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**1000 OBJECTIVE**

This policy is to guide all West Virginia Department of Health and Human Resources staff who deal with negotiables such as food stamps, EBT Cards, Purchasing Cards (P-Cards), cash assistance checks, medical cards, child support or debit cards, school clothing vouchers, and other payments and/or repayments and fees that arrive in our offices. There appears to be a fine line as to which unit has the legal responsibility for negotiables. Therefore, these procedures set forth joint responsibility for all units per their respective policy manuals, the Common Chapters Manual, and all other written administrative directives. The processing of negotiables is by no means a routine matter as there are federal funds included in these negotiables and theft or loss of same could cause federal sanctions, disciplinary action, or arrests. Each unit must routinely review their role in the security of negotiables, and take all steps necessary to assure compliance. It is required that all employees follow written policy. Internal security of negotiables is necessary as protection from outside losses.

All employees who handle negotiables must receive training on this chapter and acknowledge receipt of such training which is then placed in the employee's personnel file or administrative file. A copy of this acknowledgment form and samples of recommended logs are found at the end of this chapter.

**WV State Code §12-2-2 requires all monies to be deposited within twenty-four (24) hours of receipt.**

- A. Definition of Negotiables
  - 1. A negotiable is defined as any paper instrument, EBT Card, Purchasing Card, or voucher that can be converted into cash, or exchanged for goods and services that are received in our offices or on rare occasions by staff in the field.
  - 2. Some negotiables such as cash assistance checks, school clothing allowance, BCSE Debit Cards, EBT Cards, etc., may be sent to our local offices from the state office or other entity to be distributed to our customers.
  - 3. Vouchers and/or forms, i.e., OFS67, OFS67Bs, NEMT, DF-38s, and DF-67s (which have been replaced by BA-67s), etc., that originate from our local offices are considered negotiables and should be secured.

4. For a variety of reasons, customers present negotiables to our local offices to be returned to the state office or as payment on claims, and in some situations pay a fee for our services.

## **1010 PROCEDURES FOR PROCESSING NEGOTIABLES**

These procedures are to assure that all negotiables are processed and secured properly. These procedures are based on the simple premise that all negotiables will be accounted for by appropriate record keeping, receipting transactions and keeping negotiables in a secure location. Employees responsible for negotiables will be fully trained by their respective office in this policy, and other appropriate policy, and will be held accountable for violations of policy and procedures. For processing and securing negotiables, a “designated employee” is an employee in each office selected by the BCSE management, regional director, BCF community services manager or other management staff who is responsible for implementing and administering this policy. This employee will be the financial clerk in many counties or accounting technician/support staff in other offices. In some offices, staffing may necessitate the designated employee being a staff member other than a support services person. This person would be selected with the approval of community services managers, directors, commissioner, or the chain of command in offices other than DHHR.

- A. Each office director, community services manager, regional director, unit supervisor, other management staff, and designated employee will have the overall responsibility of administering this policy for processing and securing negotiables as outlined in this chapter as it pertains to his/her respective assignment.
- B. Employees involved in the processing of negotiables will be trained on the appropriate chapters of their respective unit manual, the Financial Clerks’ Manual, and the Common Chapters Manual. Each employee must sign a statement that he or she has been trained in the policy. This signed statement will be placed in the employee’s personnel record, administrative file or separate negotiable file for acknowledgement forms retained by each office.
- C. All regional directors, community services managers, other management staff, and unit supervisors are responsible for adequately training all unit and new employees in the processing of negotiables. The unit supervisor will conduct at least semi-annual reviews of this process to ensure compliance.
- D. All employees, the financial clerk, designated employee or other management staff, and program staff will be responsible for all

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negotiables in their possession until receipted to another employee or customer.

- E. Program staff are responsible for ensuring that all negotiables in their possession are immediately turned in to the financial clerk, accounting technician, or the designated employee (see Item L).
- F. All transactions involving negotiables will be logged/receipted and verified by original signatures, not initials, of the parties involved. Logs and receipts must be signed at the time of the transaction. Logs and receipts must be protected by lock and are legal documents verifying the transfer of state and/or federal monies. Receipts should be used in sequential order and any voided receipts retained.
- G. Customers arriving in our offices to pick up benefits will be served by the financial clerk/designated employee as follows:
  - 1. If the customer is unknown to the employee processing the transaction, the customer shall be required to show identification (driver's license/other reasonable I.D.) to verify identity before obtaining benefits. In emergency situations, a customer may need a representative to obtain their benefits for them. This representative must provide identification and a dated, signed, statement from the customer naming this person as the representative for the specific benefit and month to be received. This permission statement would be verified by customer's signature on previous signature cards and the statement filed in the case record. If any questions exist regarding the transaction, the customer's worker will be called to intervene. A telephone contact with the customer may be justified.
  - 2. The customer must open and verify the amount of their negotiables in front of the designated employee, count the contents, and sign the log for the amount received. A representative should sign their own name, not the customer's name. If possible, this action should take place in a confidential setting. If the customer receives more than one form of negotiables during the office visit, they should sign the log for each type of negotiable received.
  - 3. Any negotiable sent to the office for distribution will remain available to the customer a total of thirty (30) calendar days from the date the negotiables were received in the mail. However, the financial clerk must be given enough time to complete the required procedure for returning the negotiables to the state office within those thirty (30) days. Satellite offices will hold the benefits for no

