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## QUALITY ASSURANCE REVIEW FINDINGS REPORT NO.: 2022 - QAR-07

### Outstanding Payroll Warrants

The Department of Financial Services (DFS) Post Audit Subsection has completed a limited scope review of Outstanding Payroll Warrants.

#### PURPOSE

To determine whether state agencies have procedures set in place for Outstanding Payroll Warrants, are routinely monitoring useful reports, managing Deduction Code vendor warrants, processing Salary Refund warrants timely, and promptly notifying employees of outstanding payroll warrants.

#### SCOPE

All outstanding warrants that appear on the RDS report “Listing of Outstanding Payroll Warrants”, form ID “4B5V”, with run date of August 19<sup>th</sup>, 2022, with data as of August 16<sup>th</sup>, 2022. In addition to this report, we also reviewed the form ID “4B47” RDS report titled, “12 Month Old Warrants Cancelled - Sent to Abandoned Property” to examine what was stale dated. This report had a run date of August 19<sup>th</sup>, 2022, with data as of August 22<sup>nd</sup>, 2022.

#### BACKGROUND

State agency payroll offices may access the monthly report “*Listing of Outstanding Payroll Warrants*” (RDS form ID “4XXV” for agencies) through the Report Distribution System (RDS), that provides a list of outstanding warrants that have not been cashed or deposited up to 12 months after the warrant issue date. Warrants not transacted 12 months from warrant date are “stale dated” and go to the Division of Unclaimed Property. This includes payroll warrants and any payroll deduction code warrants, (i.e.: salary refund, supplemental insurances, credit unions, etc.) that are also outstanding. The RDS report includes the Payee Name, Vendor ID, warrant amounts, numbers, and issue dates. This allows agencies to identify current & former employees, as well as vendors, whose warrants are listed as outstanding & contact them to cash or deposit the funds.

#### METHODOLOGY

When planning and performing the review, the DFS Post Audit Subsection obtained the *Outstanding Payroll Warrants* RDS report and reviewed all outstanding payroll warrants and any payroll deduction code warrants; we reviewed all agencies present on the report (26). Agencies were reviewed in areas such as, total number of payroll warrants outstanding, average, and total dollar amounts, the age of the outstanding warrants, current employees with outstanding warrants, and warrants over \$100.00.

Emails were prepared for the agencies with questions about agency procedures for this process, to serve as a notice to an agency that may not be aware of the report’s availability, and to remind agencies that establishing direct deposit is required by Florida Law per Section 110.113(2), Florida Statutes (F.S.). A detailed spreadsheet of

these findings were included for the agencies to review and provide a response pertaining to the status of each of the outstanding warrants listed or provide any additional information they use regarding this process.

## CONCLUSIONS

**Salary Refund warrants should not be present on this report.** These are monies collected from an employee through a payroll deduction as the result of a salary overpayment, that have not been deposited by the agency. This could also mean that a salary refund adjustment has not been completed in the payroll system (PYRL) since the approval of the adjustment requires a deposit number which results in an inaccurate employee payroll record. During our review we found that DOS, CIT, and DOH are the only three agencies with Salary Refund Warrants that are outstanding. Currently they have seven outstanding Salary Refund warrants altogether totaling \$3,191.45. The average warrant amount is \$270.84, and the average age of the warrants is 6.2 months.

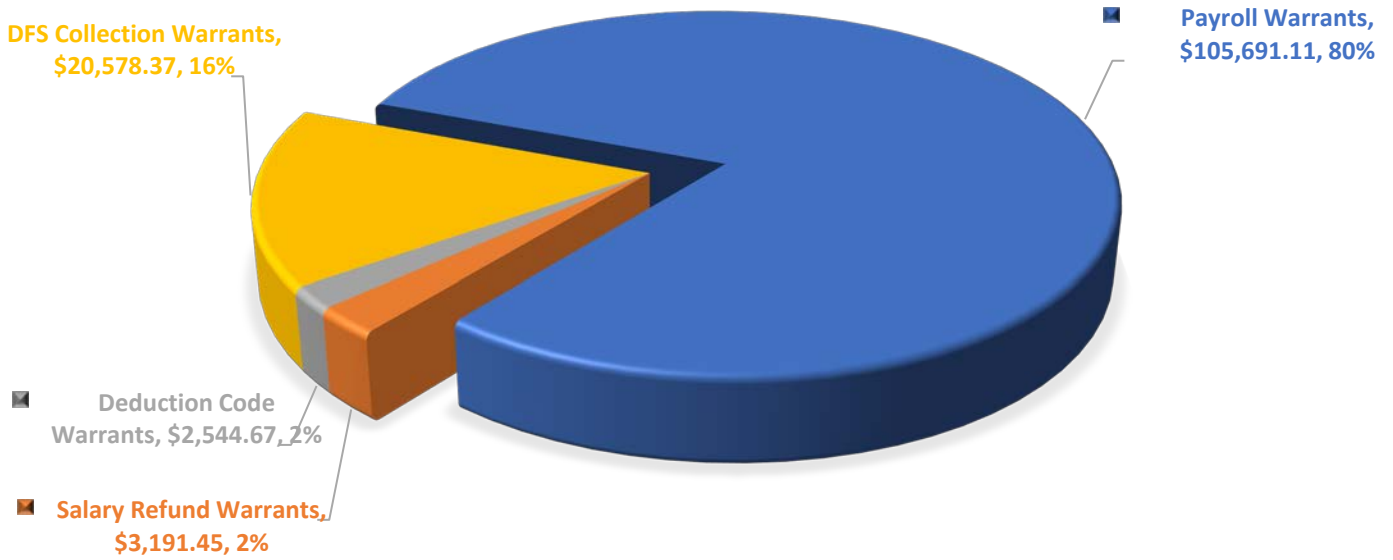
**Deduction Warrants should not be present on this report.** These are monies collected from employee’s payroll deductions that have not been deposited or “paid” to the vendor. This could be the result of an agency not mailing the warrant or the vendor not depositing the warrant. Either way, it affects the employee’s status with those vendors. There were 33 Deduction Code Warrants in outstanding status, across 11 of the 26 agencies reviewed (42.3%), totaling \$2,544.67. The average amount per warrant is \$74.16, and average age is 5.8 months.

