

FIN 5.1 Cash Disbursement Methods

A. *MAP Standard*

To safeguard assets, cash should be disbursed using only the methods and procedures authorized by state law, rules, and regulations.

B. *Purpose*

This policy establishes the disbursement methods available to state agencies.

C. *Authority*

Chapter 6-5-2, NMSA 1978

D. *Policy*

All disbursements of state monies shall be made using one of the following:

1. *Payment Vouchers/Warrants* – These documents are used for the majority of the cash disbursements including travel-related disbursements.
2. *Payment Load/Warrants* – With authorization from Financial Control Division (FCD), state agencies use these documents to make multiple payments with one voucher, e.g., for jury payment and refunds to hunters who submitted applications for hunting licenses but were not successful.
3. *Petty Cash Accounts* – State agencies use these accounts to make small purchases (\$25 or less) without processing a *Payment Voucher*. Petty cash accounts are limited to \$100 unless otherwise approved by the FCD Director or Deputy Director.
4. *Miscellaneous Special Accounts/Checks* – With authorization from the State Treasurer, state agencies establish checking accounts at private banking institutions. State agencies establish checking accounts to disburse money if so authorized by FCD. Other such accounts are used by state agencies (e.g., the judicial courts) to deposit money received prior to transferring it to the State Treasurer.
5. *Operating Transfers* – State agencies use these documents to move money between state agencies when the payer and the payee both process their transactions through SHARE.

E. *Applicability*

This policy applies to all state agencies.

FIN 5.2 Disbursement Requirements

A. *MAP Standard*

To ensure legal compliance, which requires that resources be expended for only authorized purposes, state agencies must implement adequate internal controls and procedures for cash disbursements.

B. *Purpose*

This policy identifies criteria that state agencies must meet prior to disbursing state monies.

C. *Authority*

Chapter 6-5-2, NMSA 1978

D. *Policy*

1. SHARE state agencies should follow the cash disbursement procedures for completing documents used to disburse state monies.
2. *Positive cash balance* – State agencies must not make payments of state monies if the issuing fund does not have a positive cash balance that at least equals the proposed disbursement. State agencies that are a party to the Cash Management Improvement Act (CMIA) agreement should request an exemption from this policy.
3. *Budget balance* – State agencies must ensure that payments are not processed unless the fund and department budget making the payment contains sufficient budget to accommodate the proposed payment. Disbursements processed through state agency fund types and non-budgeted funds shall be exempted from this policy.
4. *Balance sheet accounts* – The processing of payments against balance sheet accounts will be allowed in agency fund types. Payments against balance sheet accounts in all other fund types must be approved through a policy exemption approved by FCD.
5. *Vendor Codes* – Vendors paid through FCD must be in the SHARE Vendor File, except in those instances where approval for the use of a miscellaneous vendor code has been granted by FCD.
6. For each disbursement, state agencies must provide adequate supporting documentation, which may consist of an invoice, a copy of a state statute, a copy of a contract, a joint powers agreement, a memorandum of understanding, etc.
7. *Revenue Account Codes* – The processing of payments against revenue account codes will be allowed when court ordered or authorized to refund revenue fees collected. The payment vouchers are generated using the same revenue account code the fees were credited to. Payment against revenue accounts in all fund types must be approved through a policy exemption request approved by FCD.

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E. *Applicability*

This policy applies to all state agencies, although the completion of documents for state agencies that do not process their financial transactions through SHARE may vary.

FIN 5.3 Distribution of Warrants

A. *MAP Standard*

To safeguard assets, internal controls must ensure that only authorized personnel have access to warrants.

B. *Purpose*

This policy establishes the requirement that access to warrants be limited to only authorized personnel.

