

SOUTHERN UNIVERSITY

COMPTROLLER'S OFFICE

POLICIES AND PROCEDURES FOR PROCESSING VOID CHECKS TRANSACTIONS FINANCIAL REPORTING SYSTEM (FRS)

PURPOSE

The purpose of this Operating Policy/Procedure (OP) is to establish the procedures and guidelines to remove checks from the financial records. This Operating Policy/Procedure set forth guidelines to ensure that all check transactions are accurately reflected and that immediate corrective action is taken when it is determined that the check was written and recorded for the incorrect amount, that the check issued is not due and payable as issued or a stop payment has been requested by the payee.

OVERVIEW

The Check Release Sections of the Comptrollers Office have the vested responsibility to insure correction disposition of all checks issued by Southern University-Baton. Accordingly, the staff must keep abreast of constantly changing policies and procedures to ensure compliance with the policies and procedures of the University.

SCOPE

This policy/procedure pertains to the Check Release Section for Southern University at Baton Rouge. It does not apply to checks written under the General Operating bank account for Southern University at New Orleans.

DELEGATION

The Division of Finance and Administration has the vested responsibility for the financial management of cash resources maintained the University. It is the responsibility of the Vice Chancellor for Finance and Administration to implement and administer the provisions of this policy in all areas under his jurisdiction. Accordingly, the staff must be kept abreast of constantly changing policies and procedures to ensure compliance with the policies and procedures of the University, State, and Federal agencies. At a minimum, the Vice Chancellor for Finance and Administration shall:

- Designate the campus administrators responsible for the functional management of the financial activity.
- Ensure due diligence in the functional management of the Accounting Systems maintained

by the University.

- Ensure that the accounting systems are properly maintained and accurately reflect accounting activities.
- Ensure that account records and supporting documentation are established and maintained by the responsible University department.

DEFINITION:

- Void Check_
- Stop Payment_

AUTHORITY FOR WRITING, UPDATING AND INTERPRETATION

The authority for writing, updating and interpreting the applicable policies and procedures is vested with the Office of the Vice Chancellor for Finance and Administration.

The authority for compliance with these requirements rest with the Office of the Comptroller, Check Release Section through the Director of Accounting Services, Associate Comptroller and the Associate Vice Chancellor for Financial Operations and Comptroller.

RESPONSIBILITY FOR NOTIFICATION OF CHANGES

The responsibility for notification of changes in applicable regulations, policies and procedures is vested with the Office of the Comptroller: Check Release Section through the Director of Accounting Services.

PROCEDURES:

- Process void check daily. All checks must be voided within 24 hours of receipt.
- Maintain control records summarizing the void check transactions processed including a detailed schedule of individual check transactions.
- Provide a monthly reconciliation of void check activity to FRS report VBM094.

DUTIES AND RESPONSIBILITIES

PROCESSING VOID CHECK TRANSACTIONS-FINANCIAL RECORDS SYSTEM (FRS)

DUTIES AND RESPONSIBILITIES

The employee or other individual or entity requesting that the check be voided shall submit a written request to the Check Release Section of the Comptroller. The request shall be in writing, identify the

payee, check number, check amount, the reason for the cancellation (void) and if the check is to be reprocessed. If the check has already been disseminated, the original check must accompany the request.

Check Release:

1. Validate the request; ensure that the request is complete. If the check has been released, ensure that the original check is attached.
2. Remove the original check from the request or from the Check file.
3. Remove (cut) the signatures from check; shred detached signature.
4. Stamps check void reprocessed or void do not reprocess.
5. Indicate on the check stub, the void date, PUR or Batch Number and a brief explanation as to why the check is being voided.
6. Make two (2) copies of the check. File one copy with the original documents in the batch use to process the check. The second copy is retained for your records as source documents for voiding checks.
7. Prepare Batch transmittal of void checks. The Transmittal must contain the information in be in the format shown below:

VOIDED CHECKS

SESSION REFERENCE VC0073

NAME	CC	SESSION REFERENCE	CHECK DATE	APRD	CHECK NUMBER	AMOUNT	PROCESS DATE	CC	APD/APC or BATCH NUMBER
BRYANT WRIGHT	02	VC0073	15-Jul-04	Jul-04	267066	1,697.50		02	
				Jul-04 Total		1,697.50			
HARRICANE HARBOR	02	VC0073	10-Aug- 04	Aug-04	269264	506.70		02	
KARI WILLIAMS	02	VC0073	28-Aug- 04	Aug-04	274942	720.00		02	
				Aug-04 Total		1,226.70			
ALLTEL	02	VC0073	18-Oct-04	Oct-04	286187	445.81		02	
				Oct-04 Total		445.81			
IHEANYI AKUJOB	02	VC0073	30-Nov- 04	Nov-04	290633	485.00		02	
				Nov-04 Total		485.00			
				Grand Total		3,855.01			
	02	VC0073		Grand Total		3,858.01			

Prepared by: _____

Approved by: _____ Date _____
 Loaded by: _____ Date _____

Operational Auditing Certification:

The undersigned hereby certify that I have received the original checks or the original, approved request for stop payment of the Check noted above.

