

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM  
BUSINESS PROCEDURES MANUAL

Procedure 3.17  
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Effective Date: July 1, 2010  
Supersedes: Procedure 3.17 dated July 15, 2006  
Applies To: System Office and Colleges  
Procedure Responsibility: Accounts Payable

## **Vendor and Student Checks**

Section 3.17.1 - General

Section 3.17.2 - Stop Payment Process

Section 3.17.3 - Stale Dated Vendor or Student Checks

Section 3.17.4 - Stale Dated Payroll Checks

### **Section 3.17.1 - General**

The accounts payable module in the PeopleSoft financial system processes both student refunds and vendor related checks. Typically student refunds are paid via student paycard. This procedure provides the necessary information required of the stop payment process when a check is used versus a payment on a paycard. This procedure also provides the process to be used for stale dated checks.

### **Section 3.17.2 - Stop Payment Process**

Once the stop payment request has been implemented it cannot be reversed. The following steps are required to stop a payment per a check that has been issued to a student, vendor, or employee.

- A. Notify KCTCS Accounting by email that a stop payment needs to be implemented and provide as much information as possible. Complete Form BA – 11: Stop Payment – Reissue Request Form ([BA-11](#)); including the following information: payee, check number, date, amount and the reason the stop payment has been requested.
- B. KCTCS Accounting will review check activity to ensure that the check has not cleared KCTCS' bank and that the check is at least fourteen calendar days from its issue date.
- C. If the check meets the requirements for stop payment, KCTCS Accounting will enter the check into the banking system for payment to be stopped.
- D. KCTCS Accounting will notify KCTCS Treasury (daily) of any stop payment or void check activity, which has been entered into the banking system.
- E. KCTCS Treasury will send KCTCS Accounting confirmation when they have been notified of the check status by the bank.

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- F. After confirmation of the stop, KCTCS Accounting will make the necessary stop/void entry into the general ledger and reissue the check, if required.
- G. KCTCS Accounting will maintain the “stop” and “void” check activity with an Excel spreadsheet. The spreadsheet shall be available to Office of Audit Services upon request.

Note: units requesting a stop payment will be assessed an amount equal to the charge the KCTCS Treasury receives from its bank for stopping payment on an issued check. The charge to the college will be placed against the following chartstring: 50230-01-705220-05000-80029. For charges passed on to the student by the college, the revenue account to deposit the payment is: 41375-01-705220-05000-80029.

**Section 3.17.3 – Stale Vendor or Student Checks**

After 180 days of non-activity on issued checks, KCTCS Accounting will consider these checks to be stale dated.

- A. On the last day of a month, the Accounting will prepare a list of outstanding vendor or student checks with issue dates greater than 180 days and forward the to list to KCTCS Treasury and internally within KCTCS Accounting as necessary.
- B. Accounting will void the checks per Section 3.17.2 of this procedure.
- C. Upon confirmation of the check status by the bank, Accounting will make the required entry into the PeopleSoft financial module. The following chartfield string is to be credited 21000 01 000 06000 44300 (Surplus Other Income).
- D. If the check is presented for payment, the check is to be reissued and the above chartfield string charged.

**Section 3.17.4 – Stale Payroll Checks**

After 180 days of non-activity on payroll issued checks, KCTCS Payroll will consider these checks to be stale dated (void).

- A. On the last day of a month, the Accounting will prepare a list of outstanding payroll checks with issue dates greater than 180 days and forward the list to KCTCS Payroll and KCTCS Treasury.
- B. KCTCS Treasury will void the checks in the banking system per Section 3.17.2.

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- C. Upon confirmation of the check status by the bank, KCTCS Treasury will notify KCTCS Accounting, who will then make the required entry into the PeopleSoft financial module. The following chartfield string should be credited 21000 01 000 06000 80600 and a debit to 21000 01 10100, account 44700.
- D. If the check is presented for payment, KCTCS Payroll should prepare a check request to reissue the check charging 21000 01 000 06000 80600, account 44700.

**END OF PROCEDURE**