



CAPSTONE PROJECT

Voided Warrant Reissuance Standardization

The Ledger Group
Cohort #6 - 2016

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Executive Summary

The Ledger Group (“TLG”) consists of employees from the Board of Tax Appeals, Department of Commerce, Department of Taxation and Department of Transportation

The majority of Ohio’s state agencies (“agency”) issue paper warrants to pay invoices, expenses and debts. R.C. § 126.37 sets forth the general terms by which voided warrants are processed. Most standard warrants issued by the State of Ohio are notated so that they void after the issued check has aged ninety days. It is probable that outstanding warrants will need reissuance. Each agency is responsible for the reissuance of a voided warrant except when the agency’s appropriation authority has expired (the last 4 months of the biennium). The reissuance process includes a payee, a printed and notarized form, and several staff verifications. Each agency has adopted its own process and procedures to reissue warrants. For example, the Board of Tax Appeals has a different process than the Department of Transportation. The different processes create inefficiencies and confusion among internal and external vendors. TLG’s position is that standardizing the voided warrant reissuance (“VWR”) process will save time, lessen confusion and create a better customer service experience for those who receive payments from the State of Ohio.

TLG research strategy included locating subject matter experts within various agencies throughout the State who are experienced in the processing and reporting of voided warrants. TLG analyzed the various agency processes for differences and similarities. The group reviewed the volume of voided warrants during the past biennium and how agencies could be impacted by VWR. TLG reviewed applicable statutes and case law relating to the reissuance of voided warrants and existing standard reports. We identified potential opportunities to standardize and improve the process. We also reviewed any required documents to see if opportunities existed for forms to be updated or improved.

Based upon our research, The Ledger Group recommends the following:

1. Update BI-Cognos reports to contain additional chart-field data so that the agency is able to accurately report on the levels of division, program, and fund.
2. Consolidate the Voided Warrant Reissuance Form (“OBM-7264”) and the Office of Budget and Management Voided Warrant Certification Form (“20083”). The majority information required is duplicated on both forms.
3. Only require a notary seal when the dollar amount of the reissued warrant is over \$1,000.00. This will result in savings of time for warrant recipients and agency staff who reissue voided warrants.
4. Track the progress of the OAKSenterprise system. The system may alleviate the need for OBM-7264 and 20083.
5. Create a job aid outlining the voided warrant reissuance process for all agencies to reference.

Introduction (Problem Statement)

The majority of Ohio's state agencies issue paper warrants to pay invoices, expenses and debts. R.C. § 126.37 sets forth the general terms by which voided warrants are processed. Most standard warrants issued by the State of Ohio are notated so that they void after the issued check has aged ninety days. It is probable that outstanding warrants will need reissuance. Each agency is responsible for the reissuance of a voided warrant except when the agency's appropriation authority has expired (the last 4 months of the biennium). The reissuance process includes a payee, a printed and notarized form, and several staff verifications. Each agency has adopted its own process by which a warrant is reissued. For example, the Board of Tax Appeals has a different process than the Department of Transportation. The different processes create inefficiencies and confusion among internal and external vendors. TLG's position is that standardizing the voided warrant reissuance ("VWR") process will save time, lessen confusion and create a better customer service experience for those who receive payments from the State of Ohio.

Background

Ohio has 167 different agencies, which include various Boards and Commissions as well as Councils. Each agency has adopted its own process to reissue voided warrants. The reissuance process as outlined in R.C. § 126.37 can be confusing. The initiative to research the voided warrant reissuance process was triggered when the Department of Taxation had warrants reissued by OBM from a different fund than the fund referenced on the original warrant. Taxation has also experienced frustration due to untimely reissuance of voided warrants.

Currently, there is a Voided Warrant Reissuance Form ("VWRF") that the Office of Budget and Management ("OBM") utilizes to reissue any voided warrant. However, this form is not being used as the standard form by all agencies. Agencies have created their own form, utilized the VWRF, or adjusted the existing VWRF to meet their needs while others do not utilize a form at all.

The development of a standardized process would allow a written procedure to be in place for all agencies to follow and reference. The standardization of VWR would include an updated standard form to be used by all agencies, a uniform report to accurately obtain a list voided warrants, and possibly a web portal whereby suppliers and individuals could request a VWR. Standardization will provide a higher certainty that the proper steps are being taken to reissue all voided warrants, assist in the efficiencies of each agency completing the process accurately and assist in the prevention of duplicative work. Agencies, suppliers and potential payees will benefit from standardization or other improvements to the VWR process.

Research Strategies

TLG's research strategy included locating subject matter experts within various agencies throughout the State who are experienced in the processing and reporting of voided warrants. TLG compared and contrasted the various agency processes. The group reviewed the volume of warrants voided during the past biennium and how agencies would be impacted by VWR. TLG reviewed applicable statutes and case law relating to the reissuance of voided warrants and existing standard reports. The group hoped to identify potential opportunities to standardize and improve the process. We also reviewed any required documents to see if opportunities exist to update or improve existing forms.

