

AP.020.550 PROCESSING ESCHEATED PAYMENT

Purpose	<ul style="list-style-type: none"> To navigate to the Escheat Payment page within Cancel/Void Payments. To select a payment to escheat. To verify the payment is escheated.
Description	<p>Occasionally, an organization issues a check to a vendor, but the vendor does not deposit it. Perhaps the vendor goes out of business. Whatever the reason, the check becomes stale-dated.</p> <p>When users identify a check as stale-dated, it is informational only. Payables enables users to escheat stale-dated checks to an escheatment liability account by debiting cash and crediting escheatment liability. When users escheat payments, they enter an escheatment date. The system uses the date to control the accounting date for the escheatment entry.</p> <p>Payment posting treats an escheated payment like a voided payment except there is no option to close or restate the voucher liability.</p>
Security Role	BOR_AP_CRTE_PMNTS_MAINT
Dependencies/ Constraints	<p>Refer to the Board of Regents Business Procedures Manual:</p> <ul style="list-style-type: none"> Section 19.1.4 Institutional Responsibilities – for requirements for reviewing of old outstanding checks. Section 19.1 Unclaimed Property - for determining when it is appropriate to mark payments as escheated.

Additional Information	Marking the payment Escheated updates the payment status as to canceled and reconciled. Payment cancellation accounting entries will be created once users post the escheated payment.
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Procedure

Below are step by step instructions on how to reclassify a stale-dated payment and transfer the payment from a cash account to an escheated liability account.

Step	Action
1.	Click the NavBar icon.
2.	Click the Menu icon.
3.	Click the Accounts Payable link.
4.	Click the Payments link.
5.	Click the Cancel/Void Payments link.
6.	Click the Escheat Payment link. The system navigates to the Payment Escheated page.
7.	Enter the Bank SetID column or use the magnifying glass icon to lookup the Bank SetID.
8.	Enter or search for a bank code in the Bank Code field.
9.	Enter or search for a bank account in the Bank Account field.
10.	Enter the Payment Reference Number in the Payment Reference field.
11.	Click the Search button. The system navigates to the Payment Escheatment page for the payment referenced in previous step.
12.	Under the Payment Status section, check the Escheated option. Once users select this option, the system defaults to today's date and selects Escheated under the Cancel Action section. <i>Note: Users can change the escheatment date, if needed.</i>
13.	Click in the Description field.
14.	Enter a justification as to why the payment is being escheated in the Description field. For example, a user could say " Confirmed with Bank contact that check did not clear the bank. "
15.	Click the Save button.

Step	Action
16.	<p>Run Payment Post for the escheated payment to create payment cancellation/escheatment accounting entries.</p> <p>The Escheatment process does not move funds to the correct AIC approved ChartString. The system debits Account 118100, with Fund, Dept, Program, Class, Project, and Bud Ref from the original transaction and credits Account 241500 with Fund, Dept, Program, Class, Project, and Bud Ref from the original transaction.</p> <p>Users need to create a manual journal entry to move funds to the correct Escheatment Liability ChartString. The manual journal entry should debit Account 241500 with Fund, Dept, Program, Class, Project, and Bud Ref from the original transaction, and credit Account 241500, Fund from original transaction, Dept E100000, Program 00000, Class 00000, Project (blank), and Bud Ref from the original transaction.</p>