



# State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

December 23, 2003

**MEMORANDUM NO: SAD 04-12**

**TO:** Chief Fiscal Officers  
Vice Chancellors  
Business Managers

**FROM:** Robert L. Powell  
State Controller

**SUBJECT:** Revision to the Monthly Check Reconciliation Policy

Effective January 1, 2004, entities within the State of North Carolina will not escheat checks that have been issued to another State entity. The Office of the State Controller has revised the check reconciliation policy to assist with the issue of outstanding checks to state entities. The policy is revised as follows:

After completing the monthly reconciliation of the disbursing account(s), a review must be completed by all payer agencies of all outstanding checks with an issue date 30 days or older. Any checks issued to a State entity from another State entity that has not cleared within 30 days will require additional contact of the payee agency. A letter will be sent to the vendor's address questioning whether the check was received and/or deposited (see sample letter). If no response is received from the letter sent at 30 days and the check remains outstanding after 60 days, a second letter will be sent to the Fiscal Officer of the payee entity along with an affidavit requesting the check be reissued (see sample letter). If no response is received from the payee entity after 90 days, a third letter will be sent to the Fiscal Officer of the payee entity explaining that information on the outstanding check will be forwarded to the Office of the State Controller (see sample letter). Information on all checks issued by one State entity to another State entity that has not cleared within 90 days will be sent to the Office of the State Controller Central Compliance Manager. A log will be maintained by your office to track the status of outstanding checks to other State entities (see sample log). The Office of the State Controller Central Compliance section will contact all payee entities with outstanding checks 90 days or older to resolve the outstanding check. All funds from checks not cleared as a result of contact by the Office of the State Controller will be remitted to the Office of the State Controller.

The policy revision will be effective **January 1, 2004**. Attached are sample documents for the implementation of the policy.

For questions concerning the policy or North Carolina compliance, contact Amber Young, 919-981-5481 or [ayoung@mail.osc.state.nc.us](mailto:ayoung@mail.osc.state.nc.us).

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