1. Document History

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3. Purpose of this Document

This document describes the procedure the Business Manager (BM) uses to process payment checks returned from Corporate for insufficient funds (NSF).

4. Definitions

NSF - A Payer’s check that has not cleared the bank because of insufficient funds in the Payer’s account.

The icon indicates the presence of an internal control.

5. Policy

Our policy requires that all NSF checks must be documented immediately. US Bank processes all NSF checks twice before reporting them to the Corporate office.
6. Process Summary
The process objective is for timely and consistent conversion of NSF items to collection items.

The financial statement elements associated with processing payments are Cash and Accounts Receivable.

The Process Manager for this policy and procedure is the BM.

This document describes the transaction of processing NSF items.

The key system involved in this procedure is the US Bank “First Look Now” web site.
7. Workflow

Processing NSF Items AR07M

Check is returned to US Bank stamped NSF

US Bank re-runs the check

Check clears

End of process

Check returned again

US Bank e-mails copy of check to Corporate Accounting

Corporate Accounting emails BM with NSF data and check image

BM posts NSF to Traffic System

BM updates Month-End Template

See MEC01M - Month-End Close Process and Reporting
8. Procedure

Use the procedure in this section for processing NSF items.

8.1 US Bank Receives NSF Check and Notification from Payer’s Bank
US Bank receives the NSF check and notification from the Payer’s bank detailing the NSF.

8.2 US Bank Reprocesses NSF Check
US Bank processes the check a second time.

8.2.1 Check Clears on Second Attempt
If the check clears on the second attempt to process, no further action is taken. The check appears in the "First Look Now" web site as a normal deposit.

8.2.2 Check Returns as NSF on Second Attempt
US Bank e-mails an NSF notice with a copy of the check to the Corporate Cash Administrator. NSF items do not appear on the market’s First Look Now online reports. Follow the procedure in Section 8.3.

8.3 Corporate Accounting E-mails Business Manager with NSF Data
Corporate Accounting attaches a copy (PDF File) of the NSF check that details the data of the NSF and sends it to the BM.

8.4 Business Manager Posts the NSF Data to the Traffic System
The BM posts the NSFs as a debit adjustment to the Traffic System to add it back to Accounts Receivable in the month the NSF is identified as not being cleared.

8.5 Business Manager Updates the Month-End Template
The BM records the NSFs in the Month-End Template for the month in which the NSF check was discovered. Follow the Month-End Close Process and Reporting Policy and Procedures - MEC01M.