C. *Authority*

Chapter 6-5-2, NMSA 1978

D. *Policy*

1. State agencies must provide FCD with a list of the names and signatures of all personnel authorized to obtain warrants on their behalf. The authorized list must be signed and approved by a state agency CFO.
2. Personnel receiving warrants must sign all copies of the warrant registers, prior to accepting responsibility for the warrants.
3. State agencies must ensure that they have received all warrants they signed for at FCD. State agencies must notify the FCD Director or Deputy Director immediately upon discovery of any warrants distributed to the wrong state agencies and/or any warrants signed for but not received.
4. FCD Distribution Center personnel must verify that anyone receiving warrants on behalf of a state agency is on the list of people authorized to receive warrants.
5. FCD Distribution Center personnel must mail all warrants to out-of-town state agencies on the same day that the warrants are produced. Distribution Center personnel are responsible for mailing the correct warrants to each of the state agencies. State agencies should report any errors in warrant distribution to the FCD Director or Deputy Director.
6. State agencies that receive warrants through the mail should verify that they received all warrants listed on the warrant register. They should then sign the warrant register and return it to the FCD Distribution Center.

E. *Applicability*

These policies apply to FCD Distribution Center Personnel and to all state agencies that receive warrants from FCD.

FIN 5.4 Special Processing

A. *MAP Standard*

To ensure legal compliance, state agencies must have internal controls for handling expedited payments.

B. *Purpose*

This policy establishes requirements for issuing warrants outside of normal processing procedures when the need arises to expedite payments.

C. *Authority*

Chapter 6-5-2, NMSA 1978

D. *Policy*

1. The following method is available to state agencies for expediting payments issued by FCD:
 - a. “Special Processing” produces a warrant by the same day if FCD approves the request submitted by the CFO. State agencies must follow FCD’s “special processing” procedures and submit error-free documents for processing.
2. Special Processing should originate from the chief financial officer of the requesting state agency, (e.g., Department Secretary, Agency Director, or the Administrative Services Division Director) if one of these persons cannot sign the requests, prior approval from the FCD Director or Deputy Director must be obtained before submitting such requests for special processing.
3. The requests must be approved by the FCD Director or Deputy Director. If denied, the payments will be included in regular processing.

E. *Applicability*

This policy applies to FCD personnel and to all state agencies for which FCD produces warrants.

FIN 5.5 Warrant Cancellations

A. *MAP Standard*

To ensure the accurate and complete recording of warrants that require cancellation after their initial issue and distribution.

B. *Purpose*

This policy establishes the requirement that the outstanding status of an issued warrant be verified prior to its cancellation and affirmed by affidavit prior to a reissue.

C. *Authority*

Chapters 6-5-2.1 (J), (S), 6-5-5, 6-5-7, 6-10-57, NMSA 1978
2.20.5.8C and 2.20.6 NMAC

D. *Policy*

1. Upon the determination that an issued warrant requires cancellation, the warrant's redemption status must be verified immediately through the State Treasurer and/or fiscal agent bank.
2. Based upon the warrant's redemption status, the appropriate notice for the warrant's cancellation must be completed:
 - a. Non-redeemed Warrants – A stop payment request or Notice of Warrant Cancellation shall be completed timely and issued to the State Treasurer.
 - b. Redeemed Warrants – A notice requesting reimbursement of funds shall be completed timely and submitted to the fiscal agent.
3. The State Treasurer shall refuse payment on a non-redeemed warrant for which a stop payment request or notice of Warrant Cancellation has not been received timely.
4. Upon determination that the canceled warrant is to be reissued, an Affidavit shall be affirmed by the payee and submitted to the state agency or to the Department of Finance and Administration requesting a duplicate warrant. The appropriate affidavit form to be completed is contingent upon the warrant's redemption status:
 - a. Non-redeemed Warrants – An *Affidavit for Duplicate State Warrant* shall be completed and submitted to the state agency originating the initial warrant.
 - b. Redeemed Warrants – An *Altered or Forged Signature Affidavit for Duplicate Warrant and Bond for Duplicate State Warrant* shall be completed and submitted to the state agency originating the initial warrant. In addition, provide any forms required by the fiscal agent bank.

E. *Applicability*

This policy applies to the Department of Finance and Administration and all state agencies with approval to issue warrants as authorized by Chapter 6-5-9, NMSA 1978.

