

## 11.2 Returned Cheques

### Policy Statement

It is the policy of the Province of Nova Scotia to record returned cheques on a timely basis and to follow up with the payer for appropriate action.

### Policy Objective

The purpose of this policy is to ensure that returned cheques are identified on a timely basis to permit appropriate follow up with the payer. Recording returned cheques also supports the bank reconciliation function.

The Government Accounting Division will monitor this account (143101) on a regular basis to ensure proper clearing and to advise departments of any discrepancies found.

### Application

This policy applies to the province's bank account users who deposit cheques for credit to various accounts recorded in the province's CFMS/SAP system.

### Policy Directive

When cheques are returned by the bank, the Treasury Services Section will debit the NSF Clearing Account (143101) using the business area code for the department that deposited the cheque.

Each government department is responsible for clearing this NSF clearing account on a monthly basis to the appropriate recovery, revenue, or receivable accounts.

### Accountability

Treasury Services and departments are jointly responsible for the recording and clearing of returned cheques.

### Enquiries

Treasury Services  
Department of Finance  
(902) 424-3636 or (902) 424-7635

---

*Approval date: July 5, 2001*

*Manual release date: August 21, 2008*

*Approved by: Minister, Department of Finance*

*Most recent review: March 27, 2001*

---