

## 15.7 Stale-Dated Cheques

### Policy Statement

It is the policy of the Province of Nova Scotia to cancel cheques as they become stale dated.

### Definitions

#### **STALE-DATED CHEQUE**

A cheque becomes stale dated six months after the date printed on the cheque.

### Policy Objective

The purpose of this policy is to set government-wide standards for the handling of stale-dated cheques that have been issued by the province. This policy will allow for the issuance of replacement cheques on a timely basis or cancellation of those cheques no longer required. Any cheque that becomes stale dated will be cancelled six months after the month in which it was issued.

### Application

The stale dated cheque policy applies to all those who use the government's SAP system to record its accounts payable vendor payments.

### Policy Directives

Operational Accounting reviews monthly the list of outstanding cheques to identify stale-dated cheques to be cancelled. These cheques and the underlying AP documents are reversed. Cheques issued in U.S. funds will be treated the same as Canadian funds cheques. They are reversed at the original exchange rate as per date of issue.

Current year payments are reversed to the department's expense accounts in the current fiscal year. Those cheques issued in a prior fiscal year are reversed and credited to prior years' recoveries.

Operational Accounting downloads the outstanding cheque information into a report, noting the business area for each cheque, during the cancellation process. This report is sorted by business area and distributed to the department as notification of cheques that have been cancelled.

Departments may request a cheque to be re-issued after cancellation. Departments will have to enter a new document in SAP Accounts Payable, entering “**replacing cheque number XX**” in the document header text field. When replacing a cheque that was issued in a previous fiscal year, departments must notify Operational Accounting of the original cheque number and the document number entered for the new cheque, so that adjustments can be done to prior years’ recoveries for the replacement cheque. When replacing a cheque that was issued in the current fiscal year, no further action will be required beyond entering a new accounts payable document.

### **Accountability**

Operational Accounting is responsible for ongoing review of stale-dated cheques. Departments are responsible for providing instructions for cheque re-issuance when appropriate.

### **Monitoring**

Operational Accounting will monitor the policy.

### **Enquiries**

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Approval date: **July 31, 2008**

Effective date: **August 21, 2008**

Approved by: **Executive Council**

Administrative update: **August 26, 2019**

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