

## CCS Administrative Procedure

### 5.20.01-C Outstanding Checks

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#### Implementing Board Policy [5.20.01](#)

Contact: Manager of Accounting/Internal Control, 434-5213

#### 1.0 Purpose

To ensure as part of cash management that outstanding checks are processed following state and Federal policies and procedures. The Federal regulations applicable to this procedure are prescribed by the Department of Education (DOE), Title IV programs. This procedure describes the minimum steps and responsibilities for processing checks classified as non-deliverable, stale-dated, lost/destroyed check or forged endorsement.

#### 2.0 Definitions

- 2.1 Non-deliverable—non-deliverable checks initially include those returned to CCS by the US Postal Service and those listed on the outstanding check list. A check in the custody of CCS is considered non-deliverable only after a search did not locate the payee.
- 2.2 Available to students—the date the college notifies students that their check is available for immediate pickup or mailed. For Federal funded financial aid programs, the review process begins after the check is not picked up within 21 days.
- 2.3 Stale-dated—a stale-dated check is one that has been outstanding for over 180 days. Stale-dated checks are subject to cancellation. The review process begins after checks have been outstanding for over 150 days.
- 2.4 Lost or destroyed checks—when the Employee Compensation Office or Accounting Office receives notification from an employee, student, or vendor that their check has been lost or destroyed.

#### 3.0 Non-deliverable Checks

- 3.1 Checks Issued By Payroll
  - 3.1.1 Notification is sent to the payee's last known address as to the status of the check indicating that the check is subject to cancellation if not claimed within the appropriate period.
  - 3.1.2 Checks issued to work study students in the Federal Work Study Program will be cancelled no later than 45 days after return by the US Postal Service.
- 3.2 Checks Issued by Accounts Payable
  - 3.2.1 Accounts payable checks include checks to students and vendors/employee reimbursements. Student checks included in this category are refunds and financial aid, not work study wages.
  - 3.2.2 Student Financial Services performs a search in coordination with the College's Financial Aid Offices for students who received a check related to Federal (Title IV) and State Financial Aid and cancels check when the student cannot be located. The funds are returned to the Federal or state program.
  - 3.2.3 Student Financial Services performs a search for students who received a refund check (Not Subject to Title IV or State Need Grant). If the student cannot be located, the Accounting Office is notified. The Accounting Office cancels the check.

- 3.2.4 Accounts Payable Office performs a search for vendor or employee who received a check for services or for reimbursements. If the vendor or employee cannot be located the Accounting Office is notified. The Accounting Office cancels the check.

#### 4.0 Stale-dated Checks

##### 4.1 Checks Issued by Payroll

- 4.1.1 Notification of cancellation will be sent to the payee with an Affidavit of Lost/Destroyed Check form. Payee's signature must be notarized on Affidavit form.
- 4.1.2 Deceased Employee Notification of cancellation will be sent to the deceased payee's address of record along with the State of Washington form, "Claim for Indebtedness of State of Washington to Deceased Employees".

##### 4.2 Checks Issued by Accounts Payable

###### 4.2.1 Student Financial Aid Checks

- 4.2.1.1 Available to student—Cashier's Office provides the Financial Aid Offices with the list of checks not picked up or mailed within the appropriate period. Financial Aid verifies the list for Federal checks and sends cancellation notices to the Cashier Office. The Cashier Office forwards the notices and checks to the Student Accounting Office for cancellation through Accounts Payable.
- 4.2.1.2 Picked up or mailed to student—Student Accounting Office reviews the monthly outstanding check list for checks that are Title IV funds or state grant funds and have been outstanding for approximately 150 days. A notice is sent to payees meeting this condition with a copy of the Affidavit of Lost or Destroyed Check form.

- 4.2.2 Student refund (not subject to Title IV), vendor payment or employee reimbursement checks—Accounting Office reviews the outstanding check list for checks that have been outstanding for approximately 150 days. A notice is sent to payees of checks for \$10.00 or more with a copy of the Affidavit of Lost or Destroyed Check form.

