

Warrants to Checks

Warrant System vs. the Checking System

Overview:

Warrants issued by county offices are distributed to the payees. When the payee cashes or deposits the warrant, the warrants are treated like a check within the banking system until it reaches the county's bank. There, the warrants are held as a receivable to the bank until the Trustee writes a check, to the bank, to purchase the warrants. The Trustee's office then deducts the disbursement from the department's account balance.

Using checks, the payment amount is deducted from the county's bank account when the check reaches the county's bank. This requires a transfer of money from the Trustee's account to a clearing account at the same time the checks are issued.

Approval:

County audit
County commissioners
Bank

Preparation:

- Discuss the change with your Bank
- Discuss change with all departments
- January or July are good months to begin
- New bank accounts are frequently established
- New checks may need to be ordered
- Warrants will continue to be presented and will be handled as usual.
- Arrange for receipt of bank statements more frequently
- Notify each department when the change will take place.
- Contact your LGC Field Representative
- Schedule training time for your office
- Schedule training times for the other departments in your county
- Schedule a visit to a Trustee's office using the checking system

Processing:

Department

1. After checks are printed, create a Trustee diskette.
2. Print report showing total amount of checks for each department/fund.
3. Send diskette to Trustee's office
4. Notify Trustee's office of any voided checks.

Trustee

1. Load diskette information into LGC software.
2. Run an undistributed warrant/check report. Compare totals on this report to the totals from each department.
3. Distribute the checks.
4. Make accounting entries for departments not using LGC software (i.e. no diskette)
5. Write a check for the total disbursements from the Trustee Checking Account and deposit into the appropriate Clearing Bank account.