Unclaimed Checks Policy

Terms:

Unclaimed Checks- Checks issued by the Clinton Township Public Library that have not been claimed

Library- Clinton Township Public Library

Reconciliation:

The Library shall reconcile all bank accounts by the 25th of each month. All unclaimed checks issued by the Library will be noted and documented.

Issued Checks:

Unclaimed checks issued fewer than 6 months (180 days): Original checks remain valid. The Library shall keep funds reserved in the budget and will not issue duplicate checks unless there is a confirmation of non-receipt and a stop payment is placed.

Unclaimed checks issued more than 6 months (180 days): Checks become outstanding and the Library will escalate to the "Payee Outreach" portion of this policy.

Payee Outreach:

The Library shall use due diligence to contact the payee of an Unclaimed Check, requesting confirmation within 30 days of:
a) the check was received

b) the check was lost, damaged, or misplaced, and/or

c) the payee wants a replacement check

d) if the payee requests the check be reissued, the Library shall issue a replacement check and close the outstanding check liability

Unclaimed Property:

If the check remains unclaimed after outreach but before 30 days, the Library shall reverse the cash disbursement and reinstate the liability and move the amount into an "Outstanding Checks" liability account.

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If the payee does not respond within 30 days, the Library shall:

- void the original check in the accounting system
- update the check register and bank reconciliation
- maintain documentation of the void action for audit trail purposes
- continue holding the liability until:
    - The payee later requests payment, or
    - The fund reaches the statutory period under Michigan's unclaimed-property law (1 year for payroll checks, and 3 years for vendor checks)

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