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Applies To: System Office and Colleges
Procedure Responsibility: Accounts Payable

Vendor and Student Checks

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Section 3.17.1 - General

The accounts payable module in the PeopleSoft (PS) financial system processes both student refunds and vendor related checks. Typically student refunds are paid via student pay card versus a check. This procedure provides the necessary information required of the stop payment process when a check is used to make a student refund. This procedure also provides the process to be used for stale dated checks and the retention period for cancelled checks.

Section 3.17.2 - Stop Payment Process

Once the stop payment request has been implemented it cannot be reversed. The following steps are required to stop a payment per a check that has been issued to a student, vendor, or employee.

A. Notify KCTCS System Office (SO) Accounting by email requesting that a stop payment be implemented and provide as much information as possible with the request for purpose of approval and audit documentation. Complete Form: Stop Payment – Reissue Request Form (BA-11); include the following information: payee, check number, date, amount and the reason the stop payment has been requested.

B. (SO) Accounting will review check activity to ensure that the check has not cleared KCTCS' bank and that the check is at least fourteen calendar days from its issue date.

C. If the check meets the requirements for stop payment, (SO) Accounting will enter the check into the banking system for the payment to be stopped.

D. (SO) Accounting will notify (SO) Treasury (daily) of any stop payment or void check activity, which has been entered into the banking system.

E. (SO) Treasury will send (SO) Accounting confirmation when they have been notified of the check status by the bank.

F. After confirmation of the stop, (SO) Accounting will make the necessary stop/void entry into the general ledger and reissue the check, if required.

G. (SO) Accounting will maintain the "stop" and "void" check activity with an Excel spreadsheet. The spreadsheet shall be available to the (SO) Office of Audit Services upon request.

Note: Units requesting a stop payment will be assessed an amount equal to the charge the (SO) Treasury receives from the bank for stopping payment on an issued check. The charge to the college will be placed against the following chart string: 50230-01-705220-05000-80029. Charges passed on to the student by the college, the revenue account to deposit the student payment is: 41375-01-705220-05000-80029.

Section 3.17.3 – Stale Vendor or Student Checks

After 180 days of non-activity on issued checks, (SO) Accounting will consider these checks to be stale dated.

A. On the last day of a month, (SO) Accounting will prepare a list of outstanding vendor or student checks with issue dates greater than 180 days and forward the list to (SO)Treasury and internally within KCTCS Accounting as necessary.

B. (SO) Accounting will void the checks per Section 3.17.2 of this procedure.

C. Upon confirmation of the check status by the bank, (SO) Accounting will make the required entry into the PeopleSoft financials module. The following chart field string is to be credited 21000-01-000-06000-44300 (Surplus Other Income).

D. If the check is presented for payment, the college will process the non-purchase-order CKR voucher using a completed form BA8 charging the above chart field string.

Section 3.17.4 – Stale Payroll Checks

If after 180 days of non-activity on payroll issued checks, (SO) Payroll will consider these checks to be stale dated (void).

A. On the last day of a month, the (SO) Accounting will prepare a list of outstanding payroll checks with issue dates greater than 180 days and forward the list to (SO)Payroll and

(SO)Treasury.

B. (SO) Treasury will void the checks in the banking system per Section 3.17.2.

C. Upon confirmation of the check status by the bank, (SO) Treasury will notify (SO) Accounting who will then make the required entry into the PS financials module. The following chart field string will be credited 21000 01 000 06000 80600 and a debit to 21000 01 10100, account 44700.

D. If the check is presented for payment, (SO) Payroll will prepare a check request to reissue the check charging 21000 01 000 06000 80600, account 44700.

Section 3.17.5 – Retention of Cancelled Vendor, Student or Payroll Checks

The retention period for vendor, student or payroll cancelled checks (checks that have been cashed by the bank) is three (3) years. This retention period is in accordance with the State University Model Records Retention Schedule – series # U0239.

END OF PROCEDURE