F. *Forms*

1. *Notice of Warrant Cancellation*
2. *Affidavit for Duplicate State Warrant*
3. *Altered or Forged Affidavit for Duplicate Warrant*
4. *Bond for Duplicate State Warrant*

FIN 5.6 Employee Service Awards

A. *MAP Standard*

To ensure that resources are expended only for authorized purposes, state agencies must have internal controls to verify that all disbursements are authorized by law.

B. *Purpose*

This policy establishes criteria for the purchase of employee service awards.

C. *Authority*

Article IV, Section 14, New Mexico Constitution (Anti-Donation Clause)
Chapter 6-5-2, NMSA 1978

D. *Policy*

Items purchased for use as employee service awards must comply with the following criteria:

1. The item must not have any intrinsic value or any worth to anyone but the recipient and its cost should not exceed \$50.
2. The item must not represent a financial award to the recipient, possess exchange or sale value, nor provide any purpose other than as an award to the recipient. For example, clocks, watches, artwork, gift cards, and gift certificates should **not** be used as employee service awards paid by the State. Plaques of nominal value are potentially allowable.
3. Affixing the State seal to, or engraving, an item of more than nominal value does not, per se, reduce its value.
4. Any *Purchase Orders* and/or *Payment Vouchers* related to employee service awards rejected by FCD can be appealed. The appeal should be signed by the Cabinet Secretary or the Agency Director and addressed to the Department of Finance and Administration (DFA) Secretary or FCD Director.
5. Employee service awards are considered miscellaneous expenses and must be charged to the correct expenditure chart of accounts (400) and account code (547900).

E. *Applicability*

These policies apply to all state agencies; however, the appeals process applies to SHARE state agencies only.

FIN 5.7 Disbursements in Advance

A. MAP Standard

To ensure legal compliance and to ensure that resources are expended for only authorized purposes, state agencies should establish and adhere to adequate internal control procedures.

B. Purpose

This policy identifies standard criteria that state agencies must meet prior to any advance disbursement of state money. An advance disbursement occurs when the state pays for goods or services prior to their delivery and/or receipt.

C. Authority

Chapter 6-5-2, NMSA 1978

D. Policy

1. Advance payments are allowed under the following circumstances:
 - a. Advance payments are allowed for employee travel when state agency policies authorize advances.
 - b. Advance payments are allowed when the vendor requires payment in advance. For example, a vendor may require payment in advance for a magazine subscription, for electronic software service, for rent of a building, or at the time of registration for a seminar.
2. State agencies must provide adequate supporting documentation for all payment advances. The documentation may include the following:
 - a. *Travel Advances* – State agencies must submit an *Itemized Schedule of Travel Expenses* form, completed by the traveler.
 - b. *Subscription Notices* – FCD may accept subscription notices if they state that advance payment is required.
 - c. *Letters from Vendors* –When paying in advance for registration, a copy of the registration notice must be submitted.
 - d. *Rental Agreements* – State agencies may submit rental agreements to support advance payments. However, FCD will only pay one month in advance for buildings and up to three months in advance for storage space if the rent due for the storage area does not exceed \$100 per month.

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3. All payments in advance, except those involving travel or rent of buildings, require approval from the FCD Director or Deputy Director.

E. *Applicability*

This policy applies to all state agencies, although the approval requirements for state agencies that do not process their financial transactions through SHARE may vary.

FIN 5.8 Travel Reimbursement for Per Diem, Actual Expenses, and Mileage

A. *MAP Standard*

To ensure legal compliance, disbursements for travel must be made in accordance with state laws and travel regulations.

B. *Purpose*

This policy identifies the rules that state agencies must follow when paying for travel, per diem, reimbursement of actual expenses, and for mileage.

C. *Authority*

Chapter 6-5-2, NMSA 1978

DFA Rule 95-1, “Regulations Governing the Per Diem and Mileage Act”

D. *Policy*

1. Public officers or employees who travel shall receive a per diem amount or shall be reimbursed for actual lodging, meal expenses, and mileage in accordance with the rules and regulations of the state.

