DEPARTMENTAL RETURNED CHECK

Policy Statement

Departments that receive and process checks are responsible for the follow-up and collection of any checks returned from the bank uncollected (bounced).

Reason for Policy

This policy is needed to help facilitate the processing of returned checks by the responsible departments.

Who is Governed by this Policy

Faculty and staff.

Policy

Departments that collect and process checks are responsible for any follow-up and collection activities associated with returned checks.

Definitions

Returned Checks: Also called “bounced checks”, are checks returned by the bank from which the funds could not be collected.

Procedures

The following procedures apply:

A. The Accounting Office will prepare a journal entry to charge the department for the total of the returned checks. The department has
access to the journal entry above, the original deposit journal entry and the returned check(s) via the Oracle EAS system. The department should monitor the activity in the account described below as part of their monthly budget performance review process

1. The department’s Alias is normally charged;
2. The returned check account (52422) is normally used;
   i. There are some exception for items such as financial aid, Grants and Contract Accounting and "R" funds which may use different accounts; and,
3. No fees are charged.

B. The bounced checks will normally be returned to the department within 2 weeks from the day of deposit.

C. Subsequent collections should be recorded in the account to which the returned check was charged, normally account (52422).

<table>
<thead>
<tr>
<th>Contact</th>
<th>Telephone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing Unit</td>
<td>571-553-0359</td>
<td><a href="mailto:saoprocessing@gwu.edu">saoprocessing@gwu.edu</a></td>
</tr>
</tbody>
</table>

**Contacts**

**Document History**

- **Last Reviewed Date:** March 1, 2019
- **Policy Origination Date:** Not Available

**Who Approved This Policy**

Mark Diaz, Executive Vice President and Chief Financial Officer

*Reporting of non-compliance with this policy can be done through the Office of Ethics, Compliance, and Privacy website.*