



## **STOP PAY AND VOID PROCEDURE (ACC-P008)**

Clarksville-Montgomery County School System

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### **1.0 SCOPE:**

- 1.1 This procedure outlines the process of placing a stop pay on a check, voiding the check, and updating or voiding the related invoice(s) in the Accounting Department of Clarksville-Montgomery County School System.

The online version of this procedure is official. Therefore, all printed versions of this document are unofficial copies.

### **2.0 RESPONSIBILITY:**

- 2.1 Accounting

### **3.0 APPROVAL AUTHORITY:**

- 3.1 Chief Financial Office

### **4.0 DEFINITIONS:**

- 4.1 Warrant Number – Number given to each batch of invoices to be paid on a specific date. The warrant number should be the date the checks will be printed in this format: MMDDYY.
- 4.2 Void Check Packet – Voided check (if available), the cash disbursements journal, stop pay confirmation sheet from the bank, Stop Pay and Void Checklist (ACC-F009), and Void Payment and Check Replacement Request Form (ACC-F010).

### **5.0 PROCEDURE:**

- 5.1 Accounting Technician or Accountant gets a request to reissue a check or place a stop payment on a check.
- 5.2 Accounting Technician verifies the check hasn't cleared the bank and determines if there should be a stop payment issued with the bank or void the check with the bank through the positive pay method.
  - 5.2.1 If the check is going to be reissued, we do not do a stop payment. Stop payments are to be used rarely as they cost more money than simply voiding the check with the bank. In addition, stop payments have a limited number of months they can have the stop pay status.
    - 5.2.1.1 If a stop payment needs to be issued, the Accounting Technician logs into the online banking website to issue the stop payment. Accounting Technician prints stop pay confirmation sheet from the bank.
  - 5.2.2 If the check will be reissued to the vendor, it will be voided with the bank through the positive pay method that the Accountant performs in another step.
- 5.3 Accounting Technician fills out the Stop Pay and Void Checklist (ACC-F009).



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- 5.3.1 If a stop payment was issued, the 'STOP PAY' section on the Stop Pay and Void Checklist (ACC-F009) should be completed and signed by the Accounting Technician.
  - 5.3.2 If a void check will be completed through the positive pay file, the Accounting Technician will complete the Check Information part on either the 'VOID CHECK AND REISSUE' section or the 'VOID CHECK AND VOID INVOICE' section on the Stop Pay and Void Checklist (ACC-F009).
  - 5.4 If the Business Office doesn't have the original check then there will be a waiting period of 14 days from the date of check disbursement unless otherwise approved by the CFO or designee. Accounting Technician sends vendor a Void Payment and Check Replacement Request Form (ACC-F010) to complete and return.
  - 5.5 Accounting Technician takes Stop Pay and Void Checklist (ACC-F009), signed Void Payment and Check Replacement Request Form (ACC-F010) from vendor (if applicable), stop payment confirmation sheet from bank (if applicable), voided check (if applicable), and the original check back-up to Accountant.
  - 5.6 Accountant voids check.
    - 5.6.1 Accountant voids the check in the accounting software and prints the cash disbursements journal.
    - 5.6.2 Accountant writes "VOID" on the check, cuts signature block out of check, and shreds signature block (if applicable).
    - 5.6.3 Accountant writes "VOID", the date, and their initials on the file check copy. If the invoice(s) is needed to pay a vendor due to reissuing the check, take the originals from the file copy and use as backup for the reissued check.
    - 5.6.4 The Accountant will download the Positive Pay file from the accounting software and upload it to the bank on the same day the check is voided. Please see Positive Pay File Instructions (ACC-W002).
    - 5.6.5 Accountant adds check to the 'Void Check Log' which can be found on the accounting drive.
  - The Accountant will print the confirmation of the void provided by the issuing bank and attach to the Stop Pay and Void Checklist (ACC-F009).
  - 5.7 Accountant fills out the remaining information either the 'VOID CHECK/REISSUE CHECK' OR 'VOID CHECK/VOID INVOICE' section on the Stop Pay and Void Checklist (ACC-F009) and sign as approver on the form.
  - 5.8 The Accountant gets the Finance Director or CFO to sign the Stop Pay and Void Checklist (ACC-F009).
  - 5.9 Accountant either voids original invoice(s) or updates invoice(s) in accounting software.
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5.9.1 If the invoice(s) needs to have a check reissued, update the warrant number so it can be included on the next check run.

5.9.1.1 If the invoice(s) was updated, Accountant verifies the check was reissued in the next check run.

5.9.1.2 Accountant adds the reissued check number and reissued check date to the Stop Pay and Void Checklist (ACC-F009).

5.9.1.3 Accountant gives the back up to the Accounting Technician so it can be attached to the reissued check and filed.

5.9.2 If invoice(s) was voided, Accountant writes "VOID INVOICE", the date, and their initials on the file check copy and returns to file.

