

Operational Policy

Policy title:	Revolving Check Management		
Policy number:	ODHS OHA-040-001		
Original date:	02/28/2002	Last update:	05/01/2023
Approved:	Seth Lyon, ODHS COO Kris Kautz, OHA Deputy Director		

Purpose

The Oregon Department of Human Services (ODHS) and the Oregon Health Authority (OHA) are committed to communication and collaboration on operational policies affecting both agencies, including those developed by the Shared Service offices. The Office of Financial Services (OFS) ensures honesty, integrity, and accountability by efficiently and effectively providing accurate, accountable, and responsive financial management, management and business services to their clients, communities, and staff. In this way OFS supports the ODHSOHA mission and ensures the agency complies with state laws and federal policies, rules, and regulations.

Description

This policy outlines the expectations for the agencies to manage revolving checks and assign check signing equipment for emergency purposes. This policy is established to comply with the Oregon State Treasury (OST) Cash Management Manual and Department of Administrative Services (DAS) Oregon Accounting Manual (OAM).

Applicability

This policy applies to all ODHS and OHA staff including employees, volunteers, trainees, and interns.

As keepers of the public trust, all agency employees have a responsibility to comply with state and agency policies, administrative rule, and state and federal law. The agency takes this responsibility seriously and failure to fulfill this responsibility is not treated lightly. Employees who fail to comply with state or agency policy, administrative rule, or state and federal law may face progressive discipline, up to and including dismissal from state service.

Policy

1. ODHS and OHA shall issue revolving fund checks for emergency needs only. An emergency constitutes a critical need to issue a “same day” check.
2. OFS shall establish guidelines for:
 - a. Obtaining a check-signing machine, check-signing keys that operate the machines, signature plates, and blank check stock.
 - b. Monitoring use and inventory of equipment and check stock.

- c. The return, destruction, and post-audit plans for any location assigned a check-signing machine, check-signing keys that operate the machines, signature plates, blank check stock, any related voided or cancelled checks, and final check logs.
3. OFS shall safeguard blank check stock for all programs in ODHS and OHA. OFS shall maintain physical controls over blank check stock, including at minimum:
 - a. Limiting access to all unissued check stock.
 - b. Keeping all unissued check stock in a locked storage area or in a locking storage device.
 - c. Using check control log form [MSC 0249](#) to account for all checks.
 - d. Periodic physical inventories of blank check stock by someone lacking access and responsibility for check stock and check issuance who reconciles the stock with the control log.
 - e. Creating processes to deface and retain voided checks. Voided checks shall be retained as required by the OAM and State Archive schedule.
 - f. Ensuring physical controls for check signing equipment.
 - g. Timely reconciliation of Treasury accounts and timely resolution of reconciling items.
4. OFS shall establish and oversee internal controls to safeguard check-signing machines, check-signing machine keys, and signature plates bearing the signature of the ODHSOHA Controller.
5. Any revolving check stock and equipment shall be overseen by a manager who shall:
 - a. Establish segregation of duties and adequate internal controls to:
 - A. Mitigate risk.
 - B. Detect and prevent fraudulent activities due to the misuse of the check-signing machine, check-signing keys, and signature plates.
 - b. Designate a custodian for the signature plate and insertion key. The custodian shall not have access to the blank check stock or the check-signing machine activation key.
 - c. Designate a custodian for the signing machine and activation key. The custodian shall not have access to the signature plate, signature plate insertion key, or blank check stock and shall not approve expenditures.
 - d. No one person shall have access or be custodian of both the insertion and activation keys.
6. OFS shall establish controls for remote locations where staffing limitations may prohibit or restrict appropriate segregation of duties.
 - a. OFS shall work with the location manager to exercise active oversight of operations as compensating controls.
 - b. Remote location managers shall be accountable for any illegal, improper, or unauthorized use of the check-signing machine, check-signing keys, signature plate, blank check stock, and voided or cancelled checks.
7. OFS shall maintain adequate systems of internal controls designed to prevent and detect errors and irregularities in a timely manner.
8. Uncashed revolving checks will automatically cancel 180 days after the date the check was created.

References

[DAS Oregon Accounting Manual \(OAM\)](#) Section 10.20.00
[Oregon State Treasury Cash Management Manual](#)

Forms referenced

[MSC 0249 Check Stock Control Log](#)
[MSC 0249A Revolving Fund Check Issuance Log & Meter Reading](#)

ODHS 0289 Request for and Transmittal of Forms (paper only)

Related policies and procedures

[ODHS|OHA-040-001-01: Revolving Check Stock Management](#)

[ODHS|OHA-040-001-02: Revolving Check-Signing Equipment](#)

Contact

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Policy history

02/28/2002 Initial Release Department of Human Services

08/22/2012: Administrative updates to correct links and change contact information

06/11/2015: Established joint ODHS|OHA policy

05/01/2023: Updates three related policies: Check Stock Management 040-001; Check Signing Controls 040-011; and Revolving Fund 180-Day Check Cancellation 040-012

Keywords

Blank check, check stock, checks, internal controls, check stock ordering, control log, check signing machine, check signing key, signature plate, theft, loss, safeguarding, check limit, issuing manual checks, issuing checks

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