Agency	Payroll Warrants	Salary Refund Warrants	Deduction Code Warrants	Total Outstanding Warrants	All Total \$\$ Combined
JUSTICE ADMINISTRATIVE COMMISSION	5	0	1	6	\$8,526.94
STATE COURT SYSTEM	4	0	0	4	\$728.62
DEPT. OF ENVIRONMENTAL PROTECTION	13	0	0	13	\$2,273.81
DEPT. OF ECONOMIC OPPORTUNITY	7	0	0	7	\$562.23
DEPT. OF LEGAL AFFAIRS	1	0	0	1	\$1,763.09
DEPT. OF AGRICULTURE & CONSUMER AFFAIRS	5	0	1	6	\$2,478.37
DEPT. OF FINANCIAL SERVICES	0	0	0	14*	\$20,578.37
DEPT. OF STATE	0	1	0	1	\$110.50
FLORIDA DEPARTMENT OF EDUCATION	3	0	4	7	\$851.25
FLORIDA SCHOOL OF THE DEAF & BLIND	6	0	1	7	\$473.63
DEPT. OF VETERAN AFFAIRS	3	0	1	4	\$308.05
DEPT. OF TRANSPORTATION	2	0	2	4	\$3,434.34
DEPT. OF CITRUS	1	1	0	2	\$130.03
DEPT. OF CHILDREN & FAMILIES	41	0	4	45	\$14,953.91
DEPT. OF MILITARY AFFAIRS	2	0	0	2	\$1,982.15
DEPARTMENT OF HEALTH	50	5	3	58	\$15,250.87
DEPT. OF ELDER AFFAIRS	0	0	1	1	\$14.97
AGENCY FOR PERSON WITH DISABILITIES	9	0	0	9	\$2,116.43
AGENCY FOR HEALTH CARE ADMINISTRATION	1	0	3	4	\$294.67
DEPT. OF CORRECTIONS	114	0	0	114	\$21,934.27
DEPT. OF MANAGEMENT SERVICES	251**	0	0	251	\$8,803.85
DEPT. OF REVENUE	5	0	0	5	\$12,050.62
DEPT. OF HIGHWAY SAFETY & MOTOR VEHICLES	44	0	12	56	\$6,835.23
FISH & WILDLIFE CONSERVATION COMMISSION	14	0	0	14	\$4,000.46
DEPT. OF BUSINESS & PROFESSIONAL REG	9	0	0	9	\$1,408.73
DEPT. OF JUVENILE JUSTICE	2	0	0	2	\$140.21

\* Collection warrants issued by the Bureau of State Payroll’s Payroll Processing section.

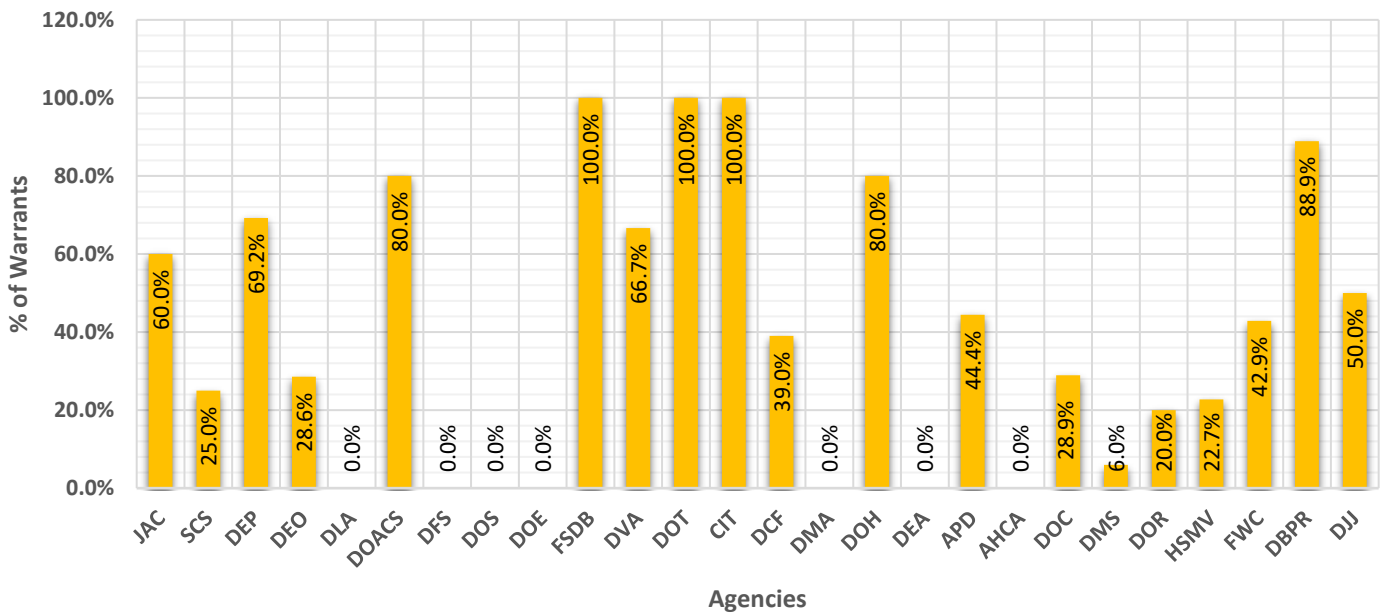
\*\* A large percentage of these are “small dollar” DSGI warrants, only produced by DMS/DSGI.

## OUTSTANDING PAYROLL, SALARY REFUND, AND DEDUCTION WARRANTS AS OF AUGUST 16TH, 2022



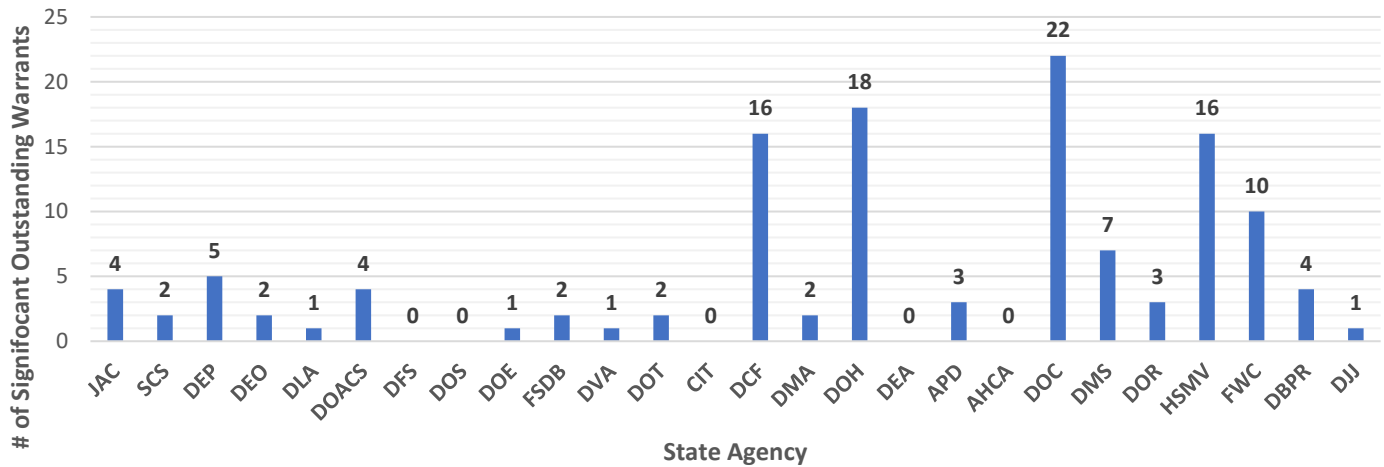
As shown in the breakdowns in the table and chart, the outstanding payroll warrants report consisted of 592 payroll warrants across 26 agencies, belonging to 484 individuals (both current and former employees), seven Salary Refund warrants, and 33 Deduction Code warrants. Of the 592 payroll warrants, 27.7% are outstanding to *currently active* state employees (164 warrants).

