



**DEPARTMENT OF CORRECTIONS  
Business & Finance**



<b>Title:</b>	<b>Checks, Warrants, and Vouchers (Issuance)</b>	<b>DOC Policy: 30.1.2</b>
<b>Effective:</b>	<b>10/27/23</b>	<b>Supersedes: 9/1/17</b>
<b>Applicability: All functional units</b>		
<b>Directives Cross-Reference:</b> <b>Oregon Accounting Manual Policy 10.40.00</b> <b>ORS 293.295 When Claim Against Moneys In State Treasury May Be Paid</b> <b>OAR 291 Div. 158 – Trust Account (AIC)</b> <b>OAR 291 Div. 159 – DOC Procurements for Institutions and Administration</b> <b>OAR 291 Div. 160 – DOC Procurements for Operational Support and Adult in Custody Programs</b> <b>OAR 291 Div. 163 – Purchasing – Work Programs</b> <b>DOC Policy 40.2.3 – Commissary Operations</b>		
<b>Attachments: None</b>		

**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. **Adult in Custody (AIC):** Any person under the supervision of the Department of Corrections who is not on parole, probation, or post-prison supervision status.
- B. **Approving Officer:** The Director or designee lawfully possessing the authority to obligate or authorize an expenditure of state funds. The approving officer can delegate expenditure decision authority to responsible subordinates by dollar limits, expenditure type limits, or in total.
- C. **Check:** A draft or order for the payment of money drawn directly by the agency.
- D. **Entitlements:** The amount of payment to which a state or local government or an individual is entitled, generally pursuant to state or federal statute.
- E. **Federal Awards:** Federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities

- F. Grant: A contribution or gift of cash or other assets to be used for a specific purpose, activity, or facility. Grants restricted by the grantor for the acquisition or construction of a capital facility are capital grants. All others are operating grants.
- G. Voucher: The document which, when properly filled out and signed, authorizes the Department of Administrative Services (DAS) to order payment of a claim through issuance of a warrant.
- H. Warrant: A draft on the Oregon State Treasury, drawn by DAS on behalf of a state agency, to pay a claim to a designated payee.

### **III. POLICY:**

#### **A. Internal Control**

1. Internal controls shall be established to ensure no individual creates an obligation to certify vouchers for payment or to transfer funds without proper authorization. Duties and functions must be segregated to ensure 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 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 their assigned duties. Likewise, employees who execute payment documents shall not be delegated expenditure decision authority.

#### **B. Requirements for Issuing Checks, Warrants, and Vouchers**

Checks, warrants, and vouchers shall not be issued unless the legality and propriety of all stages of the transaction have been assured and shall be processed in accordance with DAS purchasing policies and applicable Oregon Administrative Rules (OAR).

##### **1. Authorization of the Obligation**

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

- a. Payment documents (e.g., invoices, entitlements, federal 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) are used to authorize expenditures. When an approving officer with sufficient delegated expenditure decision authority approves these or similar documents, claim processors make the payment in a timely manner, consistent with cash management best practices. Claim processors can rely on the approving officer's authorization as the only necessary authorization to make payment if directed by DOC policy.

- b. 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 should document their rationale and the reasonable business purpose of the expenditure.
- c. The signature or electronic approval of the approving officer means that adequate funds are available with existing budgetary authority, that the expenditure is an appropriate and authorized use of state resources, that personal financial liability could be assessed if later determined to be an inappropriate expenditure of state funds, and that the person approving the expenditure is authorized to do so. Certain approvals are defined as follows:
  - A. State Purchase Order: Approval means the items purchased are authorized by or comply with DAS policies and procedures and that provision for payment is by law and appropriation. 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, and the claim satisfies the requirements as provided by in this policy. The claim must be approved for payment in a specific dollar amount.
  - C. Travel Claims: After the traveler certifies the accuracy and appropriateness of the claim, the approving officer should review for accuracy and appropriateness before the claim is approved. The Deputy Director or Chief Financial Officer (CFO) will approve the Director's travel claims. The approval signature means that expenses claimed are valid and authorized duty-required expenses, that the expenses comply with current DOC and statewide travel policies, and that provision for payment is by law and appropriation.
  - D. Payroll Actions: Approval means the payment recipient is a current or former employee of DOC. The Payroll Manager or their designee will approve payroll actions.
  - E. Entitlements, Federal Awards, and Grants: Approval means that the grantee meets the criteria for the federal award and 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, is a responsible and appropriate use of the funds, provision for payment is by law and appropriation, and the approver is an authorized employee of the state.

