

**Policy Number:** 2.23.0

**Title:**  
**STALE AND VOIDED CHECKS**

**Introduction:**

This policy has been developed to establish an operational procedure which will insure that the District's bank reconciliation procedure is complete and that stale or voided checks are accounted for.

**Ends:**

A complete bank reconciliation procedure assures that the District's banking activities are accurately reflected. To that end, District staff shall notify the District's accountant via email, with a copy to the General Manager, when a check is voided or cancelled and not issued. The District's accountant shall assure that the amounts posted to cash and the expense account or balance sheet account are properly reversed.

Each month, the District's accountant shall include within his/her report a list of checks which have been issued and not cashed by the payee within three months of the issue date (stale checks). District staff shall be responsible for determining if follow-up is appropriate. If the payee has not received the check, the District shall instruct the bank to stop payment on it and a new check shall be issued. If the payee received the check, District staff shall encourage the payee to cash it immediately. At the end of the fiscal year, after follow-up by District staff as noted above, the District's accountant shall void all stale checks in the amount of \$100 or less (see voided check procedure above.) The bank shall be instructed to stop payment on stale checks issued in amounts greater than \$100. The District's accountant shall assure that the amounts posted to cash and the expense account or balance sheet account are properly reversed.

**Responsibility:**

It is the responsibility of the General Manager and the District's accountant to assure compliance with this policy.