

UC Davis Policy and Procedure Manual

Chapter 330, Financial Management and Services

Section 12, Departmental Check Distribution

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Responsible Department: Accounting and Financial Services

Source Document: UC Accounting Manual Chapter C-173-15

[Exhibit A. Authorization for Release of Check to an Agent and Agent's Receipt for Check](#)

I. Purpose

University checks are normally distributed from campus Accounting & Financial Services to payees by U.S. and UCD mail service, in-person delivery, or direct deposit to the payee's bank account. Departments other than Accounting & Financial Services occasionally distribute checks to payees. This section describes departmental responsibilities for handling the distribution of University checks to payees.

II. Definitions

- A. Agent--a person authorized to act for another person.
- B. Check custodian--a person who holds checks and/or delivers checks to payees.
- C. Payee--a person to whom money is being paid by check.
- D. Unclaimed check--a check that is being held by any University office for issuance or delivery to the payee; this includes a check that was mailed out but returned to the University.

III. Policy

- A. A University check shall be released only to the payee or a departmental check custodian unless the payee has authorized an agent in writing (see IV.B, below).
- B. Check custodians who release checks to payees or payees' agents must verify the identity of the recipient prior to release of the check.
- C. A check shall not be given to a University employee who approved the document authorizing the issuance of the check.
- D. An employee who distributes payroll checks shall not be authorized to approve payroll documents or to review the monthly Distribution of Payroll Expense (PPP5302) or the Payroll/Personnel System (PPS) Decision Support Expense Distribution Report. (See also Section 330-11.)
- E. Checks that are awaiting distribution shall be kept in locked storage accessible only to a check custodian and an alternate.
- F. When departmental check custodians are unable to deliver a check to a payee within 30 days of its issuance, the check shall be returned to Accounting & Financial Services with a statement identifying the check as unclaimed. Accounting & Financial Services will attempt to contact payees of unclaimed checks.
- G. Accounting & Financial Services will reissue any check, regardless of the check's age or amount, for which it can be determined that the check has never been cashed or previously reissued.

IV. Procedures

- A. Departmental check custodians may make the following delivery of checks without special action:

1. Delivery of checks to payees known to them.
2. Delivery of checks to payees unknown to them who present valid government-issued photo identification, e.g., a driver's license.
3. Delivery of checks to payees by U.S. or campus mail service.

Note: Departmental mailboxes in public areas are not considered secure and may not be used to deliver checks.

- B. Departmental check custodians may deliver a check to a person other than the payee under the following procedure.
1. The payee shall complete the authorization portion of the Authorization for Release of Check to an Agent and Agent's Receipt for Check form (Exhibit A) or provide a written letter with the required information to the check custodian.
 2. The agent shall complete the receipt portion of the form when collecting the check.
 3. The check custodian shall check a valid government-issued photo ID, complete the verification portion of the form, and release the check.
 4. The department shall retain the completed form for one year.

V. References

- A. Business & Finance Bulletin IA-101, Internal Control Standards: Departmental Payrolls, 4/6/2006 (<http://www.ucop.edu/ucophome/policies/bfb/ia101.pdf>).
- B. UC Accounting Manual Chapter C-173-15, Cash: Check Controls, revised 6/30/98 (<http://www.ucop.edu/ucophome/policies/acctman/>).