The initial objectives identified before starting the research were to answer a few basic questions as they relate to the issuance of voided warrants:

1. Does OBM have a uniform VWR standardization for all State agencies? If so, is it efficient and effective? Is there adequate quality control?
2. Are there barriers to standardization?
3. Are there opportunities to improve the process?
4. Are there best practices that can be identified and implemented on a state-wide basis?

As part of our research strategy, each group member interviewed their respective co-workers responsible for the voided warrant reissuance process within their agency to determine the current process. TLG gathered the interviewees' information and a comparison was taken to determine if there are any key steps being missed or if there were any bottlenecks in a process. We then determined the best process to propose to OBM for acceptance; and ultimately assist in the rollout and implementation of the new process.

Findings & Analysis

Legal Authority

R.C. §126.37 sets forth that the director of OBM must void a warrant issued to a domestic corporation regarding corporate franchise tax or a taxpayer regarding income tax within two years after the date of the issuance. Any other warrant, such as a standard uncashed warrant, is void after ninety days of the date of issuance.

The director of budget and management shall void any warrant the director draws on the state treasury, pursuant to Chapter 5733 or 5747 of the Revised Code, that is not presented for payment to the Treasurer of State within two years after the date of issuance and shall void any other warrant the director draws on the state treasury that is not presented to the treasurer of state within ninety days after the date of issuance. R.C. §126.37(A)

Sections B, C, D and E set forth the accounting each agency fiscal office must conduct before reissuing a voided warrant. This paper does not assert that agencies are failing to follow the law. Therefore, we will not restate R.C. §126.37 (B) (C) (D) (E).

Agency's Processes

Office of Budget and Management

TLG met with Tom Johnson, Stacie Massey and Matt Scott of OBM. The discussion centered on the current OBM voided warrant reissuance process. The conversation included discussion regarding what was working and what needed improvement. OBM does not currently oversee or implement the processes performed by each agency. We discussed why the notary was necessary on Form OBM-7264 ("OBM-7264"). OBM-7264 is a paper form and requires the vendor's signature and a notary to witness the vendor's signature. OBM-7264 is a vendor's request to reissue a warrant. The vendor must explain the circumstances as to why they would like a warrant reissued. Ms. Massey explained that it was her understanding that the notary was the only way to hold the person accountable for their claim for warrant reissuance.

Mr. Johnson is the sole person at OBM who reissues voided warrants for any agency that has lost the authority of their appropriation. Each agency is responsible for the reissuance of a voided warrant except where the agency's appropriation authority has expired (the last 4 months of the biennium). Mr. Johnson explained that the process is not uniform across all agencies. OBM does not require that agencies follow any particular process before sending a request for reissuance to OBM.

We also interviewed Melvin Striblin, Senior Financial Manager, regarding appropriation transfers. We asked whether agencies were obligated to receive appropriation transfers when a voided warrant is reissued in a fiscal year after its void date. Mr. Striblin explained that agency must prove the inability to pay a warrant during its reissuance fiscal year to receive an appropriation transfer.

Boards and Commissions served by the Central Service Agency (CSA)

The research obtained regarding the 32 boards serviced by the Central Service Agency ("CSA") came from Christopher Angles, Director of CSA and Connie Alexander, Fiscal Manager of CSA. CSA is an agency located under the supervision of the Department of Administrative Services. CSA serves as the fiscal department for 32 of Ohio's Boards and Commissions.

Mrs. Alexander explained that the first notice she receives regarding a voided warrant generally comes from an employee of a Board or Commission. This notice generally refers to a vendor who has not received payment from a Board or Commission or the vendor has misplaced the warrant. Mrs. Alexander must research the transactional history of the warrant. Mrs. Alexander must review the Business Intelligence ("BI") Cognos report and the Ohio Administrative Knowledge System (OAKS) to determine if the warrant has been cashed or has voided. If it has not been cashed and has voided, the vendor must fill out OBM Form OBM-7264 ("OBM-7264"). OBM-7264 is a paper form and requires the vendor's signature and a notary to witness the vendor's signature. Once OBM-7264 is received by CSA, the agency completes an OBM Voided Warrant Certification form ("20083"). The fiscal officer certifies that the voided warrant outlined in OBM-7264 is a valid obligation of the State and authorizes OBM to reissue the warrant.

Mrs. Alexander explained that CSA does not receive an abundance of voided warrant reissuance requests, however; the process appeared to be somewhat duplicative. Two forms, OBM-7264 and 20083 require almost identical information with the exception of fund account number and the agency fiscal officer's request and signature.

Mrs. Alexander indicated that the most time intensive portion of the process was the notary requirement. It was explained that it often takes several days for a vendor to receive the paper form and secure a notary seal. Mr. Angles explained that the majority of the warrants reissued are not over the amount of \$5,000.00. Generally, the warrant has been lost and the vendor would like the warrant to be reissued.