### PERCENTAGE OF OUTSTANDING WARRANTS: CURRENTLY ACTIVE EMPLOYEES



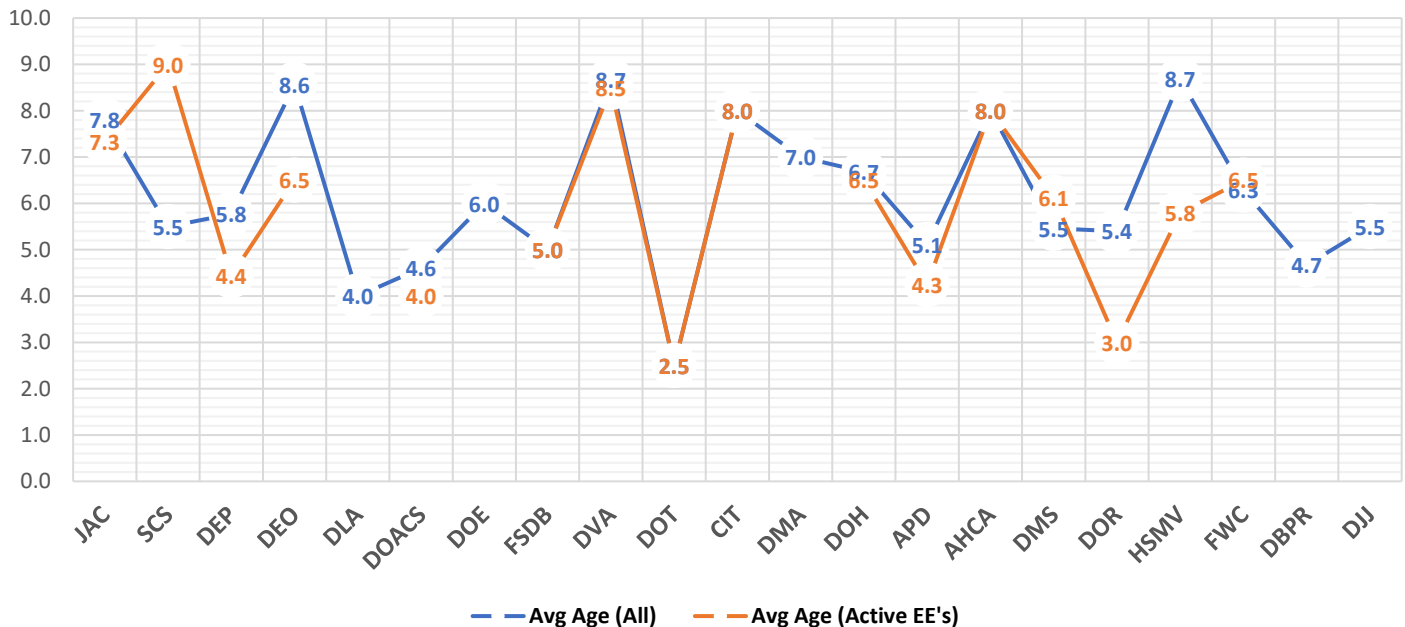
Warrants \$100.00 or more were defined as significant amounts. These made up 21.2% of the 595 payroll warrants (126 warrants). The average outstanding payroll warrant amount is \$497.76 and the total sum of the 595 outstanding payroll warrants is \$106,658.52.

### "SIGNIFICANT" OUTSTANDING PAYROLL WARRANTS \$100 OR MORE, BY AGENCY

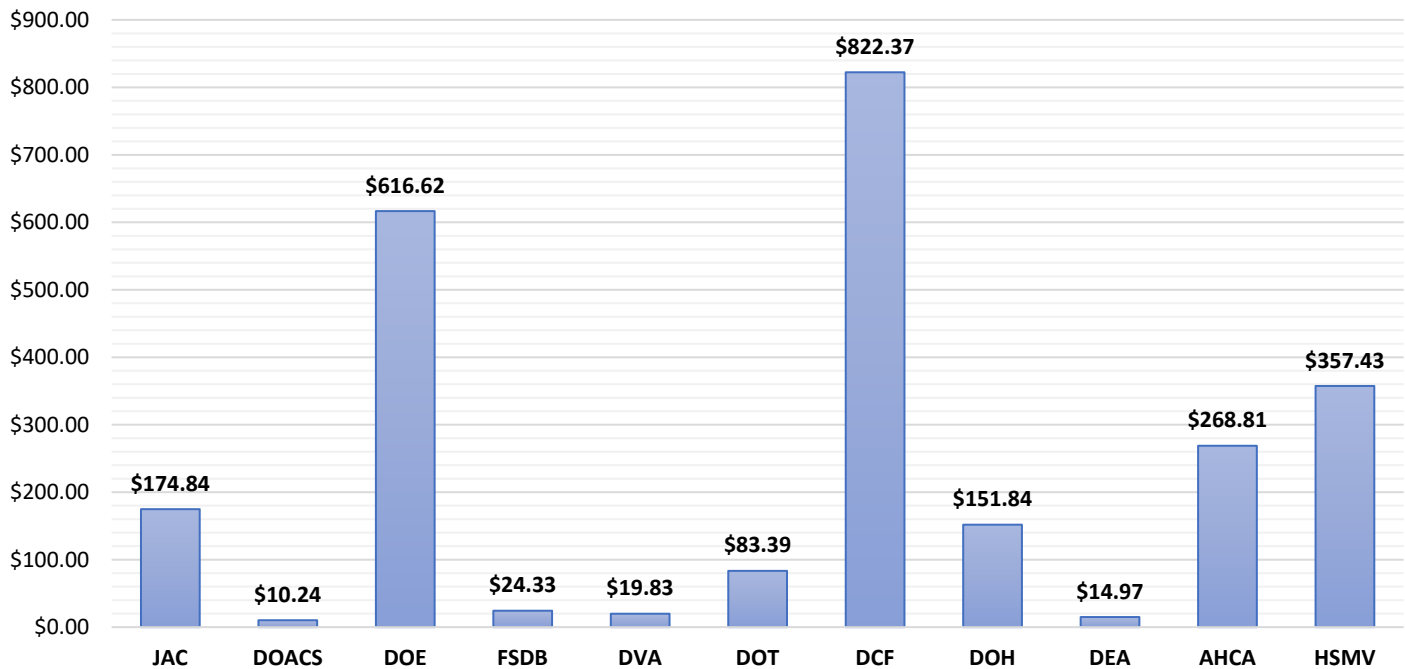


The average age of the warrants on the report for these 26 agencies was 6.2 months. Ideally this number should be within the one to three-month range in effort to keep the number of warrants on the “*Outstanding Warrants over 3 months Old*” Report, to a minimum, creating less work on the agency’s payroll unit. To further signify a problem, the range of the age of payroll warrants of **current state employees** across these 26 agencies was not significantly better, at a 6 month avg.

