Finance and Accounting Manual

Unclaimed Money Procedures

Approved by the Chief Financial Officer on 13 December 2011
Date of effect: 13 December 2011. Updated: 25 September 2012.

1. Overview

1.1 Background: Definitions and Coverage

The University has the responsibility to make reasonable efforts within 6 years to contact and return unclaimed money to the rightful owner. Thereafter the University is required to lodge a return with the Chief Commissioner of State Revenue for any unclaimed money it holds on 30 June each year, by 31 October of that year. The Taxation Administration Act 1996 imposes penalties including interest and penalty tax for failure to lodge an unclaimed money return on time.

Unclaimed money is money greater than $100 held in an account that has been inactive for at least six years. This does not include the debiting of a fee, tax, duty or charge, or the crediting of interest or a dividend into the inactive account.

Unclaimed money applies only to accounts held in NSW, ie, a record of the money, whether paper or electronic, kept or maintained in NSW.

Unclaimed salaries and wages are also considered as unclaimed money.

Stale cheques are cheques drawn by the University (encompassing all accounts) that remain unpresented after a period of fifteen months.

2. Procedures and Guidelines

2.1 General Information

It is important that only valid payments are transferred into the Unclaimed Money account. The following procedures are necessary to ensure that valid payments are transferred to NSW Treasury as Unclaimed Moneys.

2.2 Monthly Procedures for Accounts Payable Unpresented Cheques

(i) At the beginning of each month, the Disbursement Officer will run a PeopleSoft query SUGLC348_PAYTS_NOT_SETTLED that details unpresented cheques that are 15 months old.

(ii) The Disbursement Officer will ensure that each of the unpresented cheques was not:

(a) a duplicate payment to the supplier/vendor.
If the payment is a duplicate payment then the payment and voucher needs to be cancelled by Accounts Payable.

(b) a payment to a staff member or University-related organisation (eg, Sydney University union body).

The above payments must be followed up in all instances as they should not be transferred to unclaimed money.

(iii)

(iii) Additionally each month the Disbursement Officer will:

(a) Liaise and confirm with National Australia Bank the cheques that are unpresented and then proceed to stop cheques that were issued 15 months prior.

(b) Contact the Faculty/Department regarding the cheque issue and request the desired course of action, ie, reissue or cancel cheque.

(c) Stale, reissue or cancel the unpresented cheques in the Accounts Payable system on advice from the relevant department, using the Escheat Payment functionality. A notation against the payment will be made "Stale Cheque Unclaimed Money". Unless advised otherwise by the Faculty/Department the default process is to transfer the payment to unclaimed moneys.

(This results in the reversal of the payment accounting entries not the expense/voucher accounting entries.)

(iv) The Disbursement Officer provides the Treasury Accountant, Financial Control and Treasury with the list of the stale cheques (Query SUAPQ335_STALE_CHEQUES_LIST). The Treasury Accountant converts this to the required NSW Treasury format.

(v) The Treasury Accountant maintains a list of unpresented cheques that are in the University's Unclaimed Money Account 1009 A0001 00000. PeopleSoft query SUGLQ352 is run by the Treasury Accountant to list the accounts payable payments included in the University's Unclaimed Money Account (ie, STAL bank account).

(vi) If a cheque that has been transferred to the University's Unclaimed Money Account is presented and accepted at the bank, then the Treasury Accountant will:

(a) Raise a journal to transfer the amount from the University's Unclaimed Money Account 1009 A0001 00000 to the University's Bank Account 0050 A0001 00000

(b) Force reconcile the presented cheque in PeopleSoft Accounts Payable

(c) Remove the cheque from Unclaimed Money list with a notation to the effect that it has been presented and the date presented.

(vii) Stale cheques valued at $100 or below are cancelled. Cheques greater than $100 are moved to unclaimed money account 1009 A0001 00000.

2.3 Accounts Payable Unclaimed Local EFT transfers

The Disbursement Officer reviews daily all rejected accounts payable local EFT payments by placing the payment on hold until a correct bank account is determined. Accounts Payable staff contact the vendor to obtain and update the correct bank details, selects the new bank account and removes the hold status. The Disbursement Officer processes the payment.

On a monthly basis, the Treasury Accountant will run PeopleSoft query SUGLQ340C and match with the list of rejected accounts payable EFT transfers maintained by the Disbursement Officer.

The unclaimed EFT payments must not include duplicate payments and payments to any University-related organisation or staff member.

2.4 Salaries and Wages Unclaimed EFT transfers

The Reconciliation Officer, Corporate Finance will send the unclaimed salary return at the end of the calendar year to the Treasury Accountant to include in the unclaimed money account.

2.5 Imprest Bank Accounts

Procedures on unpresented cheques for imprest bank accounts are included in section 2.5 of the Imprest Bank Account Procedures.

The unpresented cheques must not include duplicate payments and payments to any University-related organisation or staff member.

2.6 Bank accounts of organisations affiliated with The University of Sydney

(i) Affiliated organisations include foundations, centres, associations and institutes not separately incorporated.

(ii) The staff member delegated responsibility over the bank account(s) must review monthly the unpresented cheques that are over 15 months old.

(iii) Annually in June the staff member must transfer the unpresented cheques that are in excess of 15 months old to the University's Unclaimed money account.

(iv) A cheque should be drawn from the Bank account payable to The University of Sydney for the total amount of unpresented cheques issued the previous calendar year.

Details of the unpresented cheques are required to be provided in an Excel spreadsheet, comprising:

- cheque number
- cheque date
- amount
- payee
- address
- reason for payment

Note: the unpresented cheques must not include duplicate payments and payments to any University-related organisation or staff member.