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longer than twenty (20) days before returning them to the financial clerk. The financial clerk notifies the appropriate program supervisor who will cause the necessary transactions required to return the negotiables to the state office (See Logging Requirement, Section 1030, Item A). If an EBT Card and/or PIN are not picked up within five (5) days, notify the caseworker. After thirty (30) calendar days, the EBT Project Office must be notified to have the card deactivated with a “do not reissue” code. The card and PIN shall be destroyed and the caseworker notified again. All information is to be denoted on the negotiable log.

- H. Negotiables brought to the office by the customer will be processed by the appropriate program staff as follows:
1. After meeting with the customer, the appropriate program employee will arrange for the financial clerk/designated person to meet with them. Both will accept the negotiables from the customer and financial clerk will provide the customer with a receipt (DF-5 See Appendix B) signed by both employees. The financial clerk/designated employee will take charge of the negotiables at this point.
  2. The original of the form DF-5 is given to the customer with the copies distributed as follows: the first copy is for the financial office use, the second copy goes to the case record, and the third copy remains in the receipt book.
  3. If the customer refuses a receipt for any reason, the financial clerk/designated employee will enter the transaction on the log, and note that the customer refused or would not wait for a receipt. A receipt signed by the financial clerk/designated employee and a witness will be completed and the original mailed to the customer.
  4. All benefit checks will be immediately stamped “Absence of Personal Endorsement Guaranteed”. These stamped checks will not be placed in direct deposit for repayment, but are to be returned to the state office. The receipt book and the log will indicate the reason that the check was returned.
  5. Paper food stamps used for repayment should be immediately stamped “cancelled” by the financial clerk/designated employee and recorded on FNS-135 and secured until the end of the month when the DF-25 is completed.

6. If a customer is in the office to return benefits, it is not necessary to take possession of the EBT Card. The case worker will have the customer complete an IFM-EBT-1 denoting the amount they wish to return and the benefits are removed from the account by the eligibility supervisor or IFM repayment investigator. If a customer insists on turning the card in, mails one in or one is found and turned in to the local office, the EBT Project Office must be notified with an e-mail stating the case name, case number, EBT Card number, and reason for return. Once EBT responds to the e-mail, the card can be destroyed. The case worker should be notified to make case comments. The receipt and destruction of the card should be noted on the negotiable log. The local office will not hold found or turned in EBT Cards for a customer. If a replacement card is needed, the customer must request a new one via EBT Helpline procedures.
  7. If a Child Support Debit Card is turned in to the local office, the child support staff will determine if the card needs to be inactivated and/or destroyed. BCSE is responsible for inactivation of the card. The receipt and/or destruction of the card should be noted on the negotiable log.
- I. No transactions of negotiables will occur between any employees, customers, or other persons without a receipt signed by both parties. Extra caution must be taken when cash is received in person and/or by mail. Program staff responsible for initiating and/or maintaining benefits in any programs will never receive returned benefits in that program without an employee from the financial clerk's office or the designated employee witnessing the transaction and signing the receipt.
  - J. Each evening prior to closing, the financial clerk/designated employee will count and recapitulate the transactions for that day. The recapitulation is reconciled to receipt books, negotiable logs, daily deposits, and negotiables on hand. This written recapitulation will be signed by the financial clerk/designated employee, and where possible, a witness should sign this recapitulation. Any discrepancy must be immediately reported to the employee's supervisor who will report same to the regional director, community services manager or other management staff as quickly as possible.
  - K. When receiving negotiables from any source, the financial clerk/designated employee is responsible for notifying the program supervisor by mail, e-mail, telephone, etc. that the negotiables have been received. The program supervisor will notify the appropriate employee to complete

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any forms required by the financial clerk for processing the transaction in the time limits set in policy.