### AVERAGE AGE (IN MONTHS) OF OUTSTANDING PAYROLL WARRANTS VS. OUTSTANDING PAYROLL WARRANTS FOR CURRENT EMPLOYEES



## TOTAL DEDUCTION WARRANT AMOUNTS, BY AGENCY



### Justice Administrative Commission – JAC (OLO 2100)

During our review, the BOSP Post Audit team documented the following regarding the Justice Administrative Commission's **Outstanding Payroll Warrants**. Findings consisted of five payroll warrants totaling \$8,352.10. The average warrant amount is \$1,670.42. The average warrant age is 7.8 months. Three warrants belong to current state of Florida employees.

Additionally, during our review, the BOSP Post Audit team documented the following regarding the Justice Administrative Commission's **Outstanding Deduction Code Warrants**. Findings consisted of one Deduction Code Warrant, totaling \$174.84. This warrant is six months old and should be processed as soon as possible.

### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes, JAC Financial Services staff is assigned to review it and does so on a monthly basis.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Yes. Financial Services sends Human Resources staff the pages that have payroll-related warrant information (type 3). The attached process document describes the next steps.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) Yes. Please see the attached process document.*

### State Court System – SCS (OLO 2200)

During our review, the BOSP Post Audit team documented the following regarding the State Court System's **Outstanding Payroll Warrants**. Findings consisted of four payroll warrants totaling \$728.62. The average age of the warrants is 5.5 months. One of these warrants belongs to a current state of Florida employee.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Yes. Around the first of the month, Payroll will receive a copy of the Outstanding Warrants Over 3 Months Old report. Payroll will research the payroll related items to determine if the warrant is still outstanding or if the warrant has been paid. If the warrant remains outstanding after 365 days from the issue date, the warrant is automatically canceled, and the funds are sent to unclaimed property. At that point, the payee will have to go through the unclaimed property claim process to collect their funds.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) Yes, if warrants are undeliverable, we will do due diligence to ensure a current address and contact information is updated.*

### Department of Environmental Protection – DEP (OLO 3700)

During our review, the BOSP Post Audit team documented the following regarding the Department of Environmental Protection's **Outstanding Payroll Warrants**. Findings consisted of 13 payroll warrants totaling \$2,273.81. The average warrant amount is \$174.91. The average warrant age is 5.8 months. Nine warrants belong to current state of Florida employees.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes, its reviewed once a month.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Yes, we review the report regularly and send e-mails to current employees and letters to separated employees notifying them of outstanding warrant.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) Yes, and we contact the vendor for updated address information.*

### Department of Economic Opportunity – DEO (OLO 4000)

During our review, the BOSP Post Audit team documented the following regarding the Department of Economic Opportunity's **Outstanding Payroll Warrants**. Findings consisted of seven payroll warrants totaling \$562.23. The average warrant amount is \$80.32. The average warrant age is 8.6 months. Two belong to current state of Florida employees.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes, DEO is aware.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Yes, DEO has drafted procedures to properly account for outstanding payroll warrants.*

3. Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) *Yes, DEO has drafted procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants*

### Department of Legal Affairs – DLA (OLO 4100)

During our review, the BOSP Post Audit team documented the following regarding the Department of Legal Affairs' **Outstanding Payroll Warrants**. Findings consisted of one payroll warrant totaling \$1,763.09. The warrant age is 4 months. This warrant does not belong to a current state of Florida employee.

#### **AGENCY RESPONSE:**

1. Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? *Yes*
2. Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) *Yes, our payroll office reviews the RDS (Outstanding Warrants) report each pay period. If an employee is listed, we contact the employee to remind them of the warrant and the timeline to cash or deposit the check.*
3. Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) *Yes.*
  - *Undeliverable payroll warrants – if an employee did not receive their warrant, the employee must communicate that providing a written statement. Our office will contact BOSP to confirm that the warrant has not been cashed or deposited. Once our office has received confirmation, we will prepare the "Request for Duplicate Warrant Form." Once the duplicate warrant is received, it is either hand delivered or mailed to the employee's mailing address.*
  - *Payroll deduction code vendor warrants – our Finance & Accounting (F&A) section handles the mailing of these warrants. It is my understanding that if a vendor has stated that they did not receive a warrant, F&A would process follow a similar process in requesting a duplicate warrant.*
  - *Salary refund warrants – if the warrant is not received, our payroll office would request a duplicate warrant.*

### Department of Agriculture & Consumer Affairs – DOACS (OLO 4200)

During our review, the BOSP Post Audit team documented the following regarding the Department of Agriculture & Consumer Affairs' **Outstanding Payroll Warrants**. Findings consisted of five payroll warrants totaling \$2,468.13. The average warrant amount is \$493.63. The average warrant age is 4.6 months. Four warrants belong to current employees.

Also, during our review, the BOSP Post Audit team documented the following regarding the Department of Agriculture & Consumer Affairs' **Outstanding Deduction Code Warrants**. Findings consisted of one Deduction Code Warrant, totaling \$10.24. This warrant is four months old and should be processed as soon as possible.

#### **AGENCY RESPONSE:**

1. Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? *Yes*
2. Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe). *Yes. After reviewing the outstanding warrant report, we contact the affected employees. If justification is provided that the warrants were never received, misplaced, etc., we will process affidavits for duplicate warrants and submit the paperwork to the BOSP for duplicate warrant payouts. The BOSP processes the duplicate warrants and sends them to the agency to mail out to the employee(s).*

3. Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe). **Yes, any undeliverable payroll that we are made aware of is scanned for records. Employees are notified to retrieve their current addresses. Once the addresses are received, we mail the checks to the employees. If we are unable to reach the employees, we will lock the checks until the employees are reached (a reasonable amount of time is allotted). As mentioned in number two, if the employee's addresses have not changed and they have advised that they have never received their checks, misplaced them, etc., we will process affidavits for duplicate warrants and submit the paperwork to the BOSP for duplicate warrant payouts. The BOSP processes the duplicate warrants and sends them to FDACS to mail out to the employees.**

### Department of Financial Services – Bureau of State Payrolls (Collections)

During our review, the BOSP Post Audit team documented the following regarding the Department of Financial Services' **Outstanding Payroll Collection Warrants** within the Bureau of State Payrolls Collections Unit. Findings consisted of 14 Payroll Collection Warrants, totaling \$20,578.37. The average age of these warrants is 8.4 months old and should be processed as soon as possible.

**AGENCY RESPONSE:** *These collection warrants on this list have been resolved.*

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe). Yes, these warrants are money that is supposed to go to an employee's debt or a Child Support Order. The recipient of the warrant is contacted and BOSP offers to request a duplicate payment.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe). Yes, in the employee's active involuntary deduction folder, there is a DFS-A3-1928 form for a Writ of Garnishment. We contact the General Counsel's office for that agency to notify them of the outstanding warrant, asking if a duplicate warrant needs to be requested and if so, advise on where to send (new address, etc.).*

### Department of State – DOS (OLO 4500)

During our review, the BOSP Post Audit team documented the following regarding the Department of State's **Outstanding Salary Refund Warrants**. Findings consisted of one salary refund warrant totaling \$110.50. The warrant is 6 months in age and should be processed as soon as possible.

