

CHECKS, MANUAL

PURPOSE

This recommended practice describes the generic steps for requesting a manual check from OSPS.

OSPS processes manual, special or off-cycle checks daily, outside the two regular monthly payroll runs. Some of the reasons that you may need a manual check include:

- Pay advance
- Moving expense advance
- Final check
- Error correction
- Replace lost check
- Wage withholding order received after the payroll run and prior to payday
- Replacement payment for a rejected direct deposit

You may request a manual check for an employee, a vendor or survivors of a deceased employee.

AUTHORITY / REFERENCES

See Resources below.

SCOPE / APPLICABILITY

This practice applies to all agencies that use OSPA. The process may vary by bargaining agreement. Some agencies have access to cancel their own checks.

RESPONSIBILITIES

Several organizational units may be involved in the preparation and distribution of a manual check, they include:

Entity	Responsibility
Employee	<ul style="list-style-type: none"> • Completes, signs and submits any required form • Submits corrected timesheet or corrects time entered through ODT, when appropriate

Entity	Responsibility
Agency Payroll Office	<ul style="list-style-type: none"> Submits Form 75.45.01.FO Authorized OSPA Signatures to OSPS Follows recommended practice below to request manual checks Researches a rejected ACH. Makes necessary changes on the P070 Deduction and Deduction Adjustments screen for future payroll runs
Agency Authorized Signatory	<ul style="list-style-type: none"> Signs form 75.45.01.FO Authorized OSPA Signatures Reviews and signs check requests
Oregon Statewide Payroll Services (OSPS), State Controller's Division (SCD), Department of Administrative Services (DAS), OSPS.Help@state.or.us	<ul style="list-style-type: none"> Following the recommended practice below, audits, processes and distributes manual check requests by the print plant deadline each business day Enters vendor deduction codes on the ADD1 and ADD2 (displayed on the PTD1 and PTD2) Payroll Deduction Table screens Reconciles PPNN entries Works with Oregon State Treasury, actions may include: <ul style="list-style-type: none"> Initiates funds transfers to IRS Reviews ACH Returns Report and forwards copy to Agency Payroll Office when needed Requests stop payment for lost employee check
OSPS Manager	<ul style="list-style-type: none"> Approves any check with a net amount \geq\$10,000.00 Approves PPNN reconciliation
Publishing and Distribution (P&D), State Services Division (SSD), DAS	<ul style="list-style-type: none"> Prints and delivers checks to OSPS
Statewide Accounting and Report Services (SARS) SCD, DAS	<ul style="list-style-type: none"> Reviews PPNN reconciliation
Oregon State Treasury (OST)	<ul style="list-style-type: none"> Processes transfer of funds to IRS Serves as contact to ACH Clearing House, including: <ul style="list-style-type: none"> Direct deposit file ACH returns Serves as contact to U.S. Bank, including: <ul style="list-style-type: none"> Check redemption file Stop payment requests

SYSTEMS / APPLICATIONS

System / Application	Functionality
Oregon State Payroll Application (OSPA)	<ul style="list-style-type: none"> Automatically generates a one-time PPNN deduction on the P070 Deductions and Deductions Adjustments screen to reduce the employee's next pay by the amount of the check

PREREQUISITES

Before an agency can request a manual check, the agency must have a Form 75.45.01.FO Authorized OSPA Signatures on file with OSPS. An authorized individual listed on the form must sign the check request.

If the check is a rewrite of a prior check, the original check must be given to OSPS and cancelled prior to issuing a new check, unless the rewrite is for a lost check (see Notes, Lost Checks below).

If the check is the result of an ACH reject, the bank must return the funds to the Joint Payroll Account (JPA) before OSPS will issue a replacement check.

Additional entries and forms vary, depending upon the reason for the manual check. See Notes below.

RECOMMENDED PRACTICE

Both agency payroll and OSPS have responsibilities for producing manual checks. The following recommended practice includes both the agency payroll and OSPS roles.

