
FISCAL POLICIES MANUAL	1
WARRANTS RETURNED TO AGENCIES FROM SCO.....	1
PREFACE	1
POLICY	1
ADMINISTRATIVE PROCEDURES	2

FISCAL POLICIES MANUAL

WARRANTS RETURNED TO AGENCIES FROM SCO

PREFACE

All warrants are created by the State Controller's Office (SCO) based on the information entered into the STARS accounting system by the agency. Warrants are then submitted directly to the U.S. Postal Service by the SCO for delivery.

In some circumstances, agencies want or need to include additional documents or other information with the warrant. As such, agencies can request that a warrant be redirected back to them rather than mailed by entering an "L" in the disbursement method indicator (DMI) in the STARS accounting system at the time the transaction is posted.

The "L" warrant process significantly increases the risks that warrants can be lost, stolen or diverted for inappropriate or fraudulent purposes and such events would be difficult to detect. As such, internal control processes and procedures must be developed and followed to reduce these risks.

The purpose of this policy is to make sure appropriate separation of duties and internal controls are maintained and documented for those situations when a warrant is returned to the agency. For example, the person originating a transaction should not be the final approver (or release) of the transaction that generates an "L" warrant.

POLICY

The use of the "L" warrant process should be limited to those situations where legal or other requirements exist for the payment to be delivered with other documents or in person.

Agencies must develop internal policies and procedures regarding the issuance of "L" warrants to ensure they are required to fulfill a legitimate business need.

Administrative Procedures continue on the next page.

ADMINISTRATIVE PROCEDURES

The following must be incorporated into the agency's "L" warrant process and associated internal controls.

1. Documentation of each type of transaction and the circumstances that requires the warrant to be returned to the agency must be retained by the agency.
2. The last person who has final approval authority of transactions should not be the person authorized to receive warrants from the State Controller's Office (SCO). Agencies can request the DAFR4850 Daily Requestable Warrant Register report from the SCO to track warrants that are returned to the agency.
3. The responsibility for safekeeping and distribution for handling and storing warrants once they are returned to the agency must be assigned and documented. The documentation should be retained by the agency.
4. A list of agency employees authorized to receive warrants at SCO must be provided to the SCO, Division of Statewide Accounting, Bureau of Operations. The list must be on agency letterhead and be signed by the agency director. The agency will be responsible for notifying SCO when this list changes. The list will serve as the official authority for SCO staff to release "L" warrants for the agency to the authorized agency employees. The list can be mailed, faxed, or e-mailed to:

Office of the State Controller
Division of Statewide Accounting, Bureau of Operations
700 W. State St.
P.O. Box 83720
Boise, ID 83720-0011
Fax: (208) 334-3415
E-Mail: dsahelp@scs.idaho.gov