

## 15.6 Cheque Cancellation and Stop Payment

### Policy Statement

The purpose of this policy is to set government-wide standards for the handling of cheque cancellation and stop-payment requests on cheques that have been issued by the province.

### Accountability

The Liability Management and Treasury Services Division of the Department of Finance is the only body that can place stop-payment requests at the banks, and Government Accounting processes the cheque cancellation in SAP.

### Policy Directives

#### STOP PAYMENT

When an issued cheque requires bank intervention to ensure that it is not cashed, these steps must be followed to place a stop payment on the cheque:

1. A complete stop-payment request must be submitted on the prescribed form (Appendix 15-E) to the Liability Management and Treasury Services Division, Department of Finance, by the department that originally entered the documents that produced the cheque.
2. Liability Management and Treasury Service will confirm that the cheque is outstanding and prepare and submit the necessary documentation to the bank for the formal placing of the stop payment.
3. Once confirmation is received from the bank, the stop-payment request will be sent to Government Accounting where the cheque will be cancelled in SAP.
4. Depending on the instructions with the stop-payment request, the original document will be either left in the open status for cheque re-issue or reversed if a replacement cheque is not required.

### **CHEQUE CANCELLATION**

When a department has possession of a cheque and needs to have that cheque cancelled, these steps must be followed:

1. Authorized requests for cheque cancellations must be submitted on the prescribed form (Appendix 15-F) to the Government Accounting, Department of Finance, by the department that originally requested the cheque.
2. The request must be accompanied by the original cheque and must clearly state the reason for cancellation and whether or not a replacement cheque is to be issued.
3. Government Accounting will cancel the cheque in SAP and either replace the cheque or reverse the original document if a replacement is not required. The posting date must be manually entered into the date field in SAP and be equal to the date on which the cheque cancellation is being done.
4. Government Accounting Division will determine the appropriate account to credit for cheques that will not be replaced, based on the fiscal year and the account number upon which the original cheque was drawn.

### **Application**

The stop payment and cheque cancellation policy applies to all those who use the government's SAP system to record its accounts payable vendor payments.

### **Monitoring**

Government Accounting will monitor the policy.

### **Enquiries**

Accounts Payable Processing, Government Accounting  
Department of Finance (902) 424-6626

### **Appendix**

Appendix 15-E Stop-Payment Request Form  
Appendix 15-F Cheque Cancellation Form

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*Manual release date: August 21, 2008*

*Approved by: Minister, Department of Finance*

*Most recent review: April 12, 2006*

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**Appendix 15-E**

		Document Number				
<b>Department of Finance Stop-Payment Request Form</b>						
<b>COMPLETE ALL AREAS</b>						
To	Manager Banking and Debt Services, Treasury Services					
From: Title				Phone		
Date			Department/Division			
		Please issue a stop payment and credit to account charged for cheque listed below or Please issue a stop payment and replacement for the cheque listed below				
<b>(If no preference selected, cheque will be returned to address above)</b>			Send replacement cheque to address above or Send replacement cheque to address on cheque or Hold in Treasury Services for pickup			
Authorized by		Print Name				
		Signature				
<b>Cheque Info</b>			Document No.			
Payee			Cheque Number			
Vendor Account			Cheque Date			
Cheque Amount			Cheque Date			
Employee	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Casual	<input type="checkbox"/>
					Full-Time Civil Servant	<input type="checkbox"/>
<b>Finance Use Only</b>						
Outstanding to			Stop Payment Issued			
Authorization by Treasury Services to Replace Cheque						
Received by Accounts Payable				Date Received		
Replacement Cheque Number				Replacement Cheque Date		
Replacement Cheque Amount				Replacement Document #		
Cancelled Document Number						
Per: Accounts Payable						