Action	More
1. Agency payroll asks employee or vendor to complete any required form, see Supporting Documentation / Forms below.	See Notes below for specific situations.
2. Make sure the required form is complete and legible.	
3. If needed, request a new vendor deduction code from OSPS.	
4a. If the manual check will replace a lost check, see Notes, Lost Checks below.	
4b. If the check is being cancelled and rewritten because the employee's time is incorrect: <ul style="list-style-type: none"> ▪ If the employee uses a paper timesheet, correct the hours on the P003 Time Capture screen ▪ If the employee is on On-line Daily Time and the employee's supervisor has locked the time, unlock the employee's time on the P006 Payroll Time Capture – Supervisor Entry Menu screen 	
4c. If the check is a vendor check rewrite that has not been lost: <ul style="list-style-type: none"> ▪ Obtain the vendor check to be rewritten ▪ Complete and attach OSPS.99.23 Return a Check to OSPS form 	If replacing a lost check, see Notes, Lost Checks below.

Action	More
<p>4d. If the request is for a payroll advance:</p> <ul style="list-style-type: none"> ▪ See OAM 45.25.00.PO and PR or the applicable bargaining agreement for the criteria, process and minimum amounts ▪ Use the P370 Calculation of Current Payoff screen to complete the PAYROLL section of 75.25.02.FO 	
<p>5. If you made a correction to a closed pay period (Run 2 final has processed), set a corrective flag (Corr Flag = Y) on the P190 Payroll Register Data screen</p>	
<p>6. If you have made correcting entries in OSPA, check your entries on the P370 screen.</p>	<p>See the OSPA Reference Manual, Screen Descriptions, P370</p>
<p>7. Make a screen print of the P370 screen.</p> <ul style="list-style-type: none"> ▪ If there is not a required form, the P370 screen print will serve as the check request. When making the inquiry on the P370, use the date you want to have printed on the check as the check date. Do not backdate. ▪ For a late wage withholding order, indicate the amount that will go to the vendor (with the vendor's deduction code) and the amount that will go to the employee. Strike through the printed amount to indicate special processing. ▪ For a deceased employee, see Notes, Deceased Employees below ▪ Make sure the reason for the check is clearly stated (it may be apparent from the form used) 	
<p>8. If the check is a rewrite for a vendor check, attach the voided original check, unless it is a lost check.</p>	
<p>8. Have an employee who is on Form 75.45.01.FO with authority to approve manual check requests review, sign and date the manual check request – either the required form or a screen print of the P370</p>	
<p>10. Fax the check request to OSPS. If you are requesting more than 20 checks, see http://oregon.gov/DAS/Financial/Payroll/Pages/services.aspx</p>	
<p>11. If the manual check will replace a lost check, OSPS will:</p> <ul style="list-style-type: none"> ▪ Confirm that the check has not been redeemed ▪ Request a stop payment from Oregon State Treasury if the check is < 90 days old and ≥\$50 ▪ Notify the agency if U.S. Bank cannot stop the payment 	

Action	More
<p>12. The OSPA Help Desk will perform the following audits for requests:</p> <ul style="list-style-type: none"> ▪ Confirm that payroll has set a corrective flag on the P190 screen if the request indicates a correction for a closed pay period ▪ Compare the signature authorizing the request to the signatures on the current Form 75.45.01.FO on file in OSPA ▪ Ensure that the related transactions and payment will post to the correct tax year at year-end 	
<p>13. The OSPA Accountant will audit deceased employee payments for accuracy.</p>	
<p>14. Once OSPA has completed the audit of the request, staff will enter the manual check request in OSPA and notify DAS Publishing and Distribution (P&D).</p> <p>The OSPA Manager will approve any payments with a net amount of ≥\$10,000.00.</p>	
<p>15. After P&D delivers the manual checks, OSPA will distribute the checks to the shuttle or the agency lockboxes by 3:00 PM. Staff will put a message on the OSPA PMSG when distribution is complete.</p>	
<p>16. If you are from a Salem agency, pick-up the check from the agency's lockbox after 3:00 PM. If you are outside Salem, the check will arrive via shuttle.</p>	
<p>17. Distribute the checks:</p> <ul style="list-style-type: none"> ▪ If you are mailing a vendor check for a late arriving withholding order, include the employee's name, SSN and case number with the check. 	
<p>18. Wait until OSPA posts the PPNN deduction on the P070 screen before making any additional unrelated changes to the employee's pay record.</p>	

