MAM Meeting
September 15, 2011

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County Auditor-Controller

Forged Warrants

Presented by
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Accounts Payable Division
Overview

• Identify the requirements to process request of Forged Warrants

• Explain the Role of the Department and Auditor-Controller’s Department

• Provide additional information as requested

Common Scenario

Vendor: “I have not received my check”
Department: “Warrant was issued and has already cleared the bank”
Vendor: “I never received nor cashed a check”
Department: “Complete the Declaration of Warrant Endorsement (AP4) and;
Verify if your signature is on the back of the endorsed check”
Role of Department

- Provides vendor the Declaration of Warrant Endorsement Forgery (AP4)
  - All parties must sign the AP4
  - Original signature is required
  - AP4 requires a Notary Public signature
  - Business card or Company Letterhead if necessary
  - Return to vendor if required information is missing

Role of Department

Advise the Vendor that there will be a 6 – 8 week processing period once the AP4 has been received by ACO
Sample of Declaration Warrant Endorsement Forgery (AP4)

NOTE: Department must complete this section

Role of Auditor-Controller’s Office (ACO)

• Verify that required information has been submitted
  - Warrant information provided on AP4
  - All parties have signed the AP4
  - Business card or Company Letterhead provided if necessary
  - ACO will return AP4 to vendor if required information is missing
  - Forward AP4 and copy of endorsed warrant to Union Bank of California (UBOC)
Role of Auditor-Controller’s Office (ACO)

- UBOC will notify the County if the forgery claim is denied or approved

- Common reasons for denial:
  - AP4 submitted without Notary Public signature
  - Payee has already received credit
  - One year reclamation has expired

Role of Auditor-Controller’s Office (ACO)

- Upon approval:
  ACO – Cash Management receives TCR from Treasurer Tax Collector and journals to appropriate accounting string

  ACO – Accounts Payable issues a voucher to the vendor and a new warrant is issued
Questions

Tax Levies and Withholding Orders
Overview

• Tax Levies
• Withholding Orders
• Duration of Tax Levies and Withholding Orders
• How they should be handled
• How to identify if a vendor has a Tax Levy or Withholding Order
• Who to contact if you have questions

Tax Levies

• A tax levy may be imposed by federal or state tax agencies on vendors who fail to timely pay their taxes and when other collection efforts have been exhausted
Withholding Orders

- A Withholding Order is a percentage or flat dollar amount that is continually deducted from a debtor’s earnings until the order is released

  - Refer to Revenue and Taxation Code Section 19280, and California Code of Civil Procedure Section 706.074

Employer’s Responsibilities

- An employer is required by law to comply with requirements of the levy or withholding order
- Notify the agency of receipt of the levy
- Notify the vendor that a levy or withholding order has been received
- Withhold the required amount from the vendor’s pay and remit payment to the agency

  - Noncompliance may result in the employer paying to the agency penalties up to the full amount due
Duration of Tax Levies and Withholding Orders

- Levies are to continue until Form 668D Release of Levy/Release of Property from Levy has been received

- Withholding orders will continue until the full amount is paid, or until the Withholding order has been in effect for one year, whichever occurs first

- Or, until a Termination of Order is received

Handling Tax Levies and Withholding Orders

- Forward Tax Levies and Withholding Orders to the Auditor-Controller’s Office, Mail Stop 1050

- The Auditor-Controller’s Office will determine if the Tax Levy or Withholding Order should be set up in PeopleSoft Financials
Sample of Internal Revenue Service Notice of Levy on Wages

Sample of Franchise Tax Board Personal Income Tax Withholding Order
Sample of Franchise Tax Board Vehicle Registration Withholding Order

Sample of Franchise Tax Board Termination of Withholding Order
How to Identify Setup in PeopleSoft Financials

- Click on Vendor-Vendor Information-Add/Update
- Enter the Set ID and Vendor Code
- Click on the Location tab
- Click on the 1099 Global Withholding link

PeopleSoft Financials Location Tab
Active Tax Levy or Withholding Order

Inactive Tax Levy or Withholding Order
ACO Contacts

If you have questions or concerns regarding vendor payments with Tax Levies or Withholding Orders, please contact:

Celeste Wiggins - micro 5-3840
Louise Roberson - micro 5-8386
Sue Warner, Supervising Acct - micro 5-3841