**AGENCY RESPONSE:**

1. Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? **No, the Department of State is not aware of the Outstanding Warrant Report**
2. Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) **No**
3. Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) **No**

### Department of Education – DOE (OLO 4800)

During our review, the BOSP Post Audit team documented the following regarding the Department of Education's **Outstanding Payroll Warrants**. Findings consisted of three payroll warrants totaling \$234.63. The average warrant amount is \$78.21. The average warrant age is 6 months old. None of these warrants belong to a current state of Florida employee.



Additionally, during our review, the BOSP Post Audit team documented the following regarding the Department of Education's **Outstanding Deduction Code Warrants**. Findings consisted of four Deduction Code Warrants, in the total amount of \$616.62. The average age of the warrants is 6.8 months old, and they should be processed as soon as possible.

**AGENCY RESPONSE:** Yes, we receive an outstanding notification regularly; we review the information and notify the employee/vendor of the status of the warrant. If the warrant has been sent to Unclaimed property, we provide them the information to recoup funds. Yes, we have a process in place to handle outstanding warrant.

1. Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? **Yes**
2. Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) **Yes**
3. Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) **Yes**

### Florida School for the Deaf & Blind – FSDB (OLO 4890)

During our review, the BOSP Post Audit team documented the following regarding the Florida School for the Deaf & Blind's **Outstanding Payroll Warrants**. Findings consisted of six payroll warrants totaling \$449.30. The average warrant amount is \$74.88. The average warrant age is 6 months old. All six of these warrants belong to current state employees.

Additionally, during our review, the BOSP Post Audit team documented the following regarding the Florida School for the Deaf & Blind's **Outstanding Deduction Code Warrants**. Findings consisted of one Deduction Code Warrant, in the total amount of \$24.33. The age of the warrant is 7 months old, and it should be processed as soon as possible.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? **Yes, we are aware of the report and follow up on it regularly.***
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) **Yes, FSDB has procedures in place regarding outstanding payroll warrants. When a warrant has been outstanding for greater than three months, the current or former employee is notified via certified letter or registered email. The Payroll Coordinator works with the FSDB Academic Departmental Contact to facilitate the process if the employee is a FSDB student worker. If it is determined by the employee the outstanding warrant has been lost, destroyed, or not received, then agency personnel initiate the duplicate warrant process.***
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) **In the event there are undeliverable warrants, then efforts are made to contact the party. If necessary, the outstanding warrant procedure is initiated.***

### Department of Veterans Affairs – DVA (OLO 5000)

During our review, the BOSP Post Audit team documented the following regarding the Department of Veterans Affairs' **Outstanding Payroll Warrants**. Findings consisted of three payroll warrants totaling \$288.22. The average warrant amount is \$96.07. The average warrant age is 8.7 months. Two of the three warrants belong to current state of Florida employees.

Additionally, during our review, the BOSP Post Audit team documented the following regarding the Department of Veterans Affairs' **Outstanding Deduction Code Warrants**. Findings consisted of one Deduction Code Warrant, in the total amount of \$19.83. The age of the warrant is 7 months, it should be processed as soon as possible.

**AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Florida Department of Veterans' Affairs (FDVA) is aware of the Outstanding Warrant Report. The report, labeled CMPPWCRI, is available to print from the RDS system on the first of each month.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) FDVA does have procedures in place to address outstanding payroll warrants. There is a standard operating procedure for Outstanding Warrants Over 3 Months Old. The outstanding warrant report is printed out monthly and reviewed. For any payroll warrants, the Accounting Services Administrator will give a copy of the report to the Human Resources Manager to contact the employee regarding the uncashed warrants. If the employee does not have the warrant in question, the Accounting Services Admin will issue an affidavit requesting a duplicate warrant be issued.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) All payroll warrants that are not picked up by employees are kept locked in the business office manager's safe in each nursing home facility. After two weeks, if the payroll warrants have not been picked up, the warrants are mailed to the employee's address on the warrant and the Warrant Manifest supplied by headquarters is noted with the address and the date.*

**Department of Transportation – DOT (OLO 5500)**

During our review, the BOSP Post Audit team documented the following regarding the Department of Transportation's **Outstanding Payroll Warrants**. Findings consisted of two payroll warrants totaling \$3,350.95. The average warrant amount is \$1,675.48. The average warrant age is 2.5 months. Both of the warrants belong to the same current state of Florida employee.

Additionally, during our review, the BOSP Post Audit team documented the following regarding the Department of Transportation's **Outstanding Deduction Warrants**. Findings consisted of two Deduction Code Warrants, in the total amount of \$83.39. The average age of the warrants is 4 months old, and they should be processed as soon as possible.

**AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes, we pull the report monthly for review and handling*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Yes, the report is reviewed, and the employee is contacted via email or phone to determine whether the warrant has been received. The employee is encouraged to deposit the warrant as soon as possible to avoid the Unclaimed Property process. If the warrant has been lost or not received, we initiate a duplicate warrant process & confirm the proper mailing address.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) Yes, the report is reviewed, and the Vendor is contacted via email or phone to determine whether the warrant has been received. The Vendor is encouraged to deposit the warrant as soon as possible to avoid the Unclaimed Property process. If the warrant has been lost or not received, we initiate a duplicate warrant process and confirm the proper mailing address.*

### Department of Citrus – CIT (OLO 5700)

During our review, the BOSP Post Audit team documented the following regarding the Department of Citrus' **Outstanding Payroll Warrants**. Findings consisted of a single payroll warrant totaling \$22.76. The warrant age is 8 months. This warrant belongs to current state of Florida employees.

Additionally, during our review, the BOSP Post Audit team documented the following regarding the Department of Citrus' **Outstanding Salary Refund Warrants**. Findings consisted of one salary refund warrant totaling \$107.27. The warrant is 3 months in age and should be processed as soon as possible.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? No, we have had some staff changes and I am not aware of the Outstanding Payroll Warrants.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) The current process regarding the "Outstanding warrants over 3 months old" is:*
  - *Monthly review outstanding warrants.*
  - *For all outstanding warrants over 90 days.*
  - *Contact the vendor to notify the payment is outstanding.*
  - *Upon notification of the vendor, if required, proceed with a duplicate warrant or cancellation.*
  - *Follow up to verify warrants are completed.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) No*

### Department of Children & Families – DCF (OLO 6000)

During our review, the BOSP Post Audit team documented the following regarding the Department of Children & Families' **Outstanding Payroll Warrants**. Findings consisted of 41 payroll warrants totaling \$14,131.54. The average warrant amount is \$344.67. The average warrant age is 7.4 months. 16 warrants belong to current state of Florida employees.

