

Arkansas State University - Jonesboro

Effective Date: 07/01/96

Number: 05-35

Section: Finance and Administration

Subject: Returned Checks

Checks that the University has accepted and deposited which do not clear a financial institution are returned to the Cashier's Office. Cashier personnel will then notify the department or office that originally accepted the check and charge it back to the account to which it was deposited. Responsibility for collection is assigned to that department or office.

1. Fiduciary responsibility for these check are assigned to the department or office head. He or she should handle the collection of these checks personally or formally delegate the related tasks to a subordinate.
2. Documentation of collection efforts, such as the date and time of each call made to the debtor, should be maintained for each returned check.
3. Only a cashier's check or cash should be accepted as payment for a returned check. Full restitution must be made for returned checks--partial payments are not acceptable. A receipt should be issued that clearly indicates that the payment is for a returned check. Likewise, the cash transmittal used to deposit the payment with the Cashier's Office should clearly reflect that it is for payment of a returned check.
4. Returned checks which have been determined to be uncollectible should be returned to the Treasurer's Office for disposition.
5. A log should be maintained by the department or office that reflects the date received from the Cashier's Office and collection efforts made either through disposition through payment or remittance to the Cashier's Office.

Reviewed on 06/28/13.