



# Outstanding Checks Policy

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## **Purpose**

The purpose of the policy is to ensure proper fiscal management, accurate financial reporting, internal control, and compliance with applicable Illinois statutes governing unclaimed property. This policy establishes procedures for monitoring, notifying, accounting for, and remitting outstanding checks issued by the St. Charles Public Library.

## **Monitoring of Outstanding Checks**

The Treasurer, or their designee, shall review outstanding checks as part of the Library's regular bank reconciliation process.

## **Notification to Payee**

When a check has been outstanding for more than six (6) months from the check issue date, the Treasurer, or their designee, shall notify the payee by first-class mail. The notification shall include: Check number, check date, check amount, and instructions for claiming or reissuing the check. The payee shall have thirty (30) days from the date of the notification to respond.

## **Voiding and Reclassification**

If the outstanding check is not claimed within the 30-day response period:

- The original check shall be voided in the accounting system.
- A journal entry shall be made reclassifying the funds to the Library's unclaimed liability account.
- Documentation of the notification and journal entry shall be retained.

## **Annual Review of Unclaimed Liability Account**

At least once each fiscal year, the Treasurer, or their designee, shall prepare a listing of all checks held in the unclaimed liability account. This listing shall be reviewed as part of the Library's audit.

## **Disposition to the State of Illinois**

Once annually, in July, the Treasurer shall review all unclaimed amounts in the unclaimed liability account to determine which items meet the statutory dormancy period. Outstanding checks dated three (3) years or older shall be remitted to the State of Illinois Unclaimed Property Division in accordance with the Illinois Revised Uniform Unclaimed Property Act.

If a valid claim is made prior to remittance to the State a replacement check may be issued with appropriate authorization.

Adopted: 6/10/26

Revised: --

Reviewed: --