During our review, the BOSP Post Audit team documented the following regarding the Department of Children & Families' **Outstanding Deduction Code Warrants**. Findings consisted of four Deduction Code Warrants, totaling \$822.37. These warrants are 6 months old and should be processed as soon as possible.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes sir. The report is run every month*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Yes, the report is run monthly and reviewed. The payroll team tries to reach current and former employees requesting they deposit the outstanding warrant, or if they have lost it, request a duplicate warrant if it is less than 13 months.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) Yes. If we have any undeliverable payroll warrants HR will reach out to the employee/former employee to get an updated address. If we are not able to reach the former employee, the warrant is held in the HR Administrator's office.*

### Department of Military Affairs – DMA (OLO 6200)

During our review, the BOSP Post Audit team documented the following regarding the Department of Military Affairs' **Outstanding Payroll Warrants**. Findings consisted of two payroll warrants totaling \$1,982.15. The average warrant amount is \$991.08. The average warrant age is 7 months. Neither of these warrants belong to current state of Florida employees. These warrants could also belong to members of the National Guard.

**AGENCY RESPONSE:** *Currently I am the payroll person for State Employees and Mr. McAlpine's team handles the State Active duty personnel. I personally am not aware of any outstanding warrant report. If this report is in FLAIR through the RDS system, I Do not currently have access to that. Mrs. Terry Roberts is who runs the RDS reports and sends me what I need for payroll. She may run outstanding warrant reports, but I am not sure if she does or not. I have added her to this email as well so she can respond.*

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? (No)*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) (No)*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) (No)*

### Department of Health – DOH (OLO 6400)

During our review, the BOSP Post Audit team documented the following regarding the Department of Health's **Outstanding Payroll Warrants**. Findings consisted of 50 payroll warrants totaling \$12,125.35. The average warrant amount is \$242.51. The average warrant age is 6.7 months. 40 warrants belong to current state of Florida employees.

Additionally, the BOSP Post Audit team documented the following regarding the Department of Health's **Outstanding Salary Refund Warrants**. Findings consisted of five Salary Refund Warrants, totaling \$2,973.68. These warrants are 9.6 months old and should be processed as soon as possible.

Also, during our review, the BOSP Post Audit team documented the following regarding the Department of Health's **Outstanding Deduction Warrants**. Findings consisted of three Deduction Warrants, totaling \$151.84. These warrants are 6 months old and should be processed as soon as possible.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? **The HR staff have never used RDS and will need training in order to utilize these reports.***
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) **No, there are currently no written procedures in place.***
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) **No, there are currently no written procedures in place.***

### Department of Elder Affairs – DEA (OLO 6500)

During our review, the BOSP Post Audit team documented the following regarding the Department of Elder Affairs' **Outstanding Deduction Code Warrants**. Findings consisted of one Deduction Code Warrant, totaling \$14.97. This warrant is 3 months old and should be processed as soon as possible.

### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes, the report prints out automatically so that the report is not missed.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Yes, the Accountant III reviews the Outstanding Warrant Report and researches in FLAIR to confirm the warrant is still outstanding. If the warrant is outstanding, then the accountant III starts the process of requesting a duplicate warrant through DFS.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) Yes, for undeliverable payroll warrants the accountant III then researches to ensure there has not been an address change, if not the warrant is resent to the appropriate address. If there's an address change it is noted on a new mailing envelope and mailed to the employee. For payroll deduction code vendor, we follow the same steps for verifying the address then a duplicate warrant is requested if the warrant is indeed still outstanding. Salary refund warrants are handled a little differently, the Administrative Assistant gives the warrants to the accountant III. The accountant III provides the Misc. Deduction Report with the employee's information then gives it to the Accounting Supervisor for coding. Once coding is provided, the Administrative Assistant logs the warrant then gives the warrants to Revenue for deposit.*

### **Agency for Persons with Disabilities – APD (OLO 6700)**

During our review, the BOSP Post Audit team documented the following regarding the Agency for Persons with Disabilities' **Outstanding Payroll Warrants**. Findings consisted of nine payroll warrants totaling \$2,116.43. The average warrant amount is \$235.16. The average warrant age is 5.1 months. Four warrants belong to current state of Florida employees.

### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Yes. Outstanding Warrant Information is received from Finance and Accounting. HR Payroll Coordinator reviews list and makes contact with the employees that have outstanding warrants. Advises employee of the outstanding warrant and asks that the check be cashed or if a duplicate is needed in order for it to be cashed. If a duplicate is needed, we process the request for a duplicate warrant and hand deliver to employee or mail duplicate warrant via certified mail if no longer employed by the agency. HR follows up accordingly to ensure the outstanding warrants have been cashed.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) No. Currently we do not have documented procedures, however APD review and put one in place.*

### **Agency for Healthcare Administration – AHCA (OLO 6800)**

During our review, the BOSP Post Audit team documented the following regarding the Agency for Healthcare Administration's **Outstanding Payroll Warrants**. Findings consisted of one payroll warrant totaling \$25.86. The warrant age is 8 months. The warrant does not belong to current state of Florida employee.

Additionally, the BOSP Post Audit team documented the following regarding the Agency for Healthcare Administration's **Outstanding Deduction Code Warrants**. Findings consisted of three Deduction Code Warrants, totaling \$268.81. These warrants are 5.7 months old and should be processed as soon as possible.

**AGENCY RESPONSE:** Please note, that the Agency has received Outstanding Warrants guidelines from several agencies and will be implementing a guideline within the next month. In addition, the Agency is taking action to correct the one payroll warrant and the three deduction code warrants.

1. Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? **Yes.**
2. Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) **No.**
3. Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) **No.**

### Department of Corrections – DOC (OLO 7000)

During our review, the BOSP Post Audit team documented the following regarding the Department of Corrections' **Outstanding Payroll Warrants**. Findings consisted of 114 payroll warrants (19.1% of all payroll warrants statewide on this month's report), totaling \$21,934.27 in outstanding payroll. DOC has the most payroll warrants in excess of \$100.00, at 22, pushing the average warrant amount to \$192.41. The average warrant age is 6.6 months. 33 warrants belong to current state of Florida employees (28.9%).

#### **AGENCY RESPONSE:**

1. Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? **Yes, we run this report and review it monthly.**
2. Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe). **Yes. We verify whether or not the employee is entitled to the outstanding warrant. If they are not entitled to the warrant, we follow the warrant cancellation process. If they are entitled to the warrant, we contact the employee to see if they have the warrant in their possession and if so, we instruct them to deposit or cash the warrant. If they do not have the warrant, a duplicate warrant is requested and mailed to the employee.**
3. Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) **For returned or undeliverable warrants, we reach out to the recipient to verify the address and will send the warrant out via Fed-ex.**

*Additionally, FTE employees that receive more than 2 consecutive paper warrants are reminded of the mandatory requirement of direct deposit. They are also provided a form to sign stating they understand the direct deposit requirement and failure to complete direct deposit could result in disciplinary action.*

### Department of Management Services – DMS (OLO 7200)

During our review, the BOSP Post Audit team documented the following regarding the Department of Management Services' **Outstanding Payroll Warrants**. Findings consisted of 251 payroll warrants totaling \$8,803.85. The average warrant amount is \$35.08. A lower average warrant amount combined with higher warrant count in this case would suggest that a high percentage of these are DSGI payments as they have been in the past. The average warrant age is 5.5 months. 15 warrants belong to current state of Florida employees.

