



## BANKING & ACCOUNTING OPERATIONS NEWSLETTER #24 AUGUST 2020

### ACCEPTING PAYMENTS IN THE WORLD OF COVID19 – PART 4: WHAT DOES PRACTICAL MEAN? HOW DO I HANDLE STALE DATED CHECKS

It has been close to five months since non-essential workers of University of Washington were advised to work from home due to COVID19. During this time, each department has taken a different approach in handling their deposits, based on the deposit frequency exemption from Office of Financial Management (OFM):

#### SUBJECT: UPDATED TIMELY DEPOSIT OF CASH RECEIPTS WAIVER

In response to the Governor's "Safe Start" proclamation issued on May 31, 2020, the Office of Financial Management approves a waiver for depositing cash receipts in local accounts as required in Subsection 85.50.20.a of the *State Administrative and Accounting Manual (SAAM)*. This exception is granted to all state agencies utilizing local bank accounts, and remains in effect until all counties reach Phase 3.

In a continuing effort to reduce the impact of COVID-19, the Governor issued his "Safe Start – Washington's Phased Reopening" plan, which applies to state agencies. In addition, many financial institutions continue to have decreased availability of branch banking services. These actions, and others, may make daily deposits not administratively practical or feasible.

This approval grants authorization for state agency personnel to temporarily hold and safe keep receipts. Deposits must be made as soon as practical and receipts must be secured in a locked location until deposited.

So what does practical mean? And how long can I hold and safe keep receipts before it goes stale dated? In this newsletter, BAO would like to provide recommendations regarding the meaning of "practical" and how to handle stale dated checks.

#### What does "PRACTICAL" mean?

The word practical in the exemption letter above can be interpreted in various ways. Some departments may process mail and deposits once a month, once a week, and some are still processing them daily. This all depends on the activity and the need of the department. As a recommendation, whether the deposit is processed daily, weekly, or monthly, BAO recommends that the deposits, at a minimum, are made within six months of the issue date.

#### Why six months?

This is because checks become stale dated after six months of issue date, and can become non-negotiable.

## How Do I Handle Stale Dated Checks

### What are stale dated checks?

Stale dated checks are checks that generally have an outstanding issue date of six months or more. Some checks are stale dated before six months, if indicated on the check.

### What happens when a check becomes stale dated?

The check can become non-negotiable and banks have the right to reject or return the check. When a deposit is rejected or returned by the bank, there will be a fee of \$7 for each check that is rejected or returned, which will be passed on to the departments.

### What do I do once the check has been determined to be stale date?

Contact the issuer of the check and request a new check to be issued. Make sure to let them know that you have the stale dated check still in possession, and they will either cancel or place a stop payment on the check.

### What do I do with a stale dated check once it has been reissued?

Once the check has been reissued and you have received the new check, the stale date check can be destroyed and shredded since it is no longer negotiable. However, it is best to ask the issuer of the check on the next steps. Some issuers may ask that the stale dated check is sent back to them.

### Is there a different way to receive the reissued funds, rather than a check?

Yes, when asking for a reissue of the check, request the funds to be sent by ACH if possible. If receiving funds by ACH is a possibility, you can request UW's ACH instructions from BAO. Please fill out the webform below to receive UW's ACH instructions:

[UW's ACH Instruction Request Form](#)

## UW Deposit FAQs

### Are we still required to make deposits for non-grant related checks as well?

Yes, whether the check is grant related or non-grant related, departments are still required to make deposits for their department when practical (within six months of issue date).

### How do I make deposits during this time of work from home?

Details of making a deposit currently can be found in the [April](#) and [May](#) Newsletter. But below are the current methods:

- **Bank by mail:** Mail in your deposit to Bank of America's Bank by Mail
- **Bank of America Banking Center:** Drop your deposit in person at a local Bank of America either with a teller or the night drop located outside the banking center
- **UWMC Cashier's Office:** Drop off your sealed deposits at UWMC Cashier's Office

### How do I order deposit slips and bags?

- While BAO staff are working remotely, deposit supply orders are being fulfilled once a week
- Deposit supplies will continue to be sent by campus mail, however, if departments would like to pick up the supplies at Roosevelt Commons West building, please indicate on the webform
- To order deposit slips and/or bags, please [click here](#)

**How do I get other employees added to this mailman list?**

- Please share BAO's mailman list FA\_BAO subscription to receive updates and newsletters sent out by BAO
  - o [https://mailman12.u.washington.edu/mailman/listinfo/fa\\_bao](https://mailman12.u.washington.edu/mailman/listinfo/fa_bao)

*To review previous newsletters, please visit <https://finance.uw.edu/bao/resources/bao-newsletter>*

*BAO is committed to providing campus departments with high-quality customer services. Please send your feedback or suggestions to [bankrec@uw.edu](mailto:bankrec@uw.edu) to help us improve our services.*

**THIS NEWSLETTER WAS SENT TO YOU BY UW BANKING & ACCOUNTING OPERATIONS**

For additional information, visit BAO's webpage: <https://finance.uw.edu/bao/>

To subscribe or unsubscribe to this list, please [click here](#).