- 4.2.3 Payee's signature must be notarized on Affidavit form.

#### 5.0 Lost or Destroyed Checks

##### 5.1 Checks issued by Payroll

- 5.1.1 When an employee notifies the Employee Compensation office that their check has been lost or destroyed, the payee must sign an Affidavit of Lost or Destroyed Check form and have it notarized.
- 5.1.2 The waiting period to re-issue a lost or destroyed check:
  - 5.1.2.1 Exempt, Classified, and Full-Time Faculty: 3 working days from pay date.
  - 5.1.2.2 Hourly, Students, and Adjunct Faculty: 5 working days from pay date.
- 5.1.3 Once the waiting period is satisfied and a stop payment verification has been received, a hand-drawn payroll check will be generated through the Accounts Payable Office (overnight processing).
- 5.1.4 Per employee instructions, the re-issued check will be mailed or picked up by employee in the Accounts Payable Office.

## 5.2 Checks Issued by Accounts Payable

- 5.2.1 The payee must complete an Affidavit of Lost or Destroyed Check form and wait a period of five to seven calendar days from date of issue (exceptions to the waiting period—such as for checks suspected stolen--must be documented and approved by the Manager of Accounting and Internal Control or the Manager of Student Financial Services). To be valid the affidavit form needs to be notarized.
- 5.2.2 If the amount of the check is \$10.00 or over, the Accounting Office may place a stop payment on the original check.
- 5.2.3 Once notification is received that “stop payment is placed successfully”, the lost or destroyed check will be cancelled and reissued in Accounts Payable Office except for financial aid checks which are reissued through the Financial Aid process and student refund checks which are reissued through Cashiering.

## 6.0 Cancelled Checks

- 6.1 Cancelled and/or unclaimed checks except those returned to the DOE, are submitted to the Washington State Department of Revenue/Unclaimed Property Section.
  - 6.1.1 Payroll checks unclaimed over one year old from date of issue are considered abandoned.
  - 6.1.2 Student refund, vendor payments and employee reimbursement checks over two years old from date of issue are considered abandoned.
  - 6.1.3 This process is completed by October 31st of each year, reporting the appropriate abandonment time period.
  - 6.1.4 DOE Title IV Programs
    - 6.1.4.1 Funds received under Federal Financial Programs are returned to the DOE as they cannot escheat to the state.
    - 6.1.4.2 For wages paid under the Federal Work Study Program (FWS), a liability will be established.
    - 6.1.4.3 For grants paid under Federal Title IV Programs, other than FWS, a request for return of funds to students is submitted through the Student Accounting Office.
- 6.2 Checks can be reissued prior to submission to Washington State Department of Revenue/Unclaimed Property Section or the DOE if:
  - 6.2.1 The legal owner returns the original check to the Accounting Office or designated site, i.e., College Cashiering, or
  - 6.2.2 Upon completion of the Affidavit of Lost or Destroyed Check form. The payee’s signature must be notarized.

## 7.0 Forged Endorsement

- 7.1 When a check reported as lost or destroyed is subsequently cashed, the Accounting Office notifies the legal owner. The notification includes a copy of the cancelled check and an Affidavit of Forged Endorsement form.
- 7.2 Upon receipt of the notarized Affidavit of Forged Endorsement, the Accounting Office compares the signature on the cancelled check to the signature on the form.
- 7.3 If necessary, the Accounting Office can file a police report with the Spokane Police Department.

**8.0 Related Information**

- 8.1 OFM State Administration and Accounting Manual (SAAM), [Other Warrant Procedures](#)
- 8.2 Department of Education Presentation, NASFAA National Conference, July 6-9-2008, [Cash Management and Return of Title IV Funds](#)
- 8.3 Affidavit of Lost or Destroyed Check, [CCS 2141](#)
- 8.4 Affidavit of Forged Endorsement, [CCS 2140](#)

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