

OUTSTANDING CHECKS

R 661.2

The School Board recognizes that occasionally District checks will be prepared, disseminated, and then lost, destroyed, or remain uncashed. This policy addresses expectations for reconciling various checking accounts and the cash management thereof with the goal of eliminating, to the extent practical, checks that are outstanding for more than one year from the date of issue.

1. Each month, staff in the District's Finance Office shall prepare and send to the Director of Finance and Operations or his/her designee a listing of any uncashed checks that are still outstanding after three (3) months.
 - a. The list will identify at least the account on which each check was issued, the check number, the date of issue, the amount of the check, and the payee's name and address.
 - b. An assigned staff member will attempt to contact the payee in an effort to notify the payee of the outstanding matter and to encourage prompt processing of the check. Although additional efforts to contact the payee may be made, the District shall normally send at least one notification letter to the payee's last known address (if any is known) via mail that informs the payee of the District's record of an outstanding check, its amount, and other pertinent details which may assist the payee in identifying the property. The notice shall also indicate that if the check has been lost, the person should contact the District to confirm the circumstances and to request that the original check be canceled so that a new check can be issued.
2. After a check has been outstanding for six (6) months, the District will record a journal entry to reclassify the outstanding check to a liability account. The District will not void the original transaction, and the appropriate amount should remain on the ledger as an expense.
3. Outstanding checks that have been reclassified to a liability account will be monitored according to their dormancy period as established by state law and the Wisconsin Department of Revenue. (The dormancy period is one (1) year for payroll checks and five (5) years for most other types of checks.) For all outstanding checks that reach the completion of the applicable dormancy period, the Director of Finance and Operations is responsible for

ensuring that the District:

- a. Performs sufficient due diligence, if required, as far as a final effort to contact the payee/owner prior to reporting and transferring the funds as unclaimed property; and
- b. Properly reports and transfers the property to Wisconsin Unclaimed Property.

Legal References:

Wisconsin Statutes

[Chapter 177](#)

[Uniform Unclaimed Property Act]

[Section 404.403](#)

[right of account holder to stop payment on a check]

[Section 404.404](#)

[banks generally not obligated to process checks that are more than six (6) months old]

Adopted: 11/01/21