

1210.25 Undeliverable Checks

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PURPOSE

To provide guidelines for processing undeliverable checks.

APPLICATION

Executive Branch Departments and Sub-units.

CONTACT AGENCY

Department of Treasury
Financial and Administrative Services
Office of Financial Services (OFS)

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SUMMARY

Undeliverable checks are returned to the Department of Treasury.

Treasury prepares the checks to be scanned and imaged in order for the payment status to be updated in SIGMA; and notifies the agency of returned checks.

APPLICABLE FORMS

None.

PROCEDURES

Treasury, Mail Operations Division

- Stamps "VOID" on returned check.
- Separates checks between income tax, DHHS Supplemental Social Security (SSI), and other vendor checks.
- Forwards voided checks to Treasury, Office of Financial Services (OFS).
- Sends check stub for income tax checks to Individual Income Tax Division.

Treasury OFS

- For Individual Income Tax (IIT) and SSI checks:
 - Batches checks and references the return reason code.
- Other vendor checks:
 - Separates by batch agency.

- Mails attachments or stub to issuing agency.
- Batches and references return reason code.

Treasury OFS, Depository Services Section

- Processes batches of undeliverable checks and changes payment status in SIGMA to the following:
 - IIT = “c”, Canceled
 - SSI = “c”, Canceled
 - Other Vendor = “u”, Undeliverable

Agency

- Receives vendor check stub and attachments from Treasury.
- Researches and determines if check needs to be reissued, and if there is a better address available.
- If reissuing check, sends cancellation request to OFS.
- After OFS cancels the check, agency reissues check if it is determined to be necessary.
- If payee is not located, undeliverable checks not cancelled are escheated to Treasury, Unclaimed Property Division.