 Bank Reconciliation Accountant Date

8. Make a duplicate original of the Void Check Session Form. One copy must be labeled **“Duplicate Original; Return to Check Release after processing”**, Attach copies of the Checks and transmits to Accounting Manager for approval.
9. Accountant Manager review and approves batch. If approved forward Batch to Data entry for processing.
10. Data Entry processes the batch in accordance with the instructions shown below:

POSTING VOID CHECKS TO FRS

Go to screen 130 (Open/Close AP Session).

Fill in the following information only:

SESSION REFERENCE:	Example - (VC001)
SESSION STATUS:	Press “O” to open session.
DESCRIPTION:	Type “voided Checks”
CAMPUS CODE:	Example - (02)

Then press ENTER.

130 Open/Close AP Sessions

Screen: ____ Vend: _____ Vchr: _____ Acct: _____

Session Reference: VC0073
 Session Date: 01142005
 Session Status: O
 Description: VOIDED CHECKS
 Bank Number: 30
 Voucher Feed Flag: Y
 Acctg Feed Flag: Y
 Fiscal Year: 05 YEAR SELECTED IS CURRENT
 Campus Code: 02 Baton Rouge Campus

Trans Processed: 0 Amount Processed: 0.00

The batch is now open and ready for processing.

Note that the “Trans Processed” field =0 and the “Amount Processed” field also =0.

Go to screen 110 (Void Payment Screen)

VEND:	Insert vendor number(located on the Stub of the Check or on the face on the Stop Payment Request) and press ENTER
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At this point vendor's data will be displayed. Verify that the vendor data matches the information on the face of the check; if information is correct, press ENTER.

Enter:	
CHECK/EFT NUMBER	Example – 267066
CHECK/EFT AMOUNT:	Example – 1697.50

110 Void Payment

Screen: ____ Vend: _____ Vchr: _____ Acct: _____

Bank Number = Session Bank Number

Check/EFT Number: _____

Check/EFT Amount: _____

EFT Indicator: ____

Session ID: VC0073 Trans Processed: 0
 Session Date: 01-14-05 Amount Processed: 0.00
 Session FY: 05 Baton Rouge Campus

Example	Session ID:	VC0073	Trans Processed:	1
	Session Date:	01-15-04	Amount Processed:	20000.00
	Session FY:	05	Baton Rouge Campus	

Repeat this step until all checks are entered. **The Trans Processed field should increment by one with each input and the Processed Amount field should change by the amount of the check being posted.** After entering all checks, verify the “Trans Processed” and “Amount Processed” fields. Compare the “Trans Processed” count to the number of checks on the transmittal and the “Amount Processed” to the total of the checks as shown on the transmittal. The control totals must agree. If not, **STOP**. Verify that you have correctly posted all transactions. Make appropriate corrections.

Go back to screen 130.

Print two (2) copies of this batch sheet. (Attach a sheet to each Batch Transmittal copy.)
You must print the batch header before you close the batch

To close the Batch:

Enter a C in the Session Status field to close the session. Press ENTER (C- Close).

The session is closed and you may sign off at this point.

Sign the Batch indicating completion of the Process.

11. Return the copy marked “**Duplicate Original; Return to Check Release after processing**” to Check Release.
12. The next business day, Check release shall compare the check voided checks per the Batch to voids as posted on the FBD018 (FRS Disbursement Report). They must agree. Checks release shall noted the Batch Referenced as shown on the FBD018 for each check on the Voided Check Listing Report.

VOIDED CHECKS
SESSION REFERENCE VC0073

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BRYANT WRIGHT	02	VC0073	15-Jul-04	Jul-04	267066	1,697.50		02	VC0073
				Jul-04 Total		1,697.50			
HARRICANE HARBOR	02	VC0073	10-Aug-04	Aug-04	269264	506.70		02	APC581

Note: This step is important because the Financial Records System assigns a batch # for all Accounts Payable transactions that originated in Purchasing. (i.e., Purchase order Payments) These batches show as APD/APC on the FBD018.

