

PROCEDURE

Series:	Accounts Payable	COA: FIN2, FIN 7
		CFOP:
Procedure Name:	Voiding A/P Checks	
Procedure Number:	AP-430	
Reviewed Date:	2/22/13, 10/21/15	
Revision #/Date:	1 4/30/2019, (2) 01/27/2020	
Effective Date:	1/01/2011	
Applicable to:	All Brevard Family Partnership (BFP FOA) Staff	

PURPOSE: To establish a procedure for removing AP checks from the Solomon accounting system.

PROCEDURE:

References

Procedures: GOV-202 Internal Controls, CM-101 Bank Account Reconciliation, IT-806 Accounting System User Rights Maintenance

Monthly Voided A/P Check Log

This procedure sets forth guidelines to ensure that all check transactions are accurately reflected and that corrective action is taken when it is determined that the check was written and recorded for the incorrect amount, that the check issued is not due and payable as issued or a stop payment has been requested by the payee.

Check Issued for Incorrect Amount and Re-Issued to Original Payee

- A. The accounting staff detects an error in the amount of the check when matching the supporting documentation to the check stub or when an overpayment is detected on a foster room and board payment prior to mailing the check.
- B. With the original check still in the agency's possession, a stop payment is not required. The signature line and the MICR account number are physically cut off the check. Additionally, the check is stamped several times "VOID" over the face of the check by the Accounting Clerk I.
- C. The check is voided via the Solomon A/P module by the Accounting Clerk I. This process reinstates the invoice(s) for check processing.
- D. The original documentation and the check are stapled together, logged on the "Monthly Voided A/P Check Log" and filed by month by the Accounting Clerk I. Copies of the supporting documentation and the check stub stamped "VOID" several times are attached to the re-issued check packet.

Check Not Due and Payable as Issued and Re-Issued to Correct Payee

- A. The accounting staff detects an error in the payee of the check when matching the supporting documentation to the check stub prior to mailing the check.
- B. With the original check still in BFP's possession, a stop payment is not required. The signature line and the MICR account number are physically cut off the check by the Accounting Clerk I. Additionally, the check is stamped several times "VOID" over the face of the check by the Accounting Clerk I.
- C. The check is voided via the Solomon A/P module by the Accounting Clerk I. This process reinstates the invoice(s). This invoice(s) will need to be voided via a Debit Adjustment in the Solomon accounting system due to the incorrect payee. The invoice(s) will be re-entered as a new voucher in the Solomon accounting system to the correct payee by the Accounting Clerk I.
- D. The original documentation and the check are stapled together, logged on the "Monthly Voided A/P Check Log" and filed by month by the Accounting Clerk I. Copies of the supporting documentation and the check stub stamped "VOID" several times are attached to the re-issued check packet.

Payee Never Received Check

- A. The accounting staff is notified by phone from a payee that they have not received their check. A letter is sent to the payee instructing them to check the "Never Received" box, to sign where indicated and mail back the letter.
- B. The accounting staff is notified via a return letter previously sent to a payee due to the length of time their check has been outstanding informing the agencies via checking the "Never Received" box signing the letter and mailing the letter back that they never received their check.
- C. In both instances, since there is no physical check, a stop payment must be issued.
- D. The Chief Financial Officer or designee appointed by the CEO in the absence of the Chief Financial Officer under the direction of the Chief Executive Officer (CEO) by the Board of Directors verifies that the check has not cleared the bank account via the bank's secure website prior to re-issuing the check. A stop payment is issued on the check. The stop payment report is printed and signed by the Chief Financial Officer or designee appointed by the CEO in the absence of the Chief Financial Officer under the direction of the Chief Executive Officer (CEO) by the Board of Directors and submitted to the Accounting Clerk I which initiates the void check process.
- E. The check is voided via the Solomon A/P module by the Accounting Clerk I. This process reinstates the invoice(s) for check processing.
- F. The original documentation and the stop payment report are stapled together, logged on the "Monthly Voided A/P Check Log" and filed by month by the Accounting Clerk I. Copies of the supporting documentation and the check stub stamped "VOID" several times are attached to the re-issued check packet.

Payee Never Received EFT

- A. The accounting staff is notified by phone from a payee that they have not received their Electronic Funds Transfer (EFT).

- B. Since the bank does not notify the agencies of a rejected EFT, the Chief Financial Officer or designee appointed by the CEO under the direction of the Chief Executive Officer (CEO) by the Board of Directors at various times throughout the month reviews the appropriate bank account for a rejected EFT and the reasons are many.
- C. Research by the bank is requested by the Chief Financial Officer or designee appointed by the CEO in the absence of the Chief Financial Officer under the direction of the Chief Executive Officer (CEO) by the Board of Directors to obtain the details of this rejection. A stop payment is not required for this transaction because this activity is re-depositing the funds back into the agencies operating account.
- D. The Chief Financial Officer or designee appointed by the CEO in the absence of the Chief Financial Officer under the direction of the Chief Executive Officer (CEO) by the Board of Directors verifies the information supplied by the bank for the EFT rejection that this transaction is for the correct payee. After the information is validated, the paperwork is submitted to the Accounting Clerk I which initiates the issuance of a “live” check.
- E. By the time the rejection has been identified, the previous month’s bank reconciliation has already been performed that marks the EFT as “cleared”. A 2-step process is performed to be able to produce a “live” check for this payment.
 - 1) The Accountant III or designee prepares a journal entry to record the voiding of the EFT since this cannot be done through the Solomon AP Module due to the explanation cited above.
 - 2) The Accounting Clerk I re-enters the invoice which now allows for a “live” check to be processed.
- F. The original documentation and the detailed information supplied by the bank are stapled together, logged on the “Monthly Voided A/P Check Log” and filed by month by the Accounting Clerk I. Copies of the supporting documentation and a copy of the detailed information supplied by the bank are attached to the re-issued check packet.

BY DIRECTION OF THE CHIEF EXECUTIVE OFFICER:



PHILIP J. SCARPELLI
Chief Executive Officer
Brevard Family Partnership Family of Agencies

APPROVAL DATE: [1/29/2020](#)