Stop Payment and Reissue of University Payroll Checks
FIN-ACC-541

About This Policy

Effective Dates:
12-01-1990

Last Updated:
08-19-2021

Responsible University Administrator:
Executive Vice President for Finance and Administration

Policy Contact:
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Scope

All Indiana University units and employees.

Policy Statement

A. All payroll checks related to inquiries should be directed to the campus payroll office.

B. University payroll checks that are lost, stolen, or mutilated will be replaced when authorized by the applicable campus payroll office. The payroll office on each campus will also have authority to determine if and when payroll checks will be immediately reissued.

C. In general, if an employee is expected to continue employment and there is no expectation that the university would incur a financial loss by immediate reissue, a campus payroll office may issue a duplicate check immediately upon receipt of notification from Cash Accounting in the Office of the University Controller that a stop payment order has been placed with the bank.

D. If both the original and duplicate payroll checks are cashed, it will be the responsibility of the campus payroll office to collect the duplicate payment, provided the duplicate payment was not the fault of the bank, and was not a forgery. If the double payment is the result of forgery, the campus payroll office will send a completed and notarized affidavit of forgery to Cash Accounting to be processed. Cash Accounting will forward copies to the IU Police Department and Internal Audit.

Reason For Policy

To establish a procedure allowing the immediate reissue of payroll checks that are lost, stolen, or mutilated.

Procedure

All stop payment orders will be placed electronically with the appropriate bank. After 24 to 48 hours a status inquiry is made. If the bank's system shows that a stop pay is in place, an authorization for a replacement check will be sent to the Office of the University Controller.

Stop payment orders received by the bank prior to the close of bank business operations (typically 2:30 p.m.) will be processed on the day the order is received. Stop payment order workflow forms must be submitted online in order to cancel a check. The form can be found on the Office of the University Controller's website.
Definitions

**Stop Payment Order:** A directive given by the university to the bank on which a particular check is written that calls for the bank not to honor the check when it is presented for payment.

History

This policy was established December 1, 1990.

This policy was updated on August 19, 2021.

**Related Information**

Stop Payment and Reissue of University Payroll checks, FIN-PAY-30