Effective Date: July 1, 2013
Supersedes: Procedure 3.17 dated July 1, 2010
Applies To: System Office and Colleges
Procedure Responsibility: Accounts Payable

Vendor Checks

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Section 4.27.1 - General

The accounts payable module in the PeopleSoft financial system processes vendor related checks. This procedure provides the necessary information required of the stop payment process when a check is used versus a payment on a paycard or ACH direct deposit payment. This procedure also provides the process to be used for stale dated checks.

Section 4.27.2 - 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 non-employee.

A. Accounts Payable will notify KCTCS Accounting by email that a stop payment needs to be implemented and providing the following information: payee, check number, date, amount and the reason the stop payment has been requested.

B. KCTCS 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, KCTCS Accounting will enter the check into the banking system for payment to be stopped.

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

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

F. Accounting will notify Accounts Payable the stop payment for closure or stop payment for reissue has processed in PeopleSoft.

G. After confirmation of the stop, KCTCS Accounting will make the necessary stop/void entry into the general ledger and reissue the check, if required.

H. Accounts Payable will add email communications between Accounting and Accounts Payable as an attachment to the voucher or vouchers that payment is being reissued or closed.

I. KCTCS Accounting will maintain the “stop” and “void” check activity with an Excel spreadsheet. The spreadsheet shall be available to Office of Audit Services upon request.

Section 4.27.3 – Stale Checks

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

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

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

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

D. If the check is presented for payment, the check is to be reissued and the above chartfield string charged.

END OF PROCEDURE