

Check Payment Management & Distribution

Purpose

Generally, the Institute encourages payment by electronic means, such as with direct deposits, which is more cost effective and efficient. However, there are times when check payments are issued. This procedure addresses how non-payroll check payments are distributed or how returned or unclaimed checks are managed.

Applicability and Authority

- This procedure applies to all Caltech departments and supersedes any practices in existence prior to its effective date
- Payment Services is the authority for administering this policy relating to all non-payroll checks.

Procedure

Distribution Location

All non-payroll checks will be distributed by Procurement Reception, located in suite 100 of the Keith Spalding Building (building 6 on the campus map).

Hours of Operation

The Procurement Reception will distribute checks from 9:30 AM to 4:30 PM Monday through Friday. This excludes holidays and campus closure days.

Check Distribution

As a rule, all supplier checks are to be distributed via US postal mail to the address listed on the face of the check. There are may be extenuating circumstances when a check needs to be handled specifically as follows:

- **Hold for pickup.** – Checks held for pickup will be considered for rare and extenuating circumstances only. These checks require personal hand delivery where other delivery methods are not ideal. When a check is available, the requestor will be notified via phone and/or email. Checks will be made available for pickup by the requestor for a period of four (4) business days, after

which, checks will be mailed directly to the payee at the address listed on the face of the check. Unless special arrangements have been made by the requestor, a check will not be held longer than four (4) business days.

- **Mail with Attachments** – Attachments that are to be mailed with the check must be provided to the payment processor who will forward the attachments to the Disbursements staff for distribution.
- **Overnight /Priority** – The requestor will need to provide a properly completed air bill or priority mail form or supply the mailing address and the PTA alias as to where the express fee should be charged in order for the check to be sent by overnight/priority.

Identification and Signatures Required for Check Pickup

In order to maintain record of checks distributed, the Disbursements Department will maintain records as to how and to whom checks are distributed. This includes the following:

- Checks that are being picked up personally will be distributed only to the original requestor or to the payee of the check.
- Valid Photo ID is required, such as Caltech ID or current driver's license or state issued photo ID.
- Vendors/Suppliers picking up checks must have company identification or have business card showing their affiliation with the payee of the check.
- A signature of the individual picking up the check will be required.
- When checks are mailed, a log containing the check numbers and the date mailed will be maintained by Disbursements for audit and recordkeeping.

Returned and Undeliverable Checks

There are times when checks are returned by the US postal service as "undeliverable". These checks are returned to the Disbursements Department for resolution.

- Time is of the essence. The Disbursements Representative will act in a timely manner to secure a corrected address and update necessary systems with this data.
- The Disbursements personnel will review the returned item, noting the reason for the undeliverable condition as noted on the return check envelope (i.e. Return to Sender - Address Unknown, Forwarding Address Expired (which may have the new address, etc). If a forwarding

address is provided, Disbursements will manually resend the check to that address. A request to update the remit site is done for the supplier in the supplier master record for future reference.

No New Remit Address found on file:

- Disbursements attempts to contact Payee/Preparer/Requestor (found on the payment document) either by email or by phone in some cases both.
- Every attempt is made to locate an updated remittance and/or to contact the payee. When all resources have been exhausted, the check is kept secured in Disbursements until the check becomes stale dated.
- A "stale" check is a check that is six (6) months or more past the date of issuance.

Uncleared Checks

- There are times when checks are delivered accurately, however they can be lost in the mail or misplaced by the recipient. If these checks are not cleared by the bank by the stale date, the check data is forwarded to Disbursements for investigation. Disbursements will attempt to locate the original payee and reissue the check.

Stale Dated Checks and Escheatment

The term "escheat" refers to the process whereby unclaimed, abandoned or un-inherited property passes to the custody of the state. Checks are escheated after they remain outstanding for greater than one (1) year. After a check is escheated, the payee of the check will have to contact the state Treasurer to file a claim for reimbursement. This process is managed by the Financial Services Department.

Claimed Funds:

- After a check has reached the stale dated point, but before escheatment, Financial Services attempts to locate and secure check affidavits (with updated remittance information) received from the payee. This information is sent to Disbursements, giving them the authority to reissue the check.

Unclaimed Funds:

- All other "Stale Dated" checks (funds) that remain unclaimed are moved into an escheatment account for a specific period of time. If funds remain unclaimed, the funds are awarded to the State as defined by law.