- L. Employees are discouraged from receiving negotiables from customers in the field. However, when this is unavoidable, it is the responsibility of the employee to issue a handwritten receipt in duplicate which will include: negotiables received the amount, the date, and the signatures of both parties, along with a statement that the customer will receive an official receipt (DF-5) within five (5) working days. The employee will deliver the negotiable(s) directly to the financial clerk/designated employee, and assist in completing a form DF-5, and return the original to the customer by mail.
- M. In the office in which the financial clerk is located, the mail clerk must maintain a mail log (HR-20 now DF-90: See Appendix C) of all negotiables received by mail. The designated person must log all negotiables mailed to their district offices. Where possible, two employees should be present when mail is opened to assure proper handling of cash receipts, if applicable.
- N. Information on the mail log (HR-20 now DF-90: See Appendix C) is to include date received, customer name, amount, type of payment (cash, check, money order, etc.), and purpose of payment, if known such as repayment, child support, etc.
- O. It is not necessary to receipt negotiables received by mail with individual DF-5's unless cash is received. Cash should be receipted by return mail by the financial clerk/designated employee. The mail clerk opens the mail. If cash is received, this is noted on the mail log and given to the financial clerk or designated employee to prepare receipt (DF-5) to be mailed to customer.
- P. The mail clerk is responsible for delivering the negotiables and the mail log (HR-20 now DF-90: See Appendix C) to the financial clerk/designated employee immediately after being received and logged.
- Q. The financial clerk/designated employee is responsible for reviewing the mail log (HR-20 now DF-90: See Appendix C) and reconciling it with the payments received. After verification, the financial office staff will complete form DF-27 (See Appendix D) documenting the receipt of negotiables from the mail clerk/designated employee. The financial office will place a log number on the mail log and refer to this number on the DF-27. The original of the DF-27 will be given to the mail clerk/designated employee. A copy will be kept with the receipt book in

the financial office. A separate receipt book (DF-27) for mail negotiables is suggested. The financial clerk/designated employee will audit all county office logs, or district logs on a quarterly basis and document the audit findings to the appropriate supervisors.

- R. It is recognized that some staff may handle negotiables while in the field on behalf of customers. In these cases, the employee will protect themselves, the department, and the customer by obtaining receipts for goods purchased, and by helping the customer keep a record of these receipts. The transaction, which is basically between the staff person and the customer, will be authorized by the supervisor through the service plan.
- S. All negotiables shall be mailed certified through the U.S. Postal Service. **Cash should not be mailed.** In rare instances where cash is received in local offices and must be mailed to another office for depositing where the financial clerk is located, it is to be treated as any other negotiable and mailed certified to the office where the financial clerk is located. An e-mail must be sent to the financial clerk to alert them the cash is in enroute. Negotiables shall not be carried from one office to another by any employee who lacks the specific authority to handle negotiables.
- T. All checks and paper food stamps will be returned to the appropriate state office division via certified mail, "RETURN RECEIPT REQUESTED", signed by the receiving person. Included with the negotiables will be an itemized list of contents which is reviewed by the receiver. If incorrect, the receiver will notify their immediate supervisor who will initiate telephone contact with the financial clerk or designated employee to determine the problem. All logs will reflect when and where negotiables were sent. These logs must be retained for three years at which time they may be destroyed.

## 1020 SECURITY OF NEGOTIABLES

- A. Any negotiable from any source that arrives in our offices will be logged on the HR-20 now DF-90 by the designated employee, immediately locked in a safe, or locked file cabinet in the absence of a safe. This safe or file cabinet shall be located out of public view, and is to be locked at all times. Only the financial clerk/designated employee and the operations supervisor will have the combination or keys to a safe or cabinet. In some offices a back-up employee may be authorized to know the combination or have a key; however, no other person will be given the combination or a key. (See 1030 C)



- B. There shall be only one official DF-5 receipt book in each office. It will be used by all employees in that county for recording the transaction of negotiables covered by policy. This book will be under lock when not being used, and will be the responsibility of the financial clerk/designated employee. Selected employees authorized by the regional director, community services manager, or other management staff who collect money outside the office may need their own receipt book; however, quarterly audits by their immediate supervisor are required.
- C. If the negotiables are kept in a locked drawer or safe that requires a key, then security of the key(s) becomes a requirement. There should be two keys; not S-100s which are universal. Do not leave the drawer/safe unlocked or unattended at anytime.
1. One key is assigned to the financial clerk/designated employee who will keep it in his/her possession. This key will not be placed where others would have access to it. This key is passed to the official back-up only when necessary. This key must be secured at all times.
  2. The second key is kept by the operations supervisor/management staff who will use it only in emergency situations. This key must be kept safeguarded from unauthorized use or disposition.

