant is lost, stolen, or destroyed, as identified in RCW and SAAM.**
  - 1. An accurate and complete DSHS Affidavit of Lost, Stolen, or Destroyed Warrant (DSHS Form 09-013) must be received before a replacement warrant is issued.
  - 2. The process to replace payroll warrants that are not cashed can take up to seven calendar days from the date the completed forms have been received by payroll. However, the replacement warrant will not be reissued until at least seven calendar days after the original warrant date of mailing.
  - 3. OAS staff must wait 25 calendar days from the date of issue before reissuing any non-payroll warrants that have not been cashed. The chief of OAS must approve exceptions to the 25-day waiting period.
- D. **Original warrants must be returned to OAS if the original warrant is located after a replacement warrant is issued.**
- E. **An overpayment is created if a payee cashes both the original warrant and the replacement warrant. DSHS may provide written notice to the payee when it has been determined that an overpayment has been made. For more information, refer to Administrative Policy 10.02 and 19.25.01.**

**Procedure**

*I Processing replacement warrants that were lost, stolen or destroyed (excluding ACES and IPOOne)*

**A. Originating DSHS fiscal office staff:**

- 1. Receives inquiry from payee regarding a lost, stolen, or destroyed warrant.
- 2. Sends the DSHS Affidavit of Lost, Stolen, or Destroyed Warrant form (DSHS Form 09-013), with a prefilled warrant number, date of issue, and amount to the payee for completion.
- 3. Instruct the payee:

- a. That the DSHS Affidavit of Lost, Stolen, or Destroyed Warrant form (DSHS Form 09-013) must have original signatures from the payee and be notarized.
- b. To send the completed, notarized affidavit to OAS for replacement.
- c. To return the original warrant to OAS, if found.
- d. If the payee refuses to sign the affidavit, a replacement warrant will not be issued and the original warrant will be stale-dated after 180 days from the date of issue.

**B. OAS staff:**

1. Receives and reviews the affidavit for accuracy and completeness.
2. Contacts the payee or returns the forms if any information is missing, inaccurate, illegible, or if the affidavit is not notarized.
3. Checks the treasury management system (TMS) to ensure the warrant has not been cashed.
4. Checks the returned warrant logs to verify the warrant has not been returned to DSHS. If the warrant is returned, see Administrative Policy 19.85.04.
5. **If the original warrant was not cashed or returned:**
  - a. Cancels original warrant and reissues replacement warrant:
    - i. For payroll warrants, after seven calendar days from the date of original warrant mailing and upon receipt of completed documents.
    - ii. For ProviderOne warrants, cancel and reissue through ProviderOne system after the 25-day waiting period.
    - iii. For non-payroll warrants, after the 25-day waiting period.
  - b. Documents the vendor's lost, stolen or destroyed replacement warrant information in the affidavit tracking system (ATS) for all warrants.
6. **If the original warrant was cashed:**
  - a. Sends the payee a:
    - i. Signature verification memo
    - ii. Copy of the signed affidavit (form 09-013)
    - iii. Blank Affidavit of Forged Endorsement (form 09-052)
    - iv. Copy of the cashed warrant for the payee to review the signature on the cashed warrant
  - b. When the payee returns the requested documentation, including the signature verification memo indicating that they:
    - i. **Did** cash the warrant, no further action is required.
    - ii. **Did not** cash the warrant and they returned the completed, notarized Affidavit of Forged Endorsement (DSHS Form 09-052), the OAS staff must:

- A. Retain a copy of the signed Affidavit of Forged Endorsement (DSHS Form 09-052) and other correspondence.
- B. Send the original, signed Affidavit of Forged Endorsement (DSHS Form 09-052), and other supporting documentation to the Office of the State Treasurer (OST). OST will work with the bank that cashed the warrant to determine what occurred.
- C. Reissue the warrant when the cashing bank returns funds to OST and OST transmits funds to DSHS/OAS.

***II Processing replacement ACES vendor warrants that were lost, stolen or destroyed***

**A. Originating department office staff:**

- 1. Receives inquiry from vendor regarding a lost, stolen, or destroyed warrant.
- 2. Sends the Affidavit of Lost, Stolen, or Destroyed Assistance Warrant form (DSHS Form 07-008), with a prefilled warrant number, date of issue, and amount to the vendor for completion.
- 3. Instructs the vendor:
  - a. That the Affidavit of Lost, Stolen, or Destroyed Assistance Warrant form (DSHS Form 07-008) must have original signatures from the payee and be notarized.
  - b. To send the completed, notarized payee affidavit form to the originating office for replacement.
  - c. To return the original warrant to the originating office, if found.
  - d. If the payee refuses to sign the affidavit, a replacement warrant will not be issued and the original warrant will be stale-dated after 180 days from the date of issue.
- 4. After receiving the affidavit, cancels the warrant within ACES before sending the affidavit and transmittal to OAS.
- 5. Reissues a replacement warrant as a current payment.

**B. OAS office staff:**

- 1. Processes transmittal to complete cancelation.
- 2. Does not reissue current ACES warrant as those are reissued in the field offices.

***III IPOne checks***

**A. Checks that are less than 180 days from the date of issue that were lost, stolen, or destroyed are handled by the IPOne contractor.**

If the department receives an IPOOne check or a reissue request for lost or destroyed check paid via third party vendor, they are to be returned to the IPOOne system contractor.

**B. Checks that are stale-dated (over 180 days old):**

1. Monthly, IPOOne will provide DSHS with a report and funds for stale-dated checks.
2. DSHS will process all stale-dated IPOOne checks in the same manner as department SOL warrants.
3. For OAS to reissue the funds, the vendor must submit the stale-dated check or a reissue request for lost or destroyed check paid via third party vendor must be received from the vendor.

**IV Processing replacement DSHS SOL warrants**

**A. Originating DSHS fiscal office staff:**

1. Receives inquiry from a payee regarding a stale-dated warrant;
2. Gives instruction to send stale-dated warrant and a written request to replace it, along with current payee information (i.e., address and phone number) to OAS for replacement if the payee has the original stale-dated warrant;
3. Follows the lost, stolen, or destroyed process above if the payee does not have the original stale-dated warrant; and
4. Remove the entitlement by contacting the OAS SOL desk, if the originating DSHS fiscal office determines payee is no longer entitled to the funds.

**B. OAS staff:**

1. Receives from the payee:
  - a. Original stale-dated warrant with written request to replace, along with current payee information (i.e., address and phone number), or
  - b. The completed and notarized affidavit.
2. Checks the SOL database to ensure the warrant went SOL and has not already been reissued.
  - a. If the warrant was not already reissued:
    - i. Reissues replacement warrant as a current payment.
    - ii. Records the payee's SOL replacement warrant information in ATS and the SOL database.
  - b. If the warrant was already reissued:
    - i. Nothing further is needed, unless payee notifies OAS staff that the warrant has been lost, stolen, or destroyed. Then the process starts over.