

**SUNY DOWNSTATE MEDICAL CENTER**  
**Finance Division: Policies and Procedures**

**Department:** Bursar's Office

**No:** BUR-6

**Subject:** Returned Checks

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**Prepared by:** Ken Rodell

**Implementation Date:** Currently in place

**Reviewed by:** Daniel Cutler

**Approved by:** Frederick J. Hammond, Jr.

**Distribution:**    Administrative Manual  
                           Department Manual  
                           Patient Care Manual  
                           AOD Manual

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- I. Purpose:** To document procedures for revenue deposited checks returned by bank due to “insufficient funds”, “stop payment”, or “refer to maker” for the State Income Fund non-Hospital checks and Dormitory Income Fund checks.
  
  - II. Policy:** To ensure that the Bursar's Office implements appropriate procedures for handling returned checks.
  
  - III. Responsibilities:** The Bursar's Office is responsible for:
    - Making sure adequate steps are being taken to collect funds for returned checks.**
  
    - Maintaining appropriate accounting records.**

**IV. Procedures/Guidelines:**

Checks are returned to the institution because of the following reasons:

**1) Insufficient Funds**

Checks returned due to insufficient funds are automatically re-deposited to the State bank account by the Bursar's Office. If they are returned a second time by the bank, they cannot be re-deposited again and are handled as follows:

If the check is from a student for payment of student charges (e.g. tuition, fees, and Dorm rent), the student is contacted by the Bursar's Office with a letter, email or phone call informing them that their bounced check has to be replaced by cash, money order, a credit card payment, or a replacement check. Appropriate late fees are assessed.

If the bounced check had been credited for a non-student charge (e.g. IFR account payment, parking payment, postage, etc.) and cannot be re-deposited, the department responsible for the account is

contacted, who assists the Bursar's Office in the collection of the debt. An example of this would be checks that bounce for payment of application or transcript fees; in this case, Student Services would be contacted for assistance. Another example would be for checks that bounce for payment of postage; in this case, the Mail Services department would be contacted for assistance.

As with student charges, these funds must be replaced by either cash, money order, a credit card payment, or a replacement check.

If funds are deemed not collectible or retrievable, the check would be submitted at the end of the fiscal year to be written off and the various departments would be notified. An appropriate entry is made in the SUNY revenue general ledger ("URAS") reflecting the loss of revenue. Any check to be written off must be presented to and approved by the Bursar in writing.

## **2) Stop Payment or Refer to Maker**

Checks returned due to "stop payment" or "refer to maker" (e.g. account has been closed, inappropriate signature, questionable endorsement) are not eligible to be re-deposited. If the check is from a student for payment of student charges (e.g. tuition, fees, and Dorm rent), the student is contacted by the Bursar's Office with a letter, email or phone call informing them that their bounced check has to be replaced by cash, money order, a credit card payment, or a replacement check. Appropriate late fees are assessed.

If the bounced check had been credited for a non-student charge (e.g. IFR account payment, parking payment, postage, etc.) and cannot be re-deposited, the department responsible for the account is contacted, who assists the Bursar's Office in the collection of the debt. An example of this would be checks that bounce for payment of application or transcript fees; in this case, Student Services would be contacted for assistance. Another example would be for checks that bounce for payment of postage; in this case, the Mail Services department would be contacted for assistance.

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## **Recordkeeping for Returned Checks**

1) Returned checks are initially recorded in a bound journal notebook giving the following information: date check was returned, name of maker, amount, account affected, and action to be taken to collect monies.

2) Appropriate action is then taken, as indicated above, and noted in the journal notebook. An indication is also made when the check is re-deposited.

3) A cumulative Excel spreadsheet is maintained and updated at the end of each month showing the status of all outstanding returned checks at the beginning of that month, re-deposits, write-offs, and new bounced checks that occurred during the month. If a check is written-off, it will be noted on the spreadsheet and will not appear in future spreadsheets.

Date Reviewed	Revision One)	Required (Circle	Responsible Staff Name	Staff Title	Initials
	Yes	No	Daniel Cutler	Assistant Vice President for Finance	
	Yes	No	Frederick J. Hammond, Jr.	Senior Vice President and Chief Financial Officer	