NOTES

ACH Reject – If the designated financial institution cannot process the direct deposit, it rejects it. The Oregon State Treasury (OST) receives this information via the ACH Clearing House. If an employee in your agency has a rejected ACH, OSPA will fax a copy of the J463-30-1 ACH Returns report to the agency payroll office.

For the next payroll run 1 after you enter a direct deposit on the P070 screen, OSPA will send a pre-note to the account. This is a transaction for \$0.00 to test the accuracy of the ABA routing / transit number and employee account number. If the direct deposit rejects in a payroll run after the pre-note, the employee or vendor will not receive the payment that would have resulted from the direct deposit. For employee payments, submit a signed P370 screen print to OSPA to request a

manual check to replace the direct deposit. OSPS will not process the check until the state has received the funds back via the ACH Clearing House.

OSPS staff members will handle the payment rewrites for vendors.

Deceased Employees – To request checks for the payment of the final wages for a deceased employee, submit a signed screen print of the P370. If there is more than one payee, mark through the P370 amount. On the screen print list the name, address, TIN and amount for each payee. Indicate whether the payee is a spouse, dependent child or the "estate of." If you do not have a TIN, indicate the amount for back-up withholding with the payee as the Department of Administrative Services. Contact OSPS for the current back-up withholding rate. See the OSPA Reference Manual, Recommended Practices, Deceased Employees.

Lost Check – To report a lost vendor or employee check:

- If the check is for <\$50 or >90 days old, submit a completed and signed OSPS.99.03 Lost Check Replacement Form
- If the check is ≥\$50 and <90 days old, submit a C-27 Stop Payment Request

To find the check information, use:

- XREFRL Alpha Listing of Employee Checks report
- XREF23 Vendor Check Summary report
- For manual checks, the P070 Deductions and Deduction Adjustments screen, PPNN deduction

Before OSPS processes the manual check, the staff will:

- Confirm that the check has not yet been redeemed
- Ask OST to request a stop payment from U.S. Bank for checks that are ≥ \$50 and <90 days old

Original Check Found – If you replace a check and the payee later returns it to the agency's payroll office, complete OSPS.99.23 Cancel an OSPS Issued Check form. Mark the check VOID. Attach the check to the form. Send both to OSPS.

Original Check Redeemed – If you replace a check and it is later redeemed, contact the employee or vendor to determine if they wish to submit an OSPS.99.22 Forged Check Affidavit. If so, contact OSPS for assistance. The Affidavit is a legal document that initiates an investigation into the employee's claim.

If the intended recipient redeemed both checks, work out a repayment of the overpayment with the employee or vendor. If the payee will not immediately repay the overpayment, have your agency reimburse the Joint Payroll Account for the full amount of the overpayment.

Pay Advance Request – The employee, the employee's supervisor and the authorized OSPA signatory must sign Form 75.45.02.FO Request for Payroll Advance. See OAM 45.25.00 PO and PR or the applicable bargaining agreement for the criteria for issuing a pay advance.

Rewrite -- OSPA will rewrite a check or a direct deposit for the following reasons:

- Employee had LWOP that was not entered prior to the payroll run
- Employee's time was entered incorrectly
- Death of the employee

- Lost check
- Wage withholding order received after payroll run and before pay day

Except for lost checks, OSPS will only rewrite a check after reversing or cancelling the original. OSPS will not rewrite a direct deposit unless OSPS is able to delete the deposit from the direct deposit file before submission to OST or unless OST is able to return the deposit to us.

If applicable, correctives must be set for prior pay periods.