- d. 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 ensure the payment of the claim is not delayed.
- e. Documentation must show that DOC has received proper value as defined by 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; and
  - C. Prices, terms, and extensions shown on the vendor's invoices are correct.

## **2. Preparation of the Voucher**

- a. After gathering proper documentation, a voucher is prepared by Central Accounting. Accounting data will be sent electronically to DAS for issuance of a warrant.
- b. Paid Voucher File: All paid vouchers and supporting documentation will be filed and retained in accordance with applicable retention requirements.
- c. Vouchers should be paid by the due dates to take advantage of maximum discounts.

## **3. Central Accounting Checks**

Revolving Fund (Petty Cash):

- a. All DOC petty cash checks, unless otherwise specified, shall be controlled, and issued by Central Accounting. In specified situations or due to geographic location, the Financial Operations Administrator may approve direct issuance of petty cash checks by a functional unit. These situations require close controls to maintain budget and accounting requirements.
- b. All approved back-up documentation will be maintained on file in Central Accounting in accordance with applicable retention requirements. Checks will be reconciled monthly to the Oregon State Treasury Statement of Account, including identification of outstanding checks.

## **4. Central Trust Checks**

Central Trust issues checks on behalf of adults in custody (AIC), clubs, and the commissaries using the AIC or Commissary financial system. Only in extreme circumstances can the CFO or designee approve the issuance of an alternative check disbursement by Central Trust.

Each employee authorized to make an expenditure decision involving AIC funds is responsible for the good judgement and lawfulness of the expenditure and is responsible for ensuring transactions are for authorized purposes.

- a. All DOC Central Trust check stock will be controlled and issued by Central Trust.
- b. All AIC expenditures will be in accordance with the department's rule on Trust Accounts (AIC) (OAR 291-158).
- c. For club purchases, electronic purchasing technology may be used when available.
- d. AIC club expenditures will be requested by submitting an Admin Check Request/Transfer form (CD28A) with authorized signatures.
- e. Commissary expenditures for purchase order payments that have met the requirements in section (III)(B) of this policy and the department's policy on Commissary Operations (DOC policy 40.2.3) shall be submitted with supporting documents to Central Trust for payment.
- f. Commissary purchases not covered in (III)(B)(4)(e) of this policy require the submission of an Admin Check Request/Transfer form (CD28A) with authorized signatures.
- g. Central Trust shall maintain access to all supporting documentation in accordance with applicable retention requirements.
- h. Central Trust checks issued will be reconciled monthly to the Oregon State Treasury Statement of Account, including identification of outstanding checks.
- i. State-issued checks that have cleared Oregon State Treasury shall be reviewed daily for fraudulent activity.
- j. Fraudulent checks shall be reported to Oregon State Treasury immediately.

#### **5. Authority to Sign Checks**

- a. Staff authorized to sign Central Accounting checks will be limited to the Financial Operations Administrator or designee. Staff authorized to sign Central Trust checks will be limited to the Financial Services Administrator or designee. Signature authorization forms will be maintained for all authorized staff at both the Oregon State Treasury and the DOC Office of the Chief Financial Officer.
- b. Notwithstanding the above procedures, where applicable, the authorized employee's confidential sign-on credentials will be considered the equivalent of their formal signature and be equally acceptable.

#### IV. IMPLEMENTATION

This policy will be adopted immediately without further modification.

Certified: \_\_\_\_\_ signature on file \_\_\_\_\_

Julie Vaughn, Rules Coordinator

Approved: \_\_\_\_\_ signature on file \_\_\_\_\_

Heidi Steward, Acting Director