(v) The cheque and Excel spreadsheet are to be sent to the Treasury Accountant, together with a signed statement from the Finance Manager of the affiliated organisation that "Details of the unclaimed money included in the attached schedules are accurate".

(vi) The Treasury Accountant will deposit the cheque to the University's Unclaimed Money account. The Treasury Accountant maintains a list of cheques/payments that have been transferred to the University's Unclaimed Money account. Payments into the University's unclaimed money account are transferred to NSW Treasury after 6 years from the cheque date (Refer 2.7 below).

(vii) Departments/suppliers can access payments in the Unclaimed Money accounts in the future. The Treasury Accountant can provide assistance if necessary (Refer 2.8 below).

2.7 Transfer to the NSW Treasury's Unclaimed Moneys Account

(i) Annually the Treasury Accountant will pay the total of the unpresented cheques, for payments dated six years prior in a financial year ending 30 June, held in the University's Unclaimed Money Account 1009 A0001 00000 to the Office of State Revenue, NSW Treasury by 31 October.

(ii) The Office of State Revenue Lodging Unclaimed Money specifications on how to lodge unclaimed moneys will be followed.

(iii) The Treasury Accountant will draw a cheque to the Office of State Revenue from the University's Unclaimed Money Account 1009 A0001 00000 and attach a spreadsheet listing.

2.8 Refunds of Unclaimed Money from the Office of State Revenue, NSW Treasury

(i) All requests for unpresented cheques that have been transferred to the Office of State Revenue, NSW Treasury must be made by payees through the Office of State Revenue and include a confirmation letter from the University that the payee is the owner of the funds.

(ii) The Treasury Accountant has to be satisfied that the owner of the unpresented cheque is valid before signing the confirmation letter for the payee. Appendix A provides a draft confirmation letter for the payee addressed to the Office of State Revenue.

3. Internal Controls

3.1 Responsibilities/Accountability

Officers	***Responsibilities***
Disbursement Officer, Financial Control and Treasury	• review old unpresented cheque payments and arrange re-issue of cheques if required • confirm that the unpresented cheques are valid payments and do not include duplicate payments or payments to University-related organisations or staff members • transfer unpresented cheques older than 15 months from the main Bank Account to the University's Unclaimed Money Account monthly
Imprest Bank Account Officer	• review old unpresented cheque payments and arrange re-issue of cheques if required • confirm that the unpresented cheques are valid payments and do not include duplicate payments or payments to University-related organisations or staff members • co-ordinate the transfer of unpresented cheques older than 15 months as at 30 June from the Imprest Bank Account to the University's Unclaimed Money Account

Treasury Accountant, Financial Control and Treasury	• maintain a listing University's unpresented cheques in the University's Unclaimed Money Account • ensure that the list does not contain cheques valued at $100 or less • co-ordinate the transfer of unpresented cheques older than 15 months from the University Bank Account, Imprest Accounts and Satellite finance systems to the University's Unclaimed Money Account annually • convert the list of the stale cheques to the format required by the OSR • co-ordinate the transfer of unpresented cheques older than six years from the University's Unclaimed Money Account to NSW Treasury • co-ordinate the payment of Unclaimed Money to owners as required
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Affiliated organisation's Bank Account Officer	• review old unpresented cheque payments and arrange re-issue of cheques if required • confirm that the unpresented cheques are valid payments and do not include duplicate payments or payments to University-related organisations or staff members • co-ordinate the transfer of unpresented cheques older than 15 months as at 30 June from the affiliated organisation's Bank Account to the University's Unclaimed Money Account
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4. Related Information

4.1 Resources and weblinks.

(i) Training Materials

(ii) References

- Finance and Accounting Manual
  sydney.edu.au/finance/about/az
- Imprest Bank Account Procedures
  sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2011/32&RendNum=0
- Office of State Revenue Lodging Unclaimed Money
  http://www.osr.nsw.gov.au/benefits/ucm/

(iii) Appendices

- Appendix A- Refund Of Unclaimed Money letter

4.2 University procedures superseded or replaced by this procedure:

(i) Finance and Accounting Manual

- Stale Cheques and Unclaimed Moneys Procedures: 10 December 2010

5. Contact and Review

5.1 Contact

Unit:	Financial Control and Treasury
Phone:	9036 – 6325
Fax:	9351 – 5861

5.2 Review

The Chief Financial Officer will approve changes to financial procedures and guidelines and will co-ordinate changes to financial policy, with the Vice-Chancellor delegated to approve University financial and infrastructure policy.

Amendments to forms, schedules and weblinks will be processed by Financial Services.

Amendments to the Finance and Accounting Manual procedures and forms are listed on the Financial Services website under:-

- FAM Amendments
- Amendments to Forms

Please forward suggestions and comments on the Finance and Accounting Manual via the Feedback Form.

APPENDIX A

THE UNIVERSITY OF SYDNEY

XXXX
Financial Control and Treasury
Margaret Telfer Building, K07,
The University of Sydney NSW 2006

e-mail:XXXX@sydney.edu.au
Telephone 9351 5891
Facsimile 9351 5861

NSW Office of State Revenue
Unclaimed Money Unit
PO Box 4042
Sydney NSW 2001

Date

REFUND OF UNCLAIMED MONEY

On the (date) the University of Sydney paid to the Office of State Revenue, NSW Treasury $XXXX of which $XXX was in the name of John Smith.

I certify that the funds are entitled to be paid to John Smith who has satisfied the University of Sydney that he is the owner of these funds.

Mr John Smith's address is 50 Smith Street, Smithtown NSW 2999.

Yours sincerely

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