#### **AGENCY RESPONSE:**

1. Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? – **Yes**
2. Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) – **Yes. The agency has the CMRPOW report in place to review and monitor outstanding agency employee payroll warrants on a monthly basis.**

3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) – No. The agency is developing procedures to assist with identifying outstanding warrants that belong to employees before the warrants become stale dated and are sent to the Bureau of Unclaimed Property.*

### Department of Revenue – DOR (OLO 7300)

During our review, the BOSP Post Audit team documented the following regarding the Department of Revenue's **Outstanding Payroll Warrants**. Findings consisted of five Outstanding Payroll Warrants, totaling \$12,050.62. The average warrant amount is \$2,410.12. The average age of the warrants is 5.4 months old. One warrant belongs to a current state of Florida employee.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe). No, but we plan to review this further. If there is any specific statute, administrative rule, or DFS guidance on this subject, please direct us to those authorities for guidance.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe). No, but we plan to review this further. If there is any specific statute, administrative rule, or DFS guidance on this subject, please direct us to those authorities for guidance.*

### Department of Highway Safety & Motor Vehicles – HSMV (OLO 7600)

During our review, the BOSP Post Audit team documented the following regarding the Department of Highway Safety & Motor Vehicles' **Outstanding Payroll Warrants**. Findings consisted of 44 payroll warrants totaling \$1,776.29. The average warrant amount is \$197.37. The average warrant age is 6.7 months. Three warrants belong to current state of Florida employees.

During our review, the BOSP Post Audit team documented the following regarding the Department of Highway Safety & Motor Vehicles' **Outstanding Deduction Code Warrants**. Findings consisted of 12 Deduction Code Warrants, totaling \$357.43. These warrants average age is 8 months old and should be processed as soon as possible.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes, we are aware of the report provided and use the report for monthly monitoring.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? Yes, DHSMV does have a policy in place. Our policy allows for: when a warrant appears on the report more than 3 months old, we are to send an outstanding warrant notification to the Active member along with an Affidavit for Duplicate Warrant to be completed, in case the warrant was never received or may have been lost. Once the member has been initially notified if the affidavit is not returned then we should follow up with the member, making sure they are aware that if the warrant remains outstanding per Florida Statute it will be turned over to Unclaimed property. If a member receives more than one paper warrant when hired on, we do inform them that they are required to establish their direct deposit.*

3. Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? *Yes, if the payroll warrant is returned and the member is active, we verify the address information against what is entered in People First and send an email notification that their payroll warrant was returned as undeliverable. We do ask that the Active member to update their address if incorrect in People First. For undeliverable warrants for former members, we try to contact them by phone to get a current address and we will also do a search on the Web for the former member. For outstanding or undeliverable warrants for payroll deduction code vendors we contact the vendor to see if the mailing address has changed and most of the time that is the case.*

*All eligible current and former members on the report in which you provided has been notified again and provided with an Affidavit to replace the warrant.*

### Fish & Wildlife Conservation Commission – FWC (OLO 7700)

During our review, the BOSP Post Audit team documented the following regarding the Fish & Wildlife Conservation Commission's **Outstanding Payroll Warrants**. Findings consisted of 14 payroll warrants totaling \$4,000.46. The average age of the warrants is 6.3 months. Six warrants belong to current state of Florida employees.

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? Yes, FWC's Finance and Accounting Office provides this report to HR for review and processing of outstanding employee warrants.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Upon receipt of the Outstanding Warrant Report, HR payroll coordinator sends the attached letter and DFS Duplicate Warrant Request form, with prepaid return envelope to the last known mailing address (and personal email if known) on file.*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) HR will call and email the employee, their immediate supervisor, and HR Liaison (or vendor) to attain the correct mailing address to forward warrants immediately upon receipt of returned warrants. Task listed in HR Payroll coordinator position description.*

### Department of Business & Professional Regulation – DBPR (OLO 7900)

During our review, the BOSP Post Audit team documented the following regarding the Department of Business & Professional Regulation's **Outstanding Payroll Warrants**. Findings consisted of nine payroll warrants totaling \$1,408.73. The average warrant amount is \$156.53. The average warrant age is 4.7 months. Eight warrants belong to current state of Florida employees (88.9%).

#### **AGENCY RESPONSE:**

1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? - The agency is aware.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) - The agency does have a process to account for outstanding warrants. The agency does have a process in place. The agency attempts to get in touch with the employee/former employee via phone, certified mail, and the chain of command to confirm receipt and/or resolve outstanding payroll warrant issues.*



3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) There are procedures for undeliverable payroll warrants. The agency makes copies of the undeliverable mailed items and tracks the attempts to send the warrant. The agency additionally uses that contact information and chain of command to attempt to get in touch with the employees to confirm receipt and/or resolve the pending outstanding warrant matters.*

### Department of Juvenile Justice – DJJ (OLO 8000)

During our review, the BOSP Post Audit team documented the following regarding the Department of Juvenile Justice's **Outstanding Payroll Warrants**. Findings consisted of two payroll warrants totaling \$140.21. The average warrant amount is \$70.11. The average warrant age is 5.5 months. One of the warrants belongs to a current state of Florida employee.