Department of Commerce

The research obtained for the Department of Commerce ("ODC") process came from meeting and interviewing Bill Ridenour, Financial Associate and processor of voided warrant reissuance in the Division of Unclaimed Funds, Marlene Chukes, Administrator of Unclaimed Funds and Tonya Smithers, Fiscal Officer of Unclaimed Funds. Unclaimed Funds process over 42,000

warrants each fiscal year reconnecting citizens of Ohio with their lost properties. Valuable knowledge was gained due to the uniqueness of the Division and how the internal reissuance process is reconciled and maintained. ODC utilizes OBM-7264 along with 20083 made available by OBM.

A concern raised by the Department of Commerce was the necessity of a notary on the OBM Reissuance form. It is believed that the removal of the notary will help expedite the process for claim reissuance.

Department of Public Safety

The research obtained for the Department of Public Safety (“ODPS”) process came from interviewing Ronald Wehner, Financial Manager. Mr. Wehner helped to explain a real world application of the appropriation transfer for reissuance across fiscal years. Instead of a traditional appropriation transfer, Mr. Wehner and the Department of Public Safety were able to have an old purchase order reopened with a balance equal to the amount of the voided warrant. This was a solution to the appropriation transfer issue that was not foreseen by TLG. It was noted by Mr. Wehner that if a voided warrant needs to be reissued across fiscal years, the total amount of the warrant would be the deciding factor in whether to go after an appropriation transfer.

Department of Taxation

The research obtained for the Department of Taxation comes from the knowledge of TLG member, Johnathan Heckert. Mr. Heckert is currently responsible for the reissuance of the majority of the departments voided warrants. The Ohio Department of Taxation (“ODT”) has a large volume of warrants that are issued between all the refund checks that are issued for Personal Income Taxes, Business Taxes and the distributions prepared on a monthly, quarterly, semi-annual and annual basis. Over the two-year biennium for FY14-FY15 ODT issued approximately 8,724,200 vouchers amounting to \$14,121,167,018. Of that, the Department had approximately 53,783 voided warrants amounting to \$11,174,016. The ODT reissuance process occurs as follows;

1. ODT obtains the list of voided warrants by saving the OHAP050 report every month and manipulating the data for the department’s use.
2. When a reissuance request takes place, ODT determines the status of the warrant. Is it outstanding, cashed, stopped or has it voided? If the warrant has stopped or voided, ODT confirms if has already been reissued.
3. Once it is determined that the warrant is void, the entity or taxpayer is required to complete OBM-7264 and provide ODT with a completed W-9.
4. Upon receiving a completed OBM-7264, ODT either creates a manual voucher to reissue warrant or sends the request to OBM to have the warrant reissued. If two year warrant, all requests are sent to OBM and taxpayer is researched to determine if portion of refund needs offset.
5. If warrant is reissued by ODT, a supervisor’s approval is necessary.
6. If OBM is required to reissue warrant, OBM will complete their process and then send the reissued warrant to ODT to send to the recipient.
7. Once the physical check is created, ODT will record the new warrant in their system for documentation.
8. ODT updates multiple spreadsheets to ensure the warrant is not reissued again in the future.

For the Department of Taxation, some warrants are two-year warrants. Two-year warrants are reissued by OBM because when they void the agency has lost the authority to the appropriation. It was determined, while discussing with Stacie Massey of OBM, that if a warrant is requested for reissuance after the biennium has ended, then OBM should reissue the warrant. Therefore, regardless of when the warrant was originally issued, (i.e. last four months of biennium or any other month of a previous biennium), OBM should reissue all of those warrants because the agency has lost the authority to the appropriation.

ODT's process differs from other agencies, as ODT does not utilize the OBM Certification Form (20083). ODT provides a summary sheet to OBM of all voided warrant claims in the bundle they send with the VWRF, W-9 and OHAP050 report with the voided warrants listed. ODT always receives questions concerning the notary and whether or not it must be obtained to submit the form. The vendors and taxpayers see it has a hassle and are not fond of the extra step in the process. The current VWRF does not contain the fund that the original warrant was issued from and if that was included, ODT believes that would assist in ensuring warrants are reissued from proper fund when being reissued by an agency other than the original issuing agency.

Department of Transportation

TLG spoke with to Kyle Karling at the Ohio Department of Transportation ("ODOT"). ODOT operates on the Highway Operating Fund. This fund includes moneys gathered from federal and state motor fuel taxes, highway use taxes and other federal grants. These funds are earmarked for the maintenance and construction of Ohio's highways. With a fiscal year budget of 3 billion dollars, ODOT is tasked with maintaining "existing road and bridge infrastructure." Maintaining such a huge infrastructure requires processing an impressive volume of vouchers to pay for supplies and services (Office of Budget and Management).

According to Mr. Karling, Data Administrative Manager 1, ODOT has a monthly process to account for any vouchers identified as voided for age. ODOT is proactive in their approach, sending a packet of information to its suppliers whose payments have voided. They send a letter informing them that a warrant has voided including instructions on how to request reissuance of the warrant. They also include a copy of the original invoice for which the payment voided and the claim for reissuance form. Since the form is sent to the warrant recipient from ODOT, OBM-7264 has been created in Microsoft Word and uses the Mail Merge Wizard to easily and quickly create the necessary documents. The agency does ensure that the documents are notarized prior to reissuing any payments.

