

UNIVERSITY OF PITTSBURGH POLICY 05-06-04

CATEGORY: FINANCIAL AFFAIRS
SECTION: Funds Management
SUBJECT: Processing and Endorsement of Checks
EFFECTIVE DATE: August 25, 1989
PAGE(S): 2

I. SCOPE

This policy establishes the requirements for the acceptance and endorsement of checks that are used in payment for University goods and/or services.

II. POLICY

Check Payment - Pay To The Order of

All checks accepted in payment for goods and/or services must be made payable to the University of Pittsburgh, or other payees as approved and authorized by the Comptroller. The University of Pittsburgh must be the principal payee.

Example 1: Make checks payable to:

University of Pittsburgh
Western Psychiatric Institute and Clinic; or

University of Pittsburgh WPIC

Example 2: Make checks payable to:

University of Pittsburgh
Pittsburgh Cancer Institute; or

University of Pittsburgh PCI

University Endorsement of Checks Accepted for Payment

In compliance with the **Expedited Funds Availability Act**, the Federal Reserve System has initiated regulations that strictly limits the placement of endorsements on the reverse side of the check. The check endorsement field is limited to a maximum of 1-1/2 inches.

Checks Processed for Deposit Through the University Cashier's Office -- The Cashier's Office endorsement stamp requires 1-1/4 inches of the total field which allows only 1/4 inch for placement of the unit endorsement. University auditors require that all checks received in payment should be endorsed as soon as possible with a restrictive endorsement For Deposit Only stamp, in the 1/4 inch endorsement field.

University checks submitted to the bank for payment that are