### **1030 EBT CARD HANDLING PROCEDURES**

Although, EBT Cards should not be returned to the local office, it has been determined there are some instances when this does occur. Situations may vary, however, the important thing to remember is an EBT Card must be treated as a negotiable as it is the customer's means to access food stamp and cash benefits. financial clerk/designated employees currently maintain negotiable logs that must include the receipt and disposition of any EBT Card and PIN received in a local office. Below are procedures for identified situations:

- A. **Customer Receives Mail in Local Office**  
If it is necessary for a customer to receive their mail in the local office, the EBT Card and PIN must be logged in by the financial clerk/designated employee on the negotiable log and secured. The customer must sign for the EBT Card and PIN when picked up from the local office. If the EBT Card and PIN are not picked up within five calendar days, the financial clerk/designated employee must notify the case worker. If the benefits have not been picked up in thirty calendar days, the financial clerk/designated employee must contact the EBT Project Office at 304-558-4126 or via e-mail to have the card deactivated with a "do not

reissue” code, destroy the Card and PIN, and again notify the case worker. This information must be denoted on the negotiable log.

**B. Customer Returns EBT Card**

If a customer is in the local office to return benefits, it is not necessary to take possession of the EBT Card. The customer must simply complete and sign the IFM-EBT-1 denoting the amount they wish to return. The benefits are removed from the account by an eligibility supervisor or IFM repayment investigator. The customer keeps possession of his/her EBT Card.

If a customer mails his/her EBT Card with a request to return benefits, the EBT Project Office must be contacted immediately by the program supervisor, or financial clerk/designated employee to deactivate the EBT Card to a “do not reissue” code. The EBT Card must be logged into the negotiable log and destroyed and the case worker notified. An IFM-EBT-1 form must still be completed and benefits removed from the account by an eligibility supervisor or IFM repayment investigator.

**C. EBT Card Appears in Local Office**

If an EBT Card is turned in to the local office for erroneous reasons that may not involve a return of benefits or a repayment issue, the EBT Card must be logged in on the negotiable log and destroyed. If the EBT Card is in an “ACTIVE” Status (this can be determined by accessing the EBT Administrative System), the EBT Project must be contacted immediately by the program supervisor or financial clerk/designated employee to deactivate the EBT Card with a “do not reissue” code and the case worker notified to take action. Some examples of this situation include:

- EBT Card received in the mail with no explanation
- EBT Card found in county office lobby
- EBT Card found in store parking lot and turned in to local office

The local office will not hold a found or turned in EBT Card for a customer to pick up. If a replacement card is needed, the customer must request a new one via EBT Helpline processes.

## **1040 OTHER GENERAL CONSIDERATIONS**

- A.** At no time will non-bonded individuals be allowed to participate in any aspect of any transaction of negotiables. All full-time, permanent, and temporary employees are bonded; however, only those with an assigned authority for negotiables will be involved in this process.

- B. All offices must have a poster in the waiting rooms indicating that customers should ask for and receive a receipt for any transactions regarding negotiables.
- C. Negotiables are never to be left lying around the office. One place that is sometimes forgotten is the “outgoing” mail. Keep outgoing mail that contains negotiables in the safe or the locked drawer until the mail is leaving the office and then hand the mail containing negotiables to the mail clerk. If the mail is delivered to the post office and contains certified items the employee must wait for the return receipt(s) to be postmarked and return it to the mail clerk.
- D. All county staff must be trained by their respective supervisor on the department’s breaking and entering policy, and the department’s office key policy.



**WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

DATE \_\_\_\_\_  CASH  CHECK NO. \_\_\_\_\_  OTHER \_\_\_\_\_ DF-27 NO. \_\_\_\_\_

AMOUNT \_\_\_\_\_ \$ \_\_\_\_\_

RECEIVED FROM \_\_\_\_\_ CASE NO. \_\_\_\_\_ COUNTY \_\_\_\_\_ AREA \_\_\_\_\_

AFDC  FOOD STAMPS  OCSE  OTHER \_\_\_\_\_

EXPLANATION: \_\_\_\_\_

\_\_\_\_\_

ISSUED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

VERIFIED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

DF-5 (4-84)

5-57151

**DAILY MAIL LOG**

<b>REC'D</b>	<b>CUSTOMER'S NAME</b>	<b>AMOUNT</b>	<b>TYPE OF PAYMENT (cash, check, money order, etc.)</b>	<b>PURPOSE OF PAYMENT</b>
DF-90				
(09/99)				

**WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

DATE \_\_\_\_\_  CASH  CHECK NO. \_\_\_\_\_  OTHER \_\_\_\_\_

AMOUNT \_\_\_\_\_ \$ \_\_\_\_\_

RECEIVED FROM \_\_\_\_\_ DF-5 REC'T NOS. \_\_\_\_\_

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EXPLANATION: \_\_\_\_\_

FINANCIAL CLERK: \_\_\_\_\_ OFFICE MANAGER: \_\_\_\_\_

**NEGOTIABLES SECURITY TRAINING ACKNOWLEDGEMENT**

I, \_\_\_\_\_, have received a copy of Common Chapters – 1000 Security of Negotiables. I have read and received training on the Negotiable Policy.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

**Copy: Employee  
Personnel/Administrative File**