Most of the voided warrants ODOT handles relate to real estate or right of way transactions. Sometimes warrants are not reissued because the property agreement subsequently fell through and the payment is no longer necessary. The department felt strongly that the voided warrant reissuance process be a manual process as opposed to automating it. During their recent effort to become part of the OAKS platform ("OAKSenterprise"), the department opted to not include the reissuance of voided warrants as part of the project. TLG interviewed Helen Kelly, Project Manager 1, at the Ohio Department of Transportation regarding the reasoning behind the omission. According to Ms. Kelly, during the writing of the requirements document, it was decided that the reissuance of voided warrants was a far too complex process to automate. The process simply had too many variables.

The OAKSenterprise project is a \$33 million contract awarded to IBM to deliver various enhancements to the existing OAKS/PeopleSoft application. Part of the project includes a Vendor Portal whereby vendors are given a "fully functional vendor portal or self-service

function which includes the management of vendor information; receipt and response to bids electronically and submission/tracking of vendor invoices (Ohio Department of Transportation).” In speaking with Randy Dublikar, Financial Manager and OAKSenterprise Procurement team lead, it became evident that that project’s main objective is to take current manual processes and automate them. The intent of the vendor portal is to grant this electronic management access through a series of acknowledgements, certifications, terms, and conditions that will allow the State of Ohio to confirm the representative’s relationship to the supplier.

Statewide Impact

As part of our research, TLG compiled a chart to demonstrate the volume warrants voided during the FY14-FY15 biennium. The data was compiled utilizing the OHAP050 report and converting the data into an Excel spreadsheet. TLG looked at the number of warrants by agency business unit and the dollar value by agency business unit. The Department of Taxation had the largest percentage of voided warrants out of 167 Agencies. The total count for the entire biennium was approximately 91,168 with a dollar value of approximately \$20,386,818. ODT percentage by count was 58.99% and from a dollar percentage 54.81%. Due to the size of the agency, TLG reviewed ODOT, DPS and COM. Those agencies were at a percentage of 8.75%, 0.02% and 2.01%, respectively for the count and 0.78%, 1.99% and 9.66%, respectively for the amount.

AGENCY VOIDED WARRANT HISTORY		
FY2014 - FY2015		
Agency Bus. Unit	Amount	Count
ADJ01	38,964.24	144
AGE01	16.00	2
AGO01	359,401.60	329
AGR01	11,202.96	49
ARC01	800.00	8
ART01	6,243.03	9
AUD01	2,499.60	5
BOR01	15,410.00	9
BWC01	3,912.03	16
CAC01	400.00	2
CDP01	28.46	1
COM01	1,969,456.87	1829
CSR01	8,328.18	10
DAS01	15,987.37	29
DEN01	987.54	4
DEV01	883,492.42	1987
DMH01	39,044.78	25
DMR01	65,350.43	105
DNR01	108,365.76	66
DOH01	12,604.34	21
DOT01	158,464.81	16
DPS01	404,745.87	7979
DRC01	88,663.76	85

DVS01	75,613.25	131
DYS01	24,425.57	7
EDU01	963,187.30	581
ELC01	166.27	2
EPA01	15,032.08	16
ERB01	352.83	3
ETC01	70.00	1
ETH01	175.00	6
EXP01	12,159.25	260
IGO01	17.00	3
INS01	4,345.12	13
JCO01	742.47	6
JFS01	40,629.11	556
JFS02	74,804.30	15
JFS03	425,098.02	916
JFS06	819,218.00	13439
JFS07	343,347.77	361
JFS09	0.01	1
JFS10	2,415.08	6
JLE01	339.50	2
JSC01	54,944.45	69
LCO01	204.68	4
LEC01	10,500.00	1
LIB01	409.66	6
LOT01	96,587.44	390
LSC01	5,193.72	3

Voided Warrant Reissuance Standardization

MCD01	148,866.31	156
MCD05	51,000.00	3
MCD07	1,095,536.74	1669
MCD10	5,281.62	13
MED01	32.98	2
MHC01	23.48	2
MIH01	352.50	3
NUR01	13,085.52	104
OAK01	30,068.54	32
OBM01	748.19	7
OCC01	42.61	1
OSB01	210.46	3
OSD01	483.00	4
PAY01	40,250.42	86
PRX01	220.35	3
PSY01	180.55	2
PUB01	206.50	2
PUC01	2,767.50	31

PYT01	18.39	5
RAC01	124,017.90	5
REP01	130.00	1
RSC01	332,461.60	5261
SAN01	8.00	1
SEN01	453.89	2
SFC01	190.00	1
SOS01	29,140.36	429
SPA01	150.00	1
TAX01	130.00	3
TAX02	7,708,734.67	50908
TAX03	900,303.91	1113
TAX04	204,735.54	401
TAX05	1,492,620.38	617
TAX06	867,622.03	744
TOS01	172,396.79	25
Total	\$20,386,818.66	91,168

Voided Warrant Reports

TLG reviewed the two reports available to State agencies in regard to voided warrants. An agency can obtain the OHAP050 report monthly for the list of the voided warrants. There is a Business Intelligence report called VAP-006 that can give the information about voided warrants for any specific time period. The two reports are available from Ohio Administrative Knowledge System Financials ("OAKS-FIN") and through the Business Intelligence Cognos software.

