

SAM - CASH

LOSS BY BANKS OF CHECKS DEPOSITED BY STATE (Revised 8/2015)

8035

When checks are lost, the department will first ascertain the circumstances under which they were lost and work with the bank to locate the checks. If the checks cannot be found, the department will attempt to recreate the deposit and remit it to the bank for processing. If the department cannot recreate the deposit, the department will try to establish whether the bank had possession of the checks at the time the loss occurred. If it appears that the bank had possession of the checks and the loss was the fault of the bank, the department will not reimburse the bank for the loss and will refer the matter to the Department of Finance ([Finance](#)), Fiscal Systems and Consulting Unit ([FSCU](#)). If the department cannot determine fault by the bank, it will draw a check on the account in which the deposit was made to reimburse the bank for the lost checks. The department will notify the payees of the lost checks and request them to place “stop payments” on the lost checks and remit replacement checks.

Finance, FSCU, will be notified if the department believes that there is probable fault on the part of the organization transporting the checks or any other bank other than the depository bank.