Accounting and Administrative Manual
Section 100: Accounting and Finance

Issuance of Handpay Checks
No.: C-09

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General:

The use of hand-prepared (handpay) checks is discouraged. Handpay checks should only be issued for unusual circumstances with time constraints.

Campus Business Manager
1. Establishes the office procedure using this procedure as a guide. Features of the procedure must ensure:
   a. the custodian never has access to the signature plates,
   b. the check signer never has access to the blank checks, and
   c. the usage is monitored to ensure there are no missing checks

Business/Accounting Office - Preparer
2. Determines that hand-prepared check is required.
   a. Hand-prepared checks are to be issued only in unusual circumstances that cannot be prepared timely by the computer.
   b. Handpay checks are not to be used to avoid the budget checking process inherent in the accounts payable system.

3. Receives approval from the campus business manager or his/her delegate for hand-prepared checks prior to check preparation.

4. Preparer gives the request for the handpay checks and the supporting documentation to the check custodian.

Check Custodian
5. Forwards supporting documentation and check stock to typist.
Typist

6. Types check(s) and has the typed check reviewed for accuracy. Reviewer initials. Unusable checks are marked “VOID” through the dollar amount block and through the signature line.

7. Makes two copies of the completed and void checks. Returns unused and voided checks to the custodian.

8. Original check and mailing items are given to the Check Signer.

9. Retains a copy of the typed and voided checks until year end and then sends to Statewide (SW) Cash Management for microfilming.

10. Gives the support and a copy of the check to Accounts Payable, Travel, or Payroll for recording in the system.

Data Entry Person

11. Enters handpays. Maintains a handpay log and questions missing numbers. Files check copies and support as appropriate.
Handpay Checks

Check Preparer requests handpay checks. Gives backup to Custodian

Custodian

Determines number of checks required and issues to typist. Logs out checks

Typist types check and has an independent review

Reviewer verifies data typed on check agrees with backup. Initials and returns to typist

Typist makes 2 copies of all checks, including voided checks. Original check plus items for mailing is passed to Check Signer.

Returns unused and voided checks to Custodian. Custodian verifies usage equals need. Forwards voided checks to SW Cash Management for filing.

Copy and support given to Recorder for input on financial system

Documents filed as appropriate.

Enters data into financial system. Maintains handpay log. Questions missing numbers.**

Keeps copy until year end.

Checks signer signs and mails out. May keep a log to help in tracking payments.

Copies sent to SW Cash Management after fiscal year end for microfilming.

** Important control feature