

11.2 Returned Cheques

Policy Statement

It is the policy of the Province of Nova Scotia to record returned cheques on a timely basis and to follow up with the payer for appropriate action.

Policy Objective

The purpose of this policy is to ensure that returned cheques are identified on a timely basis to permit appropriate follow up with the payer. Recording returned cheques also supports the bank reconciliation function.

The Operational Accounting Division of the Department of Internal Services will monitor this account (143101) on a regular basis to ensure proper clearing and to advise departments of any discrepancies found.

Application

This policy applies to the province's bank account users who deposit cheques for credit to various accounts recorded in the province's SAP system.

Policy Directive

When cheques are returned by the bank, the Capital Markets Administration division of the Department of Finance and Treasury Board will debit the NSF Clearing Account (143101) using the business area code for the department that deposited the cheque.

Each government department is responsible for clearing this NSF clearing account on a monthly basis to the appropriate recovery, revenue, or receivable accounts.

Accountability

Capital Markets Administration and departments are jointly responsible for the recording and clearing of returned cheques.

Enquiries

Capital Markets Administration
Department of Finance and Treasury Board
(902) 424-3636 or (902) 424-7635

Approval date: **January 9, 2003**
Approved by: **Executive Council**

Effective date: **July 5, 2001**
Administrative update: **May 30, 2016**
