

Returned Checks

Objective

To reduce state accounts when checks are returned by the bank.

Policy

Whenever an agency receives a returned check, it must immediately process a cash receipt reduction.

Forms

[FI-00515 Cash Receipts \(Accounting View\)](#)

General Procedures

Step #	Actions to be Performed	Responsible Party
1.	Return the check(s) to State Treasurer's Office, or if it's an outlying bank, return check(s) to the agency which made the deposit. Non-sufficient Funds (NSF's) have already been presented twice by the bank.	Depository Bank
	IF THE CHECK IS RETURNED TO THE STATE TREASURER'S OFFICE	
2.	Deduct amount of returned checks from records.	State Treasurer's Office
3.	Forward returned checks to the General Accounting Section of the Finance Department.	State Treasurer's Office
4.	Log the following information for each returned check that has a return items charge slip Date received by State Treasurer; Agency which deposited it; Name of issuing party;	MMB, General Accounting Section

	Amount	
5.	Send returned check(s) to the agency which deposited it.	MMB, General Accounting Section
A.	Agencies that Enter Their Own Receipts	
6.	Determine immediately which account to charge.	Agency
7.	Within 10 working days after receiving the returned check(s), prepare FI-00515, make sure Location Code is 900, also that the line item is a decrease. In the description column refer to the date(s) shown on the return items charge slip, from the Treasurer's Office.	Agency
8.	Enter the form in the Accounting System and call Finance, General Accounting Section before 1:00 p.m., and give the following information: Location and document ID number; Date of the return items charge slip from the Treasurer's Office; and Name of your agency.	Agency
9.	Retain a copy of form FI-00515 for audit purposes.	Agency
10.	Take appropriate action for recovery of funds.	Agency
B.	Agencies that Do Not Enter Their Own Receipts	
11.	Please follow steps 6 and 7.	Agency
12.	Mail the original deposit reduction to Finance, General Accounting Section.	Agency
13.	Take appropriate action for recovery of funds.	Agency
14.	Enter corrective action in Log (see step 4). Enter correcting document in MAPS and record the system assigned document ID number, retain copies for files.	MMB, General Accounting Section
	IF CHECK IS RETURNED TO THE DEPARTMENT, DIRECTLY FROM THE BANK	
C.	Agencies that Enter Their Own Receipts	
15.	Determine immediately which account to charge.	Agency

16.	Prepare form FI-00515, make sure the I/D field is a D. In the description column reference the date(s) shown from the bank ticket.	Agency
17.	Enter the form into the Accounting System.	Agency
18.	Take appropriate action for recovery of funds.	Agency
D.	Agencies that Do Not Enter Their Own Receipts	
19.	Determine immediately which account to charge.	Agency
20.	See step 16.	Agency
21.	Keep a copy for your own files and send one copy to the State Treasurer's Office.	Agency
22.	Take appropriate action for recovery of funds.	Agency
23.	Deduct amount of decreases from records	State Treasurer's Office
24.	Forward posted copy of FI-00515 to Finance, General Accounting Section	State Treasurer's Office
25.	Submit to Central Input for entry.	MMB, General Accounting Section
26.	Enter decrease document in system, recording system assigned document ID number on FI-00515.	MMB, Central Input Unit
27.	File deposit form by Document ID date.	MMB, General Accounting Section