OAKS-FIN

Report number OHAP050, Void for Age Report, is available through the Report Manager section in OAKS-FIN. It is an automatically generated PDF report that is usually available on the 10th day of each month. The report is in the PDF file type and includes a complete list of the previous month's voided warrants. The below image is a portion of the OHAP050 report. This particular report includes all warrants that have gone void from the issuance month of May, and became available to agencies on 06/10/16. The report below is for the Department of Commerce only.

Voided Warrant Reissuance Standardization

State of Ohio

Page No: 1

Process ID: Batch_OHAP050J

VOID FOR AGE REPORT (CLOSED ONLY) - VOID DATE OF 05/31/2016

Run Time: 17:28:2116

Bank SetId: STATE

Bank Code: TRBNK


Bank Acct: TRBK

Agency Warrant No	Warrant Dt	Issued Amt	Voucher No	Invoice Number	Vendor Id	Payee Name	Voucher Amount
-----	-----	-----	-----	-----	-----	-----	-----
COM01 0030956345	02/01/2016	\$241.79	00617091	07919330	SGLPAYCHK2		\$241.79
0030956380	02/01/2016	\$1,546.39	00617142	07959653	SGLPAYCHK2		\$1,546.39
0030956517	02/01/2016	\$70.07	00617045	01226943	SGLPAYCHK2		\$70.07
0030956602	02/01/2016	\$337.63	00617093	07921689	SGLPAYCHK2		\$337.63
0030956623	02/01/2016	\$351.90	00617019	01222101	SGLPAYCHK2		\$351.90
0030956656	02/01/2016	\$903.63	00617085	07910449	SGLPAYCHK2		\$903.63
0030958114	02/02/2016	\$11,088.49	00617241	01224958	SGLPAYCHK2		\$11,088.49

Feedback received from interviews with employees at ODC and ODT indicated that the report is available only in PDF form making that data unable to be sorted. Fiscal employees who use this report would prefer a Microsoft Excel exportable file type. Having the report in Excel allows the user to easily locate, sort and filter for a series of, or a specific warrant. The report also neglects to include adequate chart field information for each voided warrant for reporting purposes. It would be beneficial to fiscal employees to add additional chart fields, such as fund, program, and ALI, for reconciliation purposes.

BI-Cognos

Report VAP-0006 in BI-Cognos also provides the same information as in OHAP050. The difference between the two is that VAP-0006 is in a pre-formatted Excel spreadsheet. The formatting provided negates the Excel capabilities of the data reported, since filters and sorting functions cannot be applied correctly without timely, manual edits. Below is a portion of the VAP-0006 Voided Warrant Report.

 VAP-0006 Voided Warrants Data Dictionary									
07/08/16 2:43 PM									
Business Unit	Warrant No	Warrant Dt	Issued Amount	Cancel Action	Voucher ID	Voucher Invoice ID	Vendor ID	Vendor Name	Voucher Distrib Merchandise Amount
COM01	0030967305	2/3/16	\$2,664.55	Closed	00617451	07900207	SGLPAYCHK2		\$2,664.55
					Summary				\$2,664.55
COM01	0031090506	2/18/16	\$113.82	Closed	00620293	07988958	SGLPAYCHK2		\$113.82
					Summary				\$113.82
COM01	0030979273	2/5/16	\$4,386.90	Closed	00618358	LIQFEEDTS192020160129	0000056360		\$4,386.90
					Summary				\$4,386.90
COM01	0030997778	2/9/16	\$31.75	Closed	00619007	07850859	SGLPAYCHK2		\$31.75
					Summary				\$31.75
COM01	0031012336	2/10/16	\$683.66	Closed	00619243	01207264	SGLPAYCHK2		\$683.66
					Summary				\$683.66
COM01	0031196273	2/26/16	\$10.01	Closed	00621427	08057789	SGLPAYCHK2		\$10.01
					Summary				\$10.01
COM01	0031196515	2/26/16	\$237.15	Closed	00621333	07988212	SGLPAYCHK2		\$237.15
					Summary				\$237.15
COM01	0031196677	2/26/16	\$10.61	Closed	00621276	07936699	SGLPAYCHK2		\$10.61
					Summary				\$10.61

While this report still does not contain the necessary chart field data for a full analysis, there are certain positives over the OHAP050 due to the BI prompt page. BI is able to run the report for a

specified date range instead of just one month like the pre-created OHAP050. The report can be created for a specific vendor if necessary.

Another option of the VAP-0006 is to be created without formatting and only data. This report allows the data to be manipulated so that it suits the fiscal employee. This includes the ability to create a variety of tables and charts. Unfortunately, the report still does not have adequate chart-field data. The table below is an example of the BI report created this way.


