



COMMONWEALTH of VIRGINIA

Department of the Treasury

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May 4, 1990

TO: Agency Fiscal Officers

FROM: A. I. Samper
Director of Operations 

SUBJECT: Processing of Returned Checks

Effective July 2, 1990, the Department of the Treasury will be implementing new procedures for the processing of returned checks. All Commonwealth of Virginia checks issued by State agencies and institutions that are returned to the Department of the Treasury by the United States Post Office, the payee or any other third party, will be credited back to the General Fund of the agency responsible for issuing the check. The Department of the Treasury will prepare and process a DC for each agency that has checks returned. Transaction code 053 will be used to debit GLA 101 Cash with the Treasurer of Virginia and credit GLA 562 Suspense - Return Checks. Supporting documentation for the entry (copies of the DC and/or check stubs denoting check number) will be sent to the agency that originated the check.

Each agency is responsible for clearing its respective "Suspense - Returned Checks" account on a monthly basis. After determining why the check(s) was returned and what should be done with the money, the agency can either issue a new check, reverse the original entry, or do a combination of both.

ISSUE NEW CHECK

To issue a new check to replace the returned check, use transaction code 420. This transaction code debits GLA 562 Suspense - Returned Checks and credits GLA 101 Cash with the Treasurer of Virginia through use of a payment voucher. Vendor name and vendor address must be recorded. The entry must be posted to Fund 0100 where all "Suspense - Returned Checks" accounts will be recorded. The agency should place the original eight digit check number on the "Agency Reference" field to provide an audit trail.

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REVERSE ORIGINAL TRANSACTION

To clear the suspense account, use transaction code 421 to debit GLA 562 Suspense - Returned Checks and credit GLA 101 Cash with the Treasurer of Virginia. Then use the appropriate transaction code, such as transaction codes 180 and 194, to reverse the original entry. These transactions should be processed on an agency transaction voucher (ATV).

Effective September 4, 1990, no documentation to support return check entries processed by the Department of the Treasury will be sent to the agency; instead, the "Agency Reference" and "Multi-Purpose" fields of the DC will be used to provide adequate information for research purposes. This information will be reported on each agencies' CARS ACTR0401 Report.

Any questions regarding these procedures should be directed to Bill Hopkins, Assistant Director of Administration, at SCATS 225-2001.

cc: Norwood J. Jackson, Jr.
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