

NORTHEAST COMMUNITY COLLEGE

ADMINISTRATIVE PROCEDURE NUMBER: AP-6190.0

FOR POLICY NUMBER: NONE

UNCLAIMED PROPERTY PROCEDURES

1. PROCEDURE SUMMARY STATEMENT

To establish procedures for proper fiscal management of unclaimed property.

State of Nebraska statutes and the Office of the Treasurer dictate the procedures that Northeast must adhere to for unclaimed property. In addition, federal regulations supersede State of Nebraska requirements when the unclaimed property is the result of a Title IV award to students. Federal financial aid regulations require that unclaimed property caused by a Title IV award to a student shall be returned to the U.S. Department of Education rather than to the State of Nebraska.

2. DEFINITIONS

Unclaimed property, in the case of Northeast Community College, is generally considered to be check payments delivered to students, employees, or vendors which have not been cashed within a specified period of time.

3. PROCEDURE

3.1 Outstanding Checks are identified after the completion of monthly bank account reconciliations by the Accounting Services Department. No less than quarterly (January, April, July, October), the Accounting Services Department shall make an attempt to contact the owner of uncashed items by U.S. mail.

3.1.1 Information pertaining to the outstanding check payees shall be compiled into a spreadsheet after the most recent bank account reconciliations have been completed. The spreadsheet shall include the following information: Payee Name, Address, City, State, Zip, Check Number, Check Amount, Payee Identification number, and Check Date.

3.1.2 When the outstanding check was drawn on the College bank account used for processing student refunds, the procedures for identification and proper handling of uncashed Title IV payments shall be completed prior to proceeding with completion of the Unclaimed Property Procedures.

3.1.2.1 The spreadsheet identifying the payees with outstanding student refund checks will be provided to the Financial Aid and Accounts Receivable Services Departments. Financial Aid will review the student aid award for each student identified to determine the funding

source of the student refund (Federal aid, scholarships, student overpayment, etc.). Accounts Receivable Services shall review the current account balance of any student with an uncashed check to identify possible charges that could be paid with the outstanding refund balance. If necessary, Accounts Receivable Services shall void the refund check to pay the unpaid balance and re-issue the remaining amount, if any, to the student via a new refund check.

- 3.1.2.2 If it is determined that the amount of student aid refunded as a result of a Title IV award cannot be applied to the student's unpaid balance, if any, and the student cannot be reached for affirmation of unclaimed property, the refund check will be voided and the amount of unclaimed funds will be returned to the appropriate federal aid program as prescribed by applicable federal regulations.
- 3.1.3 A letter shall be sent to any person or vendor with an uncashed check dated at least three months prior to the letter date. Contact to individuals or vendors by letter for an uncashed check of less than \$25.00 shall only be attempted one time.
- 3.1.4 If a letter recipient contacts the College regarding an outstanding check, the subsequent action, e.g. the check is voided, reissued, or cashed, shall be documented on the spreadsheet.
- 3.1.5 In accordance with State of Nebraska requirements, once an uncashed check has reached the specified threshold of time, the check shall be voided from Northeast Community College's financial records and the funds shall be remitted to the State of Nebraska Office of the Treasurer.

4. APPLICABILITY

N/A

ISSUE DATE: 4/27/2016

EFFECTIVE DATE: 4/27/2016

REVISION DATE(S): N/A

PRIOR POLICY/PROCEDURE NUMBER: N/A

SCHEDULE FOR REVIEW: 2021

DIVISIONS/DEPARTMENT RESPONSIBLE FOR REVIEW & UPDATE: Administrative Services

SPONSORING DIVISION/DEPARTMENT: Administrative Services

RELATED PROCEDURES/ REFERENCE:

PROCEDURE KEY WORDS: Outstanding check; uncashed check; unclaimed property