	A	B	C	D	E	F
1	Business U	Warrant N	Warrant Dt	Issued Amou	Cancel Acti	Voucher
2	COM01	0030956345	2/1/2016	241.79	Closed	00617091
3	COM01	0030956380	2/1/2016	1,546.39	Closed	00617142
4	COM01	0030956517	2/1/2016	70.07	Closed	00617045
5	COM01	0030956602	2/1/2016	337.63	Closed	00617093
6	COM01	0030956623	2/1/2016	351.9	Closed	00617019
7	COM01	0030956656	2/1/2016	903.63	Closed	00617085
8	COM01	0030958114	2/2/2016	11,088.49	Closed	00617241
9	COM01	0030958190	2/2/2016	46.46	Closed	00617268
10	COM01	0030967173	2/3/2016	398.54	Closed	00617453
11	COM01	0030967305	2/3/2016	2,664.55	Closed	00617451
12	COM01	0030968378	2/4/2016	77.38	Closed	00616623
13	COM01	0030975859	2/4/2016	59.08	Closed	00617662
14	COM01	0030975872	2/4/2016	100.	Closed	00616647

Another defect of the report, when ran in Excel Data Only, is the issued amount column will show double the amount issued when a warrant was created with multiple vouchers. The images on the next page show both BI versions of the VAP-0006. The top image is prompted to run with the included Excel 2007 formatting provided by BI, and the bottom, Excel Data Only. Warrant number 0030553222 is shown on both reports, please note that there are two separate voucher IDs. The Excel 2007 report shows the correct distribution amount along with the correct voucher amounts broken out among the separate lines; 12,348.89 and 6.01, for a total of 12,354.90. When prompted to run in Excel Data Only the VAP-006 adds an additional line for the warrant leading to a voided warrant total that exceeds the correct amount by the additional line.

Sajith Deshineni, a private consultant working for the DAS BI team, suggested to run the report in Excel or HTML format so it shows all the data necessary to determine the breakdown of the warrants. The ability for the report to be prompted to run by Excel Data Only would be beneficial for the unique demands by the individual fiscal departments and their internal reporting.

Voided Warrant Reissuance Standardization

BI-Cognos Excel Standard Format:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2															
3															
4															
5	VAP-0006 Voided Warrants														
6															
7															
8	Business Unit	Warrant No	Warrant Dt	Issued Amount	Cancel Action	Voucher ID	Voucher Invoice ID	Vendor ID	Vendor Name	Voucher Distrib Merchandise Amount					
9															
10															
11															
12															
13															
14	TAX06	0030553222	11/2/15	\$12,354.90	Closed	00445419	D-RPRBK-0428935A	0000102227	CARNEGIE PUBLIC LIBRARY	\$12,348.89					
15						Summary				\$12,348.89					
16	TAX06	0030553222	11/2/15	\$12,354.90	Closed	00445517	D-MH-0429033A	0000102227	CARNEGIE PUBLIC LIBRARY	\$6.01					
17						Summary				\$6.01					

Excel Data Only:

	A	B	C	D	E	F
1	Business Unit	Warrant No	Warrant Dt	Issued Amount	Cancel Action	Voucher ID
2	TAX06	0030553222	Nov 2, 2015 12:00:00 AM	12,354.9	Closed	00445419
3	TAX06	0030553222	Nov 2, 2015 12:00:00 AM	12,354.9	Closed	00445517

Separate from the multiple voucher warrant error, TLG was able to find a duplication error in the BI-Cognos report when ran as 'Data Only.' Some voided warrants were being duplicated when there are two account codes attributed to one voucher. For example, The Division of Unclaimed Funds within the Department of Commerce processes warrants for lost or unclaimed assets to citizens of Ohio. Part of the warrant amount total includes interest accumulated. Since interest falls under a different account code than asset value, the VAP-0006 report was counting the warrant amount twice which reported a larger amount than actually voided. The Ledger Group communicated the error to the BI-Cognos support desk and the error was corrected.

Standard Forms

Claim for Reissuance of Voided Warrant Due to Age Form (OBM-7264)

All vendors that are pursuing a reissued warrant must first complete the Office of Budget and Management's Form OBM-7264.

Notary Requirement


OBM-7264 requires a notary to witness the signature of the vendor who requests a warrant to be reissued. In our interviews, TLG heard several comments questioning the notary requirement. As in all legal requirements, there are generally at least two points of view. Below sets forth the benefits and burdens of the notary requirement.

One of the primary legal reasons to require a notary signature on documents is to legally confirm the identity of the signee. This essentially deters imposters and fraudulent signatures. A notarized document also acknowledges that the signature was made without duress (Paige).

Formal identification, usually in the form of a passport or state-issued driver's license, must be provided when a document is notarized. The notary witnesses the signature, but does not explain the document or provide any legal advice. There are not any barriers to getting the document signed. Notaries, in general, are easy to find. Most banks have a notary on staff. There are websites, like www.notaryrotary.com, devoted to identifying local notaries. It is even possible, with the aid of a webcam, to have a document notarized online (Hirby). Since cost is always a concern, it is important to note that a maximum notary fee is enforced in most states. A typical notary fee can range from \$2-\$10. Sometimes local banks and libraries offer the service free of cost to the public (Cost).

