




The University Corporation
Research, Investments and Commercial Services
California State University, Northridge

Procedure Number: AC032

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John Griffin, Chief Financial Officer

Title: Procedure for processing a stop payment on the operating account.

Statement

This procedure is established to document the method used to issue a stop payment on a check and if necessary, a re-issue of the check.

Purpose

To provide The University Corporation, (TUC) with a procedure that documents the steps required to issue a stop payment on a check and re-issue the check, if necessary.

Procedure

The Accounting Department issues stop payments on checks written from the operating account when a vendor believes their check has been lost, stolen or inadvertently destroyed.

When checks have been on the outstanding check list for 90 days since issue, a letter is written to the payee notifying them of the uncashed check and asking them to attest, via a signature on the correspondence (see example #1) that the check is lost and not in the payee's possession. Once the letter is signed by the payee and returned to TUC, the outstanding check is voided and a replacement is issued.

Payroll:

The system is the same except that ADP uses their check stock and bank account for our payroll checks. If a check remains on the ADP outstanding check list for over 90 days, the funds are returned to our operating bank account via ACH and at that point the liability is recorded into 211150 and the first letter is sent to the payee. The procedure then continues in the same fashion as noted above.