Signatures – When you submit a request for a manual check, OSPS will verify that the request has an authorizing signature and that the person signing it is included in the current 75.45.01.FO Authorized OSPA Signatures on file with OSPS.

OSPS will not accept forms with stamped signatures, initials only or signatures by someone “for” another person.

Stop Payment Requests – The process for a stop payment request includes:

- Agency submits the completed and signed C-27 Stop Payment Request to OSPS
- OSPS sends the request form to OST
- OST enters the request in a system they share with U.S. Bank
- U.S. Bank validates the stop payment
- OST notifies OSPS
- OSPS processes a replacement check

OSPS will not process the replacement check until we have confirmation from U.S. Bank that the bank was able to stop the payment. If U.S. Bank cannot stop the payment, OSPS will notify agency payroll.

Vacation Pay-offs -- OSPS will not write a manual or off-cycle check to pay-off vacation or compensatory time for a current employee. Make the entry on the P050 Gross Pay Adjustments on File screen and allow it to process through a normal payroll run. See the OSPA Reference Manual, Handbooks, Leave Accrual and Reporting.

EXCEPTIONS

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TROUBLESHOOTING

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SUPPORTING DOCUMENTATION / FORMS

DAS staff members who are external to OSPS audit manual check requests monthly. When examining the requests, the auditor expects to see full support for the request, including a signature authorizing the request.

If you request the manual check with a screen print of the P370 Calculation of Current Payoff, please note the reason for the request, such as termination or timesheet correction. If the amount of the request differs from the screen print, mark through the P370 amount and clearly indicate the amounts requested and the payee(s).

75.45.01.FO Authorized OSPA Signatures lists the agency staff members who may approve manual checks. OSPS will verify the staff members' signature when processing a manual check request.

Forms that may be required include the following. They are available on the OSPS web site, <http://oregon.gov/DAS/Financial/Payroll/Pages/forms.aspx>

- 75.45.01.FO Authorized Signatures
- 75.45.02.FO Request for Payroll Advance
- C-27 Stop Payment Request
- OSPS.99.03 Lost Check Replacement form
- OSPS.99.22 Forged Check Affidavit
- OSPS.99.23 Cancel an OSPS Issued Check

If canceling a check, attach the original check to the form.

RESOURCES

Oregon Revised Statutes (ORS), https://www.oregonlegislature.gov/bills_laws/Pages/ORS.aspx

- 292.033 Advances of regular and terminal salary or wages
- 293.475 Issuance of duplicate instrument; affidavit of owner, payee or representative
- 652.140 Payment of wages upon termination of employment

Oregon Accounting Manual (OAM),

<http://oregon.gov/DAS/Financial/Acctng/Pages/OAM.aspx>

- 45.25.00.PO and PR Salary Advances

Collective bargaining agreements, <http://oregon.gov/DAS/HR/Pages/LRU.aspx>

BOLI web site, <http://www.boli.state.or.us/>

OSPA Reference Manual, <http://oregon.gov/DAS/Financial/Payroll/Pages/referencemanual.aspx>

REPORTS

See the OSPA Reference Manual, Report Descriptions for information on the following reports:

- XREFRA ACH Direct Deposit Register
- J463-30-1 ACH Returns
- XREFRL Alpha Listing of Employee Checks

- XREF87 Payroll Check Reversals
- E311-01 Vendor ACH Deductions
- XREF23 Vendor Check Summary

ATTACHMENTS

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REVISION HISTORY

Date	Rev. No.	Modification
01/12/07	1.0	Original
01/18/08	1.1	Additional clarification, SB 303
02/09/09	1.2	Form changes, ACH Returns report #
03/06/09	1.3	Stop pay process, maximum vacation pay-off policy
04/16/09	1.4	Set corrective for changes to closed pay periods
01/20/10	1.5	Periodic review
05/09/11	1.6	OSPS.99.03, OSPS.99.22, OSPS.99.23
05/13/16	1.7	Updated web links Updated OSPS helpdesk email