Conversely, a notary seal is a confirmation that the notary witnessed the signatory sign the form. A notary seal does not authenticate the information contained in the form. The requirement of authentication or identification as a condition precedent to admissibility is satisfied by evidence sufficient to support a finding that the matter in question is what its proponent claims (Fed).

Additionally, the time it takes for a vendor/taxpayer to secure a notary is often several days. As previously discussed the time delay is unnecessary as the notary seal is only confirming the signature of the signor. Joy DeMarco, OBM Acting Chief Counsel, explained that the notary requirement is currently the best and most efficient process to determine credibility of the signor.

 State of Ohio Office of Budget and Management		
Claim for Reissuance of Voided Warrant due to Age Section 126.37 of the Ohio Revised Code		
<small>Instructions: This form is to be completed if the warrant has been voided due to age and needs to be reissued. Return the completed form to the agency that issued the original warrant.</small>		
Claimant's Name (Holder of Warrant):	Claimant's Social Security or Federal Tax Identification Number:	Date of this Application:
Claimant's Address: (Street or Rural Route, City, State, Zip Code):		
Warrant No.:	Date Issued:	Amount:
Original Warrant Payable to:		
<small>Describe in detail all circumstances pertaining to this claim. If claimant is other than original payee, state the conditions under which warrant came into your possession and attach any documents that support your request for payment. The original warrant should accompany this claim, or an explanation of why it cannot be attached.</small>		
<p align="center">CERTIFICATE</p> <p>STATE OF OHIO COUNTY OF: _____</p> <p>I certify that the above is a complete statement of circumstances surrounding this claim against the State of Ohio and that all facts and statements contained herein are true to the best of my knowledge.</p> <p>Date: _____ Signature of Claimant: _____</p> <p>The foregoing instrument was acknowledged before me this _____ day of _____, 20____.</p> <p>SEAL: _____ Notary Public: _____</p> <p>My Term Expires: _____</p> <p align="center"> <small>OBM-7264 OBM: Payment Issuance Unit 30 E. Broad St., 34th Floor, Columbus, OH 43215-3457 Rev 07/2010</small> <small>www.obm.ohio.gov</small> </p>		

Voided Warrant Certification Form (20083)

Another form that OBM requires from Agencies when submitting a voided warrant to OBM to have reissued is the Voided Warrant Certification (“20083”). Most of the information included in this form is also required on OBM-7264.

Conclusion & Recommendation

Based upon our research it appears that each Agency is following the requirements outlined in R.C. § 126.37. TLG understands that every agency has its own distinct differences and needs.

TLG recommends updating the existing BI-Cognos report to contain additional chart-field data so that agencies are able to accurately report on the levels of division, program, and fund. A more detailed BI-Cognos report will make it easier for fiscal officers and fiscal departments to edit and analyze the voided warrant related data more efficiently.

The form is titled "VOIDED WARRANT CERTIFICATION" and features the OBM logo at the top left. It is divided into three sections. Section 1 contains fields for Agency/Business Unit, Warrant Number, Warrant Issue Date, CAS Fund, OAKS Fund, Voucher #, Vendor Name, and Dollar Amount. It also includes checkboxes for "Encumbered?" with "Yes" and "No" options. Section 2 is labeled "COMMENTS:" and has three lines for text entry. Section 3 is a certification statement: "I certify that I have verified that the above voided warrant has not been reissued, is a valid obligation of the state, and authorize the Office of Budget and Management to reissue the warrant." Below this is a line for the "Agency Fiscal Officer" signature. A note at the bottom states: "*Must be designated individual on file with the Office of Budget and Management. From #20083". The revision date "Rev 03/01/10" is in the bottom right corner.

VOIDED WARRANT CERTIFICATION

SECTION 1: Agency/Business Unit: _____

Warrant Number: _____

Warrant Issue Date: _____

CAS Fund: _____ OAKS Fund: _____

Voucher # _____

Vendor Name: _____

Dollar Amount: _____

Encumbered? ☐ Yes ☐ No

SECTION 2: COMMENTS: _____

SECTION 3: I certify that I have verified that the above voided warrant has not been reissued, is a valid obligation of the state, and authorize the Office of Budget and Management to reissue the warrant.

*Agency Fiscal Officer

*Must be designated individual on file with the Office of Budget and Management.
From #20083

Rev 03/01/10


Consolidating form OBM-7264 and 20083 would improve the current VWR process. OBM-7264 and 20083 require almost identical information with the exception of fund account number and the agency fiscal officer’s request and signature. TLG made OBM representatives aware of our proposal and OBM would like to have additional discussions regarding the consolidation. The consolidation allows for the completion of one form saving time for both the vendor and fiscal officer. TLG created a single page form containing all required information from both forms.