13. By 3:00 P. M. the same business day, Check Release shall forward the Voided Check Listing Report (with batch # Noted), the Original Checks and Stop Payment Request Forms and a copy of the FBD018 to the Bank Reconciliation Accountant for review and approval.
14. By Noon the following business day, the Bank Reconciliation Accountant shall verify the accuracy of posting, that all checks and stop payments accompany the transmission, approved the Void Check Listing Report and forward to the Associate Comptroller for Final Approval.
15. Within 24 hours of receipt, the Bank Reconciliation Accountant shall file all Checks and Stop Payment Request. **Note: Approved Stop Payment Request Forms must be filed (interleaved) in the check file in numeric order and maintained the same as original checks.**

PROCESSING VOID AND REPLACEMENTS HUMAN RESOURCES (HRS)

DUTIES AND RESPONSIBILITIES

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Check Release:

1. Validate the request; ensure that the request is complete. If the check has been released, ensure that the original check is attached.
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				Grand Total		3,855.01			
	02	VC0073		Grand Total		3,858.01			

Prepared by: _____ Date _____

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Bank Reconciliation Accountant Date

11. Make a duplicate original of the Void Check Session Form. One copy must be labeled **“Duplicate Original: Return to Check Release after processing”**, Attach copies of the Checks and transmits to Accounting Manager for approval.
12. Accountant Manager review and approves batch. If approved forward Batch to Data entry for processing.
13. Data Entry processes the batch in accordance with the instructions shown below:

POSTING VOID CHECKS TO HRS.

2. Sign on to HRS.
3. Complete Head Card using screen #W42-

SYS: **Adj** PGM: **EBC362** SEQ NO: **1**

RUN DATE: **Enter current date.**

CALC WORK FILE OPTION: N OLD HISTORY: Y

NOTE: It is very important to insure that the CAL WORK FILE OPTION: =N. The system default = Y: You must change it to N.

PRESS ENTER: **Header card is created.**

5. Go to screen #W43 - check history update for voids.
6. SYS: Adj PGM: EBC362 SEQ NO: (From V/C form)

Enter first sequence number - Press ENTER

Enter the following data.

CORP:	<u>001</u>	(Always 001)
EMPLOYEE ID:	<u>SS#</u>	(Enter Social Security Number)
CHECK DATE:	<u></u>	
ORIGINAL CHECK#:	<u></u>	
REPLACEMENT CHECK#:	<u></u>	(This field is left blank)

Press ENTER.

7. Continue this process until all checks are entered..
8. Go to screen #W02 - Erase sequence field (press enter). The first record you see should be your header card. Review/verify that transactions are correct. If all transactions are correct proceed to **Step 9**. If errors are detected, tab to the line containing errors. On the small line proceeding sequence type M to modify then press ENTER. Correct required information the press ENTER. Go to screen #W02 and continue verification. After verification is completed

go to **Step 9**.

Repeat this step until all checks are entered. **The Trans Processed field should increment by one with each input and the Processed Amount field should change by the amount of the check being posted.** After entering all checks, verify the “Trans Processed” and “Amount Processed” fields. Compare the “Trans Processed” count to the number of checks on the transmittal and the “Amount Processed” to the total of the checks as shown on the transmittal. The control totals must agree. If not, **STOP**. Verify that you have correctly posted all transactions. Make appropriate corrections.

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PROCEDURES TO RECORD VOIDS

To record voids we must prepare two FADs.

FAD to record voids to each individual campus:

1. Obtain a copy of the schedule of voids from Latricia Adams Jones.
2. Make sure we have all pages of 425 report.
3. Add total transactions for account number 0150001610 (Interface Clearing -HRS) for each campus. This should equal the gross payroll.
4. Prepare a FAD crediting the 0150001610 account which will automatically debit the cash account. We are debiting the cash account to return funds that were initially deposited into the payroll clearing account to cover payroll checks. These checks were eventually voided leaving these funds in the payroll clearing account.

FAD to record reversal of taxes and deductions only on the Baton Rouge Campus only.

1. You should have a copy of the schedule of voids from Latricia Adams Jones to use as supporting documentation.
2. Make sure you have copies of the 410 report as supporting documentation.
3. Prepare a FAD debiting the 0150001610 account for the Baton Rouge Campus only for the total amount of the taxes and deductions.

Submit the FADs to your supervisor for review and approval.

The supervisor should submit the FADs to the operational auditing section for review and approval.

The operational auditing section should submit the FADs to the Director of Accounting

Services for approval.

The Director of Accounting Services should submit the FADs to the Associate Comptroller for approval.

DRAFT