E. *Applicability*

This policy applies to all state agencies.

FIN 5.9 Travel Advances

A. *MAP Standard*

To ensure legal compliance, disbursements for travel advances must be made in accordance with state laws and travel regulations.

B. *Purpose*

This policy identifies the rules that state agencies must follow when disbursing travel advances.

C. *Authority*

Chapter 6-5-2, NMSA 1978

DFA Rule 95-1, “Regulations Governing the Per Diem and Mileage Act”

D. *Policy*

1. Travel Vouchers for travel advances shall **NOT** be submitted more than two weeks prior to travel unless significant savings can be realized for purchasing tickets or paying fees in advance.
2. State agencies must maintain records of travel advances and shall collect or pay all outstanding amounts at fiscal year-end.

E. *Applicability*

This policy applies to all state agencies. Policy pertaining to the submission of travel advance requests to FCD applies only to state agencies that process transactions through SHARE.

FIN 5.10 Payment Vouchers

A. Statement

This procedure addresses the documents flow for *Payment Vouchers*, including travel reimbursements.

B. Procedures

State Agency

1. Prepare the *Payment*. The following highlights completion procedures:
 - a. Assign the document number to the *Payment Voucher*.
 - b. Enter the vendor code on the *Payment Voucher*. If the vendor code is not in the SHARE vendor file, request the vendor be added.
 - c. Reference the correct encumbrance document if one exists. Documents requiring an encumbrance will not be processed without a *Purchase Order* reference.
 - d. Attach the required supporting documentation. Generally, this will be an original invoice from the vendor. If submitting a copy of an invoice, the person authorized by the state agency to sign *Payment Vouchers* must certify on the invoice copy that:
 - (1) The original invoice has been lost or destroyed (whichever applies) and cannot be located.
 - (2) A true copy of a valid original invoice is being provided.
 - (3) The accounting records have been checked and no part (or only part) of the invoice has been previously paid. (If an amount has been previously paid, the amount must be stated.)

FCD

2. SHARE Workflow transmits Voucher to FCD Audit Bureau for approval and posting.
3. Audit Bureau reviews and approves Voucher Package.
4. Audit Bureau sends Voucher Packages to imaging (store and maintain records electronically).
5. For Wire Transfer Vouchers, FMB Assigns Authorization number to form and records the number.
6. Audit Bureau reviews and approves Special Voucher Package.
7. Audit Bureau sends Voucher and Wire Transfer to FMB.

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8. FMB notifies STO of Wire Transfer Amount via Fax.

State Agency

9. If a document is returned by FCD, make all of the necessary corrections and resubmit the document along with the *Document Rejection Transmittal* form.

FCD

10. When the transaction is approved and posted in SHARE, send the approved *Payment Voucher* to the Imaging unit.

FIN 5.11 Special Processing

A. Statement

FCD often accepts state agency requests for special processing. However, these requests usually require FCD to deviate from normal operating procedures and interrupt the timely processing of other documents. State agencies are encouraged to keep these requests to a minimum.

B. Procedures

State Agency

1. Prepare a memorandum addressed to the FCD Director or FCD Deputy Director requesting the special processing of a document. The request should include the following:
 - a. Why the state agency believes that the document merits a deviation from normal processing procedures.
 - b. Why the state agency did not process the document in a timely manner to avoid special processing.
 - c. What is the acceptable processing date for the document.
 - d. Approval signature of the chief financial officer of the requesting state agency, e.g., Department Secretary, Agency Director, or the Administrative Services Division Director; if one of these cannot sign the requests, prior approval from the FCD Director or Deputy Director must be obtained before submitting the request for processing.
2. Submit the request to FCD. Requests for special processing or manual warrants must be received by 11:00 AM.

FCD Director or Deputy Director

3. Review the request and approve or deny.
4. If a special processing request is approved, send the requesting state agency a warrant on the day of the request.

FIN 5.12 Policy Exemption

A. Statement

This procedure provides state agencies with guidance on how to request a policy exemption related to processing disbursement documents through FCD.