Deleting the notary requirement on OBM-7264 might be worth further exploration. A notary seal is only a confirmation that the notary witnessed the signatory sign the form. A notary seal does not authenticate the information contained in the form. In order to prosecute a claim of theft, the

information contained in the form must be authenticated as accurate. Authentication of information contained on a form generally is done through testimony. TLG understands the need to require a vendor to authenticate his signature. However, in deference to the concerns of OBM, TLG recommends the notary seal only be a requirement if the dollar amount of the reissued warrant over \$1,000.00. Pursuant to R.C. § 2913.02, if property or services is over \$1,000.00 and less than \$7,500.00 it is a violation of theft and a felony in the fifth degree. The \$1,000.00 threshold is based upon the rationale that a felony prosecution is more likely than a misdemeanor prosecution.

TLG recommends tracking the progress of the OAKSenterprise system. TLG believes that the voided warrant reissuance process could leverage the enhanced vendor portal being added to the existing OAKS environment as part of ODOT's OAKSenterprise project. The vendor portal will be confirming the identity of the voided warrant requestor through the system's process of granting access to suppliers. This could potentially override the benefits gained through the notary requirement on the existing claim form if the vendor is able to make the request electronically in OAKS. The system could utilize workflow processes to ascertain the appropriate agency to route to and be able to identify when a warrant requires OBM reissuance. Obviously, as with any enhancement to a system, this could result in addition fees from the vendor who is tasked with developing OAKSenterprise.

TLG recommends creating of a job aid outlining the process for all agencies. Knowledge sharing will generate a best practice process for voided warrant reissuance. The job aid will provide the necessary steps for voided warrant reissuance thus ensuring knowledge transfer to all agency fiscal offices. TLG created a potential job aid to be utilize, identifying steps we noted during our research.



State of Ohio
Claim for Reissuance of Voided Warrant Due to Age

This form is to be completed if the warrant has been voided due to age and needs to be reissued.

Issuing Agency:	Fund:	ALT:
State Agency Address: (Street, City, State, Zip Code):		

Instructions: Return the completed form to the Issuing Agency at the address listed above:

Claimant's Name (Holder of Warrant):	Claimant's SSN or Fed. Tax ID#:	Date of this Application:
Claimant's Address (Street or Rural Route, City, State, Zip Code):		
Warrant #:	Date Issued:	Amount:
Original Warrant Payable to:		Phone:

Describe in detail all circumstances pertaining to this claim. If claimant is other than original payee, state the conditions under which warrant claim into your possession and attach any documents that support your request for payment. The original warrant **should** accompany this claim, or an explanation of why it cannot be attached.

CERTIFICATE


I certify that the above is a complete statement of circumstances surrounding this claim against the State of Ohio and that all facts and statements contained herein are true to the best of my knowledge.

Signature of Claimant: _____ Date: _____

To be completed by Issuing Agency:

I certify and verify that the above voided warrant has not been reissued; is a valid obligation of the State of Ohio; and authorize the Office of Budget and Management to reissue the warrant.

Signature of Division Representative: _____ Date: _____



State of Ohio
Job Aid – Reissuance of Voided Warrant

- Monthly after OBM closes the accounting books, obtain and alter the OHAP_50 report for your specific agency.** Save the report. Your agency will use this report to verify that the warrant voided when a request is received.
 - BEST PRACTICE:** Proactively contact vendors with voided warrants, which will need reissuance to obtain completed OBM-7264.
- Receive Voided Warrant Request.**
 - Has warrant voided? Check the OHAP50 report for confirmation.
 - Were you issuing agency? If not forward to the appropriate agency for reissuance.
 - Is the necessary documentation provided for reissuance? Did the requester provide the Voided Warrant Reissuance Form (OBM-7264), W-9 and was it filled out correctly with notary?
 - Compile the appropriate documents (Voided Warrant Reissuance Form, W-9 and OHAP_50 report showing the warrant has voided).
 - OBM reissue? Copy documents and forward to OBM.

DECISION POINT: Who is responsible for reissuance, Agency or OBM? If warrant was issued during the previous biennium, the voided warrant claim should be forwarded to OBM. *Special Exception: Taxation has warrants that void after two years for some tax refunds. All these voided warrants are reissued by OBM.*

Agency Reissuance Required
-Create a manual voucher in OAKS and provide documents with OAKS voucher summary for approval. Payment will follow normal processing procedures.

OBM Reissuance Required
-Create spreadsheet to track void claims sent to OBM, to confirm reissue was completed, track date of reissue and is not issued more than once.
-OBM receives voided warrant request from Agency.

- Reviews form(s) for completeness.
- Confirms FEIN is in OAKS.
- Creates voucher & attaches copy of claim form in OAKS.
- Prepares packet (screenshot of voucher list, copy of each form & calculator tape with total of each fund & sends to Data Integrity.
- Data Integrity moves cash or allotment.
- Data Integrity initials each voucher and returns packet to Payment Issuance.
- Payment Issuance receives pack back from Data Integrity.

- Payment Issuance sends e-mail to Payment Issuance manager for approval.
- Vouchers are approved.
- Receives warrants from State Printing.
- Payment Issuance updates Excel spreadsheet with warrant numbers and dates.
- Warrant sent via interoffice envelope to agency.
- Agency records the reissuance in system & updates spreadsheets for tracking purposes.
- Agency mails out warrant.

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