

Stop Payment and Reissue of University Payroll Checks

FIN-ACC-I-541



About This Policy

Effective Date:

12-01-1990

Last Updated:

12-01-2005

Responsible University Office:

Financial Management Services

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

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and University Controller,
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Related Information

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Policy Statement

University payroll checks, which are lost, stolen or mutilated will be replaced when authorized by the applicable campus payroll office. The payroll office on each campus will also have authority to determine if and when payroll checks will be immediately reissued.

In general, if an employee is expected to continue employment and there is no expectation that the university would incur a financial loss by immediate reissue, a duplicate check can be immediately written, after notification is received from Investment and Cash Management that the stop payment order has been placed with the bank.

All payroll check related inquiries should be directed to the campus payroll office. If both the original and duplicate payroll checks are cashed, it will be the responsibility of the campus payroll office to collect the duplicate payment, provided the duplicate payment was not the fault of the bank, and was not

a forgery. If the double payment is the result of forgery, the campus payroll office will send a completed and notarized Affidavit of forgery to Investment and Cash Management to be processed. Investment and Cash Management will forward copies to University Police and Internal Audit.

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Reason For Policy

To establish a procedure allowing the immediate reissue of payroll checks, which are lost, stolen or mutilated.

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Procedure

All stop payments will be placed electronically with the appropriate bank. After 24 to 48 hours a status inquiry is made. If the bank's system shows that a stop pay is in place, an authorization for a replacement check will be sent to Financial Management Services.

Stop payment requests received prior to the close of bank business operations (typically 2:30 p.m.) will be processed on the day the request is received. Stop payment request forms can be sent to Investment and Cash Management via facsimile transmission. Additional procedural directions will be provided by Investment and Cash Management.

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Definitions

Outstanding Check: A check issued by the university that has not been cashed or canceled.

Stop Payment Order: A directive given by the university to the bank on which a particular check is written that calls for the bank not to honor the check when it is presented for payment.

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History

This policy was established December 1, 1990.