ACCOUNTING MANUAL
CASH: UNCLAIMED AND UNCASHED CHECKS
C-173-78

UCSD ADDENDUM
LOCAL POLICY ON DISPOSITION OF UNIDENTIFIED CREDIT BALANCES
(including unclaimed and uncashed checks,
undistributed/unidentified cash, unidentified wires and ACHs,
unidentified credit balances in A/R subsystems, etc.)

I. REFERENCES

Accounting Manual
C-173-26 Cash: Deposits and Other Credits
C-173-78 Unclaimed and Uncashed Checks
H-214-7 Health Care Services: Professional Fees
H-576-60 Medical Centers: Patient Accounts Receivable
R-212-2 Receivables Management

Business and Finance Bulletin (BFB)
Bus-49 Cashiering Policy & Procedure Guidelines

II. BACKGROUND

Undistributed Cash and other credits are addressed in the UC Accounting Manual at C-173-26, Cash: Deposits and Other Credits, II.B. Separately, Accounts Receivable are discussed in Accounting Manual chapters H-214-7, H-576-60, and R-212-2. UC Accounting Manual chapter C-173-78, Cash: Unclaimed and Uncashed Checks provides University procedures concerning unclaimed and uncashed checks. Section VI addresses the write-off of these credits.

However, there is no provision for disposition of aged undistributed cash, unidentified wires/ACHs, undistributed/unidentified credits in patient and other accounts receivable subsystems, and other unidentified credits. Section I of C-173-78 indicates that “A written standard … should be prepared for any campus policies that deviate from the standards set forth in this chapter.” Accordingly, General Accounting, Medical Center, Medical Group and Internal Audit have developed this modification to the write-off policies in UC Accounting Manual C-173-78 for the credits created by unclaimed and uncashed checks, and in order to expand those policies to cover aged undistributed cash and other credits.
III. POLICIES AND PROCEDURES

A. Follow-up action/Follow-up effort.

For the local campus, the guidelines for follow-up effort, subject to resources available, are as follows:

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<th>Amount</th>
<th>Effort</th>
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<tr>
<td>$1,000 and over</td>
<td>Maximum effort, such as phone calls or letters to last known location, consultation with campus departments, publication of web listings, consulting telephone/web directories, wire tracers as appropriate, etc.</td>
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<tr>
<td>$100 to $999</td>
<td>Moderate effort, such as attempting to contact the payer, publishing of web listings, etc., in the case of Undistributed Cash and other credits.</td>
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<tr>
<td>Less than $100</td>
<td>No effort made, except in certain cases (such as Payroll), as determined by the accounting office.</td>
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The above follow-up action guidelines apply to both unclaimed and uncashed checks, for the campus, the Medical Group, and the Medical Center. These guidelines should also be applied to Undistributed Cash items arising from unidentified checks, wires, ACHs, or other electronic receipts, including those which have been credited to an account receivable sub-system without being identified to a specific patient or account. At their discretion, Medical Group or Medical Center may implement stricter departmental guidelines.

B. Timing of transfer to outstanding check accounts. Write-off of outstanding items.

Unclaimed checks and uncashed checks should be transferred to the outstanding check accounts at least annually. They are held in the outstanding check accounts for four years. Since a check is seldom claimed by the payee after this time, it can be written off; however, there is no legal significance to the four year period. Even after the write-off, the University generally honors old checks presented for payment.
Unidentified wires, ACHs, and other unidentified credits should follow the same timing as unclaimed checks.

The accounts in which Undistributed Cash, ACHs and wires, and other credits reside should be aged and written off in a manner similar to the uncashed and unclaimed checks accounts.

In manner similar to unclaimed checks, the transfer to outstanding items accounts should include the DATE of the receipt (mm/yy) at the beginning of the Description line, along with the name of the Payer. This will allow General Accounting to date the items correctly. (This paragraph should NOT override the existing Medical Center process.)

At campus option, checks of $100 or less may be written off one year after they have been transferred to the outstanding check accounts.

C. Non-federal fund source checks and credits.
Since campuses became responsible for their own bad debts (instead of charging Office of the President/General Funds), the bad debts have been charged to fund 67523A BFS-GA Contingency Funding. Concurrently, the write-offs of campus non-Federal unclaimed checks have been credited to fund 67523A in order to help fund the bad debts. Although a specific department cannot be identified as the owner, it is expected that Undistributed Cash and other unidentified credits validly belong to the University. Accordingly, their write-off should be handled similarly to the write-off of unclaimed and uncashed checks. Campus items will be written off to fund 67523A. Items from the Medical Center will be credited to the Medical Center or returned to payer. Medical Group items that appear to be related to patient receivables will be credited to the Medical Group.

And, just as the University honors old checks presented for payment, any department which receives a credit from the write-off of undistributed cash or other unidentified credits would have a potential liability in the unlikely case of a legitimate claim for the credit.

D. Federal fund source checks and credits.
At least once a year, checks to be written off from accounts 215542 and 215543 (for outstanding unclaimed vendor and payroll checks originally charged to Federal funds) must be totaled for each account. One check should then be prepared for the grand total. The check, made payable to the order of the United States Treasury, should be sent to the appropriate agency.
Unidentified checks, ACHs, Wires, etc., received from the federal government will be treated similarly to the outstanding unclaimed vendor and payroll checks originally charged to Federal funds.