

Acceptance of Checks Drawn on Canadian Bank For Departmental Deposits

Responsible Office: Student Account Services
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GENERAL PROCEDURE INFORMATION

UND Student Account Services encourages departments to not accept checks drawn on a Canadian bank, due to the significant differences in Canadian banking regulations. To avoid the risk of a Canadian check being returned (charged back to the departmental fund), departments should communicate acceptable payment methods to their customers.

This procedure applies to checks received within the department and deposited as a departmental deposit. Canadian checks should not be accepted for payment on a Campus Connection account (student payment, EXT ORG). Any exceptions to this will be made on a case-by-case basis and must be approved by the Controller or Assistant Controller.

POLICY/PROCEDURE

Due to business-related reasons, departments may feel that it is in their best interest to accept checks drawn on a Canadian bank account. Canadian banking regulations allow for a negotiated check to be returned as unpaid for an unlimited period of time, possibly exceeding a year. If a department accepts a check drawn on a Canadian bank account and the check is later returned as unpaid, the department is responsible for the chargeback liability and all related fees associated with the returned check.

It is advised that the department should be comfortable that the remitter of the check, from whom they are accepting payment, is a reputable vendor and have confidence in the vendor's ability to pay.

In addition, if the check is made payable in Canadian dollars, the department will be charged the exchange fee associated with the transaction. If a department is accepting a check drawn on a Canadian bank account, they should request that it be made payable in US funds.

Accepting Checks Drawn on a Canadian Bank Account

1. The department should request that the check be made payable in US funds, not Canadian dollars.
 - a. If check is made payable in Canadian dollars, the deposit will be processed for the face amount of the check

- b. A journal entry will be processed for the exchange fee associated with the transaction. This transaction may take place 7-14 days after the original deposit.
- 2. Department submits the check for deposit, using the SAS Departmental Deposit form, located at: <http://und.edu/finance-operations/student-account-services/dept-form.cfm#d>
 - a. The department should make a note on the Departmental Deposit Form that the check is drawn on a Canadian bank account.
- 3. **By submitting a check drawn on a Canadian bank account, the department automatically assumes the risk of a chargeback if it should be returned at any time in the future (ex. weeks, months or years).**
 - a. If returned, the amount of the check will be charged to the fund that the check was originally deposited.
 - b. All additional fees associated with the returned check will be charged to the fund that the check was originally deposited.
 - c. If the original fund is no longer active, an alternate departmental fund will be charged.

DEFINITIONS

RELATED INFORMATION & RESOURCES

Deposit Form	http://und.edu/finance-operations/student-account-services/dept-form.cfm#d

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Date