5.10 Accountant files the Void Check Packet in the filing cabinet in the Accounting Department.

### **6.0 ASSOCIATED DOCUMENTS:**

6.1 Stop Pay and Void Checklist (ACC-F009)

6.2 Void Payment and Check Replacement Request Form (ACC-F010)

6.3 Positive Pay File Instructions (ACC-W002)

### **7.0 RECORD RETENTION TABLE:**

| <u>Identification</u>                       | <u>Storage</u>   | <u>Retention</u> | <u>Disposition</u> | <u>Protection</u>                 |
|---|--|------------------|--------------------|-----------------------------------|
| Void Check Packet (including voided checks) | Current and prior fiscal years kept in Accounting Office then moved to storage | 6 years          | Discard as desired | Secured building and storage room |

### **8.0 REVISION HISTORY:**

| <u>Date:</u> | <u>Rev.</u> | <u>Description of Revision:</u>   |
|--------------|-------------|---|
| 11/4/13      |             | Initial Release   |
| 2/25/16      | A           | Added process for voiding checks.   |
| 4/8/2022     | B           | Updated void check confirmation from bank and Finance Director/CFO signature. |

### **9.0 FLOWCHART:**



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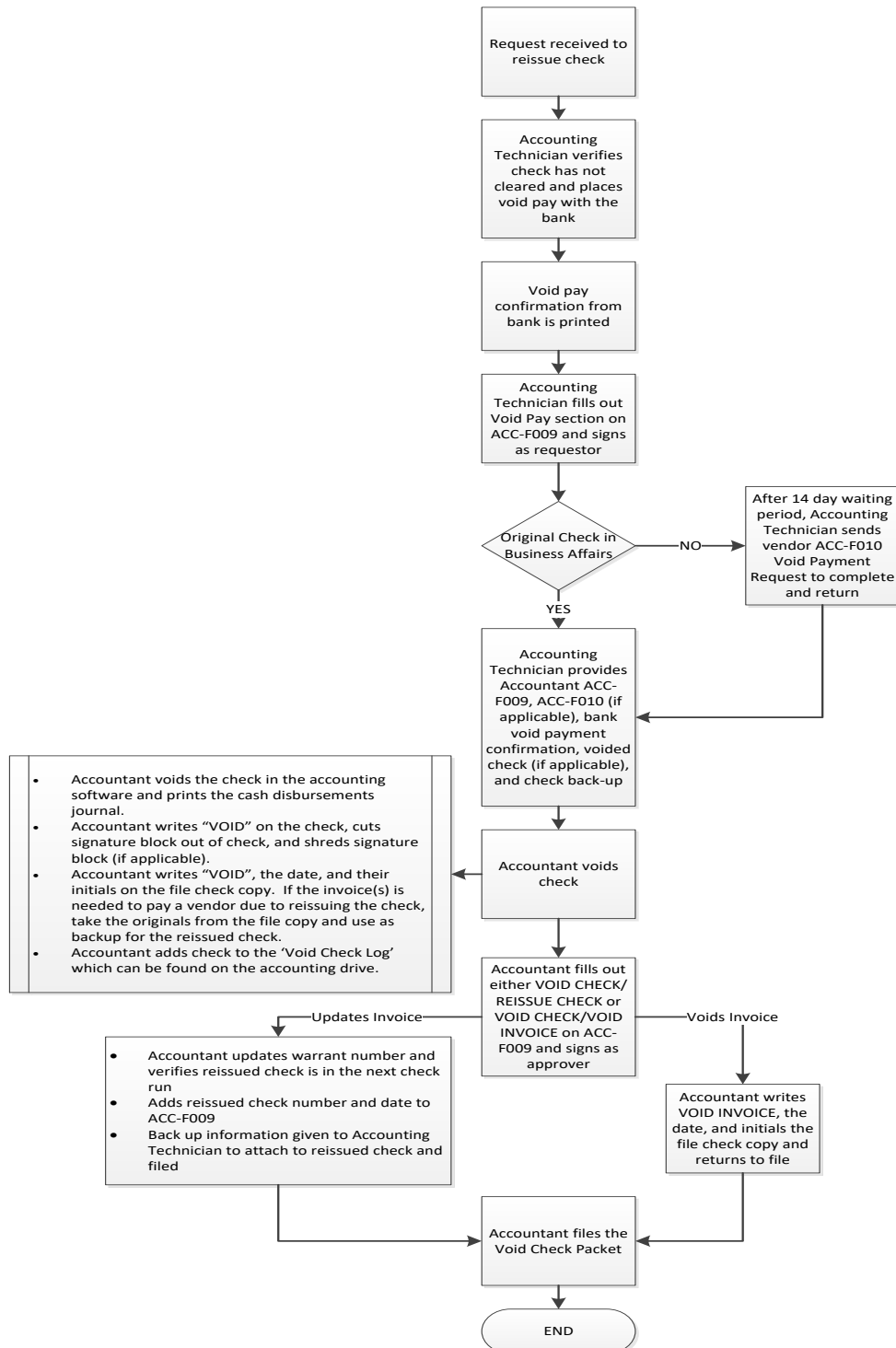
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9.1 A flowchart detailing this process can be found below.

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\*\*\* End of Procedure \*\*\*