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March 24, 1993

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COMPTROLLER'S MEMORANDUM NO. 1993-5

TO: Heads of Departments

FROM: Robert P. Takushi, Comptroller

SUBJECT: Prompt Return of Payroll Warrants (Checks) for Cancellation

This memorandum is to provide all departments with a current reminder of the importance of promptly returning payroll warrants to be cancelled.

There are both internal control and administrative reasons that it is important to have payroll warrants returned promptly if they require cancellation. To the extent that return of the warrants is delayed, exposure is increased to the risk of loss and forgery. From an administrative standpoint, delay in cancellation compounds the potential adjustments that may ultimately be required to correct all of the employee's pay records and statements.

Our Central Payroll office has recently experienced more serious problems resulting from failure to report multiple cancellations promptly for the same employee. The employing agencies involved have allowed several payroll periods to pass, with a payroll warrant issued in each period, before returning the warrants for cancellations. In these cases, the number of adjustment transactions has exceeded the capacity of the payroll system to correct all transactions in a single payroll period; therefore, the correcting cancellation transactions have had to be spread across several payroll periods, resulting in wasted staff time in both Central Payroll and in the employing agencies.

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Please remind all staff and and program personnel involved in payroll warrant distribution that, whenever a payroll warrant is to be returned for cancellation, it is important that the warrant be returned promptly. Each person responsible for a step in the distribution of a payroll warrant should be prepared to explain any delay allowed by that person in forwarding a warrant to be cancelled.

ROBERT P. TAKUSHI
Comptroller