#### **AGENCY RESPONSE:**

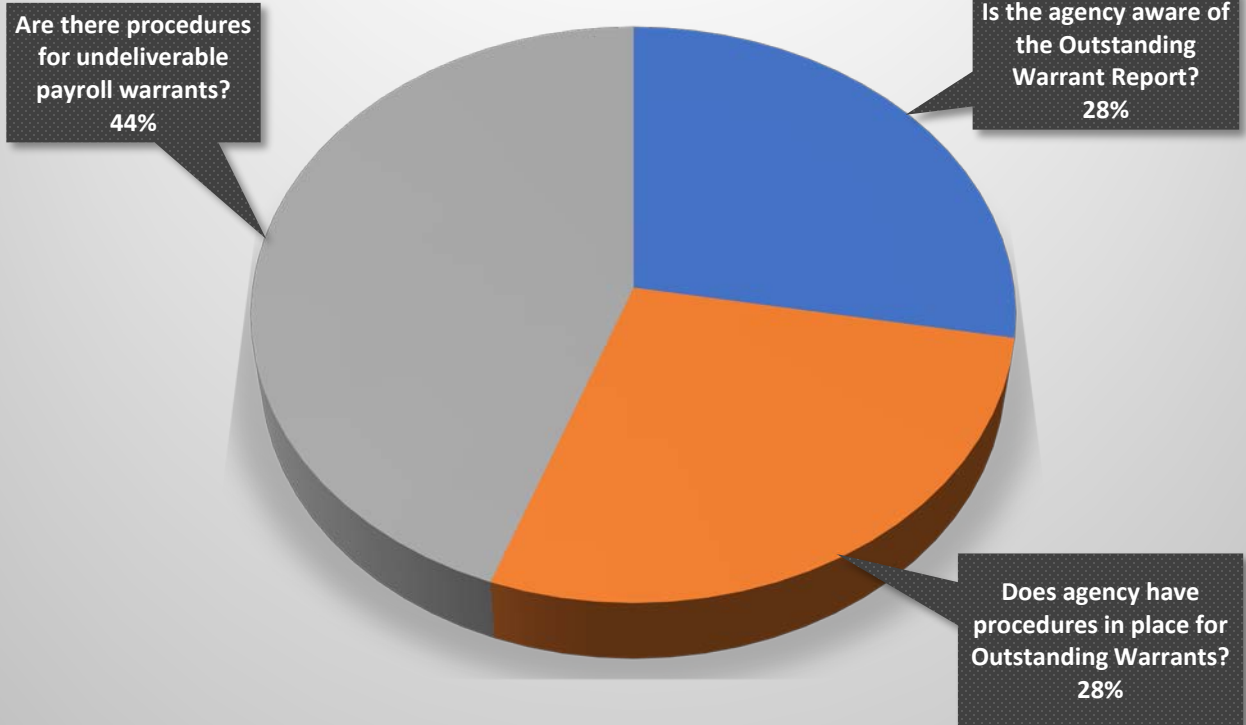
1. *Is the agency aware of the Outstanding Warrant Report that should be reviewed on a regular basis? The agency is now aware of the report for outstanding warrants. HR will pull a report from RDS the last Friday of every month to continue monitoring any outstanding warrants for our agency. Warrants that are returned after several attempts are sent to unclaimed property after a year of attempts.*
2. *Does the agency have procedures in place for this process to properly account for outstanding payroll warrants? (If so, please briefly describe) Yes, a warrant receipt for is sent to the Circuit liaison with each warrant attached for employee(s) to sign at the time of receiving their warrant. (See attached form with instructions)*
3. *Are there documented procedures for undeliverable payroll warrants, including payroll deduction code vendor warrants and salary refund warrants? (If so, please briefly describe) Yes, desk procedures are in place that states what steps to take when warrants are returned to HR Payroll, as well as payroll deduction code vendor warrants and a salary refunds. (See attached)*

[All Agency Responses \(Tabled\)](#)

Agency	Is the agency aware of the Outstanding Warrant Report?	Does agency have procedures in place for Outstanding Warrants?	Are there procedures for undeliverable payroll warrants?
JUSTICE ADMINISTRATIVE COMMISSION	Yes	Yes	Yes
STATE COURT SYSTEM	Yes	Yes	Yes
DEPT. OF ENVIRONMENTAL PROTECTION	Yes	Yes	Yes
DEPT. OF ECONOMIC OPPORTUNITY	Yes	Yes	Yes
DEPT. OF LEGAL AFFAIRS	Yes	Yes	Yes
DEPT. OF AGRICULTURE & CONSUMER AFFAIRS	Yes	Yes	Yes
DEPT. OF FINANCIAL SERVICES (Collections)	Yes	Yes	Yes
DEPT. OF STATE	No	No	No
FLORIDA DEPARTMENT OF EDUCATION	Yes	Yes	Yes
FLORIDA SCHOOL OF THE DEAF & BLIND	Yes	Yes	Yes
DEPT. OF VETERAN AFFAIRS	Yes	Yes	Yes
DEPT. OF TRANSPORTATION	Yes	Yes	Yes
DEPT. OF CITRUS	No	Yes	No
DEPT. OF CHILDREN & FAMILIES	Yes	Yes	Yes
DEPT. OF MILITARY AFFAIRS	No	No	No
DEPARTMENT OF HEALTH	No	No	No
DEPT. OF ELDER AFFAIRS	Yes	Yes	Yes
AGENCY FOR PERSON WITH DISABILITIES	Yes	Yes	No
AGENCY FOR HEALTH CARE ADMINISTRATION	Yes	No	No
DEPT. OF CORRECTIONS	Yes	Yes	Yes
DEPT. OF MANAGEMENT SERVICES	Yes	Yes	No
DEPT. OF REVENUE	Yes	No	No
DEPT. OF HIGHWAY SAFETY & MOTOR VEHICLES	Yes	Yes	Yes
FISH & WILDLIFE CONSERVATION COMMISSION	Yes	Yes	Yes
DEPT. OF BUSINESS & PROFESSIONAL REG.	Yes	Yes	Yes
DEPT. OF JUVENILE JUSTICE	No	Yes	Yes

[All Agency Responses \(Charted\)](#)

### Agency Response of "Yes" to the 3 Review questions, by percentage



## Recommendations

As a reminder, Section 110.113(2), Florida Statutes (F.S.), requires that salary payments for all employees be paid by direct deposit unless the employee is hired as other personnel services (OPS). Establishing direct deposit is required by Florida Law. It is the agency Human Resource personnel's responsibility to ensure that all CS, SES, & SMS employees complete this in People First or provide the required documentation for a hardship. Employees may request an exemption or provide the required documentation if participating in direct deposit would result in a hardship.

**Of the 646 total Outstanding Warrants on this month's report, 164 of them belong to people currently employed with the State of Florida. 82.9% of those employees are still currently with the same agency that issued the warrant. 92 of the 164 (56.1%) current employees with outstanding payroll warrants are Career Service/SES/SMS employees and are required by the above statute to receive their pay via Direct Deposit, unless they have completed a hardship exemption request form that has been approved by the agency.**

Agencies should be aware of the various RDS reports and their usefulness in helping perform job duties. The RDS report "Outstanding Payroll Warrants" should be reviewed on a regular basis. This will allow the agency to assist with identifying outstanding warrants that belong to current employees before the warrants become stale dated and sent to the Division of Unclaimed Property, as well as former employees who may not be aware of an outstanding warrant due to them and contacting current/former employee to assist in cashing or depositing the funds. The report runs on the third Saturday of every month, with the data as of the previous Tuesday.

Procedures should be developed and implemented if not already established, to properly account for outstanding payroll warrants, as well as specific procedures for undeliverable payroll warrants.

Each Agency with outstanding **Salary Refund Warrants** should audit those employee records to ensure their pay record is accurate. **Five of the seven salary refund warrants on this report have 2021 issue dates.** Since the agencies collected the monies in 2021 but did not deposit or make an adjustment to the employee's record, the agency will need to recover or absorb the withholding taxes because the adjustment was not handled timely. Corrections to the employee's previous year pay record will likely now result in the employee receiving a W-2c form.

The process used at FWC is a great example of what this process should look like.

*"Upon receipt of the monthly Outstanding Warrant Report, HR payroll coordinator sends the attached letter and DFS Duplicate Warrant Request form, with prepaid return envelope to the last known mailing address (and personal email if known) on file.*

*HR will call and email the employee, supervisor, and HR Liaison (or vendor) to attain the correct mailing address to forward warrants immediately upon receipt of returned warrants. Task is listed in HR Payroll coordinator position description."*