

Fiscal Policy #1

Policy Name: ***Aged Outstanding Checks***

Effective Date: ***July 1, 2023***

Revision Date:

Authorization:



Nancy Watkins, Undersecretary

I. PURPOSE

To establish guidelines to ensure that the review of the Aged Outstanding Check Report is in compliance with the Office of the Lieutenant Governor and the Department of Culture, Recreation, and Tourism guidelines. This policy sets forth guidelines to ensure that the Aged Outstanding Check Report has been completed accurately and in a timely manner within the Office of Management and Finance, Fiscal Section. This process should be monitored and maintained on a monthly basis to ensure accuracy.

II. APPLICABILITY

The Accounts Payable Unit of the Fiscal Section has the vested responsibility for the review of the aged outstanding check report on a monthly basis. Accordingly, the Accounts Payable staff must keep abreast of all policies and procedures to ensure compliance of the aged outstanding check report.

IV. GUIDELINES

The Aged Outstanding Check report is found on the LaGov ERP Portal. The Fiscal Division must run this report monthly to review outstanding Accounts Payable (AP) Vendor checks. Accounts Payable checks that are outstanding will require communication with the vendor in an attempt to negotiate the checks. For checks that need to be reversed or reissued, forms and procedures can be found on the A/P Agencies tab of the OSUP webpage. It is mandatory that all AP agencies take the necessary steps and make an attempt to negotiate outstanding checks.

V. DEFINITIONS

Outstanding Checks - checks that have been processed and mailed to the vendor, however, the check has not been cashed by the vendor due to any unforeseen circumstances

VI. PROCEDURE

The Fiscal Division is responsible for a monthly review of the Aged Outstanding Report.

1. The Accountant Supervisor 2 will process an Aged Outstanding Check Report through the Data Warehouse portion of the LEO system.
2. The Accountant Supervisor 2 will review the report for accuracy. After the review of the report, the Accountant Supervisor 2 will run the FBL1N report to verify the check numbers that correspond to the outstanding check report. Next the Accountant Supervisor 2 will notify the appropriate agency business manager requesting preferred method of processing.
 - a. If void is requested with justification provided, the Accountant Supervisor 2 will proceed as needed.
 - b. If notification is requested, the Accountant Supervisor 2 will mail a letter to the vendor to ascertain the whereabouts of the outstanding check or verify the outstanding checks has been lost.
3. Once the letter has been returned by the vendor, the Accountant Supervisor 2 will submit a VOID & Re-Issue or a VOID & Do Not Re-Issue form to OSUP (see policy ACT 903).
4. For all VOID & Re-Issue checks, mark the checks as SINGLE CHECKS to ensure the new check is not lost in the mail and the new check is submitted to the correct address according to the vendor. For all VOID & Do Not Re-Issue checks, a FB08 or an MR8M will need to be processed to reverse the payment. Following the reversal, an F-44 will need to be processed in order to complete take the transaction out of LaGov and have the funds returned as INA (income not available).
5. Make a copy of the new check along with the signed letter and forms and attach to the vendor file in the file room and file with the other cancelled checks.

IX. EXCEPTIONS

The Undersecretary may grant an exception to any provisions of this policy, provided such exception shall not be in conflict with the Office of Statewide Reporting and Accounting Policy requirements.

X. QUESTIONS

Questions regarding this policy should be directed to the Accountant Administrator (Fiscal Director) or Undersecretary. Detailed procedure can be located on the O Drive: sharedri/payables/policies and procedures/Procedure ACT 717

Summary of Changes: Policy Created (July 1, 2023)