B. Procedures

State Agency

1. To request an exemption from FCD's processing policies, prepare a *Policy Exemption Request* form. This form is used only for requests made to FCD.
2. State agencies prepare a *Request for Policy Exemption* form. The request should include the following:
 - a. In the first section of the form, cite the particular policy, procedure, or memorandum from which an exemption is sought and note the requirement(s) related to the request.
 - b. In the second section of the form, state the exemption requested, and if possible, the justification for the request. If necessary, state agencies may attach justifications and explanations to the form when submitting it to FCD.
 - c. Provide the fund, business unit and department value for which the exemption is requested.
 - d. Provide the date(s) for which the exemption is requested. (This could be for one day, one occurrence, or for the fiscal year.)
 - e. Obtain the Cabinet Secretary or Agency Director signature on the request.
3. Submit the completed *Request for Policy Exemption* to FCD.

FCD Director

4. Review and approve or deny the request.
 - a. If the FCD Director approves the request, forward a copy of the request to the FCD auditor and the originating state agency.
 - b. If the FCD Director denies the request, notify the originating state agency by returning the request as denied.

FIN 5.13 Establishing Petty Cash, Miscellaneous Change Funds, and Miscellaneous Special Accounts

A. Statement

To establish a petty cash account, a miscellaneous change fund and miscellaneous special accounts follow the procedures below.

B. Procedures

The request to establish a petty cash account, a miscellaneous change fund, or a miscellaneous special account should be made by the chief financial officer of the state agency. The request should be directed to the FCD Deputy Director.

State Agency – Chief Financial Officer

Petty Cash Accounts:

1. Submit to FCD a written request to establish a petty cash account (MPC) in SHARE. The request should include the following:
 - a. The intended use of the account.
 - b. The amount desired for the petty cash account.
 - c. The projected frequency of reimbursements to the account.
 - d. The name of the custodian of the account along with the state agency address.
 - e. A statement to certify that state agencies have internal control procedures in place to safeguard the cash on hand and that the cash will be kept where only the custodian of the account can access it.

Note: All petty cash accounts must be replenished by the end of June of each fiscal year.

Miscellaneous Change Funds

2. Submit to FCD a written request to establish a miscellaneous change fund (MCF). The request should include the following:
 - a. The purpose of the MCF.
 - b. The dollar amount desired for the MCF.
 - c. A statement to certify that the state agency has internal control procedures in place to safeguard the cash on hand and that the cash will be kept where only the custodian of the account can access it.

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- d. The name of the custodian of the account along with the state agency address.

Miscellaneous Special Accounts:

3. Submit to FCD a written request to establish a miscellaneous special account (MSA). The request should include the following:
 - a. The purpose of the MSA.
 - b. The dollar amount expected to flow through the account, the projected reimbursement request amounts, and the projected frequency of reimbursements to the account.
 - c. A written authorization from the State Treasurer to open a bank account at a private banking institution.
 - d. A written approval from the DFA Secretary that grants the state agency authority to disburse money directly from the bank account and an exemption from vouchering through FCD.
 - e. A copy of the procedures developed by the state agency to report to FCD and the State Treasurer all money disbursed from the bank account and the budget accounts affected.

FCD

4. Review the request and notify the originating state agency whether the request is approved or denied. If the account is approved, advise the state agency as of the cash balance limitations placed on the account. Set up the vendor/custodian in the vendor file and notify the agency of the assigned number.

Agency

5. Submit payment voucher to FCD using the account 104900, “Petty Cash”, account 102900, “Cash in Authorized Bank Accounts” for Miscellaneous Special Accounts or 103900, “Other Cash” for Miscellaneous Change Funds. This entry will establish the account in SHARE.

FIN 5.14 Closing Petty Cash, Miscellaneous Change Funds, and Miscellaneous Special Accounts

A. Statement

To close a petty cash and a miscellaneous change fund and miscellaneous special account, follow the procedures below.

B. Procedures

The agency chief financial officer must notify the FCD Deputy Director that a petty cash, miscellaneous change fund, or miscellaneous special account is to be closed.

State Agency – Chief Financial Officer

Petty Cash Accounts

1. Submit to FCD a written notification that the established petty cash account (MPC) in SHARE is to be closed. The notification should include the following:
 - a. The Petty Cash Vendor Number (MPCxxx) and custodian name.
 - b. The amount of the petty cash account
 - c. Certification that the petty cash account has been replenished.
 - d. The reason for closing the account.
 - e. Copy of the deposit slip showing the full amount authorized deposited with the fiscal agent bank.
 - f. Copy of the SHARE direct journal (DJ) showing the amount deposited to account 104900 - Petty Cash.

Miscellaneous Change Fund

2. Submit to FCD a written notification that the established miscellaneous change fund (MCF) in SHARE is to be closed. The notification should include the following:
 - a. The Miscellaneous Change Fund vendor number (MCFxxx) and custodian name.
 - b. The amount of the change fund.
 - c. The reason for the closing of the change fund.
 - d. Copy of the deposit slip showing the full amount authorized deposited with the fiscal agent bank.

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- e. Copy of the SHARE direct journal (DJ) showing the amount deposited to account 1039000 – Other Cash.

Miscellaneous Special Account

3. Submit to FCD a written notification that the established miscellaneous special account (MSA) in SHARE is to be closed. The notification should include the following:
 - a. The Miscellaneous Special Account vendor number (MSAxxx) and custodian name.
 - b. The amount that was authorized.
 - c. Certification that the MSA has been deposited with the fiscal agent bank.
 - d. Copy of the SHARE direct journal (DJ) showing the amount deposited to account 1029000 – Cash in Authorized Bank Accounts.
 - e. Copy of the letter to the State Treasurer indicating that the MSA is now closed.

FCD

4. Review the request and supporting documentation. Notify the vendor file desk to void the MPC, MCF, or MSA code in the vendor file. Notify the agency upon completion.

FIN 5.15 Requesting the Addition of a New SHARE Vendor

A. Statement

To request adding a vendor or employee to the SHARE vendor file follow the procedures below.

B. Procedures

State Agency Point of Contact (POC)

1. To add a vendor:

- a. Review the SHARE vendor file to determine that the vendor is not on the file.
- b. Forward to the vendor a blank W-9 form to complete.
- c. Receive completed W-9 from vendor and review for completeness and accuracy.
- d. Initial and submit to FCD the completed W-9 form.
- e. If direct deposit (ACH) is added to W-9, the agency POC will need to advise the vendor to read the “WARNING” section on the *International ACH transactions (IAT)* form and initial. Failure to initial will result in the direct deposit not being approved.

FCD

- f. Pre-audit the W-9 form to ensure that it is complete.
- g. If errors are found during the above review, return the W-9 form to the state agency POC with a notice of the corrections needed.
- h. If no errors are found during the above review, add the vendor to the SHARE vendor file.

2. To add an employee:

State Agency POC

- a. Have the employee complete the *SHARE State Employee Vendor Registration* form and attach voided check if necessary.
- b. Review and initial the completed form – verify employee ID.
- c. Submit to FCD the completed form.

FCD

- d. Pre-audit the *SHARE State Employee Vendor Registration* form to ensure that it is complete.

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- e. If errors are found during the above review, return the *SHARE State Employee Vendor Registration* form to the state agency POC with a notice of the corrections needed.
- f. Compare *Vendor Registration* form to Payroll database to vendor if vendor is an employee.
- g. If no errors are found during the above review, add the employee to the SHARE vendor file.

State Agency

- 3. To establish miscellaneous vendor codes in the SHARE vendor file, complete the *SHARE Policy Exemption* form and submit it to FCD for consideration. The request will be either approved or denied.
- 4. To establish vendor codes for custodians of petty cash funds, miscellaneous change funds, or miscellaneous special accounts in the SHARE vendor file, complete a written request signed by the Chief Financial Officer and submit it to FCD (*see Establishing Petty Cash Funds, Miscellaneous Change Funds, and Miscellaneous Special Accounts* processing procedures).
- 5. Review the SHARE vendor file each day to see if the proposed vendor has been added.

FIN 5.16 Updating Vendor information in SHARE

A. Statement

To update vendor, employee information, and custodians of Petty Cash, Miscellaneous Change Funds, and Miscellaneous Special Accounts in SHARE, follow the procedures below.

B. Procedures

State Agency Point of Contact (POC)

1. Obtain vendor changes.
 - a. Review the SHARE vendor file to determine what information needs updating.
 - b. Forward to vendor a blank W-9 form requesting updated information.
 - c. Initial and submit to FCD the completed Vendor Registration Form.

FCD

- d. Compare *Vendor Registration* form to payroll database to verify if vendor is an employee, and compare the proposed changes on the substitute W-9 form to the SHARE vendor database.
2. To change employee information:

State Agency POC

- a. Have the employee complete the *Employee Registration* form and attach voided check if necessary.
- b. Review and initial the completed form – verify employee ID.
- c. Submit to FCD the completed form.

FCD

- d. Pre-audit the *Employee Registration* form to ensure that it is complete.
- e. If errors are found during the above review, return the *Employee Registration* form to the state agency POC with a notice of the corrections needed.
- f. If no errors are found during the above review, add the employee to the SHARE vendor file.

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3. To change custodians of Petty Cash, Miscellaneous Change Funds, and Miscellaneous Special Accounts:

State Agency CFO

- a. Submit to FCD a memorandum requesting the custodian of the MPC, MCF, or the MSA be changed.
- b. Indicate the vendor code to be changed.
- c. Indicate the reason for the change.
- d. Identify the name of the new custodian and/or address update.

FCD

FMB Bureau Chief

- e. Review the memorandum for completeness.
 - f. Approve the change – initial the memorandum authorizing the vendor file personnel to update the SHARE vendor file.
 - g. Provide the agency a copy of the screen indicating the change has been completed.
4. Review the SHARE vendor file each day to see if the proposed changes to the vendor have been completed.

FIN 5.17 Using Vendor Codes in SHARE

A. *Statement*

This procedure addresses the use of SHARE vendor codes.

B. *Procedure*

1. To be processed in SHARE, *Payment Vouchers, Purchase Orders, Warrant Cancellations, and Journal Vouchers*, must include a vendor code that exists in the SHARE Vendor File.
2. SHARE assigns a specific vendor code.

FIN 5.18 Warrant Cancellation

A. Statement

This procedure addresses replacing a warrant, which has been canceled.

B. Procedures

1. A copy of the Invoice Information Tab, from the original payment voucher showing how the original transaction was recorded **must** be attached to the warrant cancellation form. The warrant or an Affidavit for Duplicate State Warrant must also be attached.
2. There are two types of cancellations:
 - Type 1 – cancels the original warrant and automatically opens the original voucher. This process issues a new warrant to the same vendor for the same amount;
 - Type 9 – cancels the original warrant issued and reverses all accounting entries.

Note: A journal entry may be required for some warrant cancellation types.

3. A journal entry is required for the following types of payments:
 - Warrants issued by the Payment Load Submission Process, and;
 - Warrants issued by the Third Party Process.
4. Cancellations submitted by the year-end deadline
 - a. **Regular Voucher - No New Warrant Issued** – If the original warrant is to be cancelled and no new warrant will be issued, complete the *Warrant Cancellation* form with a date of June 30, XXXX as a Type 9 referencing the original accounts used. If the original payment voucher referenced a purchase order, FCD will create a reversal voucher crediting the account(s) that were originally charged.

Note: FCD cannot re-establish any encumbrances after the year-end deadline for Purchase Documents.

- b. **Regular Voucher - Issue of New Warrant** – If the original warrant is to be cancelled and a new warrant is to be issued, complete the *Warrant Cancellation* form with a date of June 30, XXXX as a Type 1 referencing the original accounts used. This will allow the payment voucher to be reopened and a new warrant to be issued.
- c. **Payment Load/Third Party Cancellations** – If the original warrant is to be cancelled and a new warrant is to be issued, complete the *Warrant Cancellation* form with a date of June 30, XXXX as a Type 9 referencing the original accounts used. The agency will need to attach a new payment voucher with a date of June 30, XXXX referencing the original accounts used.

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If the original warrant is to be cancelled and no new warrant is to be issued, complete a *Warrant Cancellation* form Type 9 with a date of June 30, XXXX, referencing the original accounts used.

In addition to either of the above, the agency must attach a WCN journal entry with a date of June 30, XXXX to record the cancellation for both scenarios, debiting account 1019xx – Investment SGFIP and crediting the original expenditure or liability account(s). A copy of the original *Payment Load Submission* form and a copy of the line tab of the EXT journal entry must also be attached to the warrant cancellation form.

5. Processing Warrant Cancellations after the year-end deadline

- a. Agencies must resubmit all rejected warrant cancellations not submitted to FCD by the year-end deadline.
- b. A copy of the Invoice Information Tab from the original payment voucher, showing how the original transaction was recorded must be attached to the warrant cancellation form.
- c. **Regular Voucher - No New Warrant Issued** – If the original warrant is to be cancelled and a new warrant will not be issued, complete the *Warrant Cancellation* form with a current date as a Type 9 with a current date referencing the original accounts used. In addition, the agency must attach a WCN journal entry with a current date debiting the original expenditure account(s) and crediting account 241900 – Stale Dated Warrants/Due to the General Fund. The WCN journal is required to offset the debit to the expenditure account that is recorded during the warrant cancelation process. If the WCN journal entry is not posted, the original expenditure amount is recorded twice, once in the prior fiscal year and again in the fiscal year the cancelation occurred. Therefore, if the original voucher referenced a liability account instead of an expenditure account, then a WCN journal entry is not required.

In addition, if the original payment voucher referenced a purchase document, a WCN journal entry is not required. FCD will create a reversal voucher crediting account 241900 Stale Dated Warrants/Due to the General Fund. FCD cannot re-establish any encumbrances after the year-end deadline for purchase orders.

Note: A CFR journal entry with a current date debiting account 241900 –Stale Dated Warrants/Due to the General Fund and crediting account 499905 – Other Financing Sources is required if this is a non-reverting fund and must be attached to the warrant cancellation form.

- d. **Regular Voucher - Issue of New Warrant** – If the original warrant is to be cancelled and a new warrant will be issued, complete the *Warrant Cancellation* form with a current date as a Type 1 with a current date referencing the original accounts used. This will allow the payment voucher to be reopened and a new warrant to be issued.
- e. **Payment Load/Third Party – Issue of New Warrant** – If the original warrant is to be cancelled and a new warrant is to be issued, complete the *Warrant Cancellation* form with a current date as a Type 9 with a current date referencing the original accounts used. Attach a new payment voucher with a current date debiting account 292900- Other Liabilities. In addition, the agency must attach a WCN journal entry with a current date, debiting account

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1019xx – Investment in SGFIP and crediting account 292900- Other Liabilities. A copy of the original *Payment Load Submission* form and a copy of the line tab of the EXT journal entry must also be attached to the warrant cancellation form.

- f. **Payment Load – No New Warrant to be Issued** – If the original warrant is to be cancelled and a new warrant will not be issued, complete the *Warrant Cancellation* form with a current date as a Type 9 referencing the original accounts used. The agency must attach a WCN journal entry with a current date debiting account 1019xx – Investment SGFIP and crediting account 241900- Stale Dated Warrants/Due to the General Fund. A copy of the original *Payment Load Submission* form and a copy of the line tab of the EXT journal entry must also be attached to the warrant cancellation form.

Note: A CFR journal entry with a current date debiting account 241900- Stale Dated Warrants/Due to the General Fund and crediting account 499905- Other Financing Sources is required if this is a non-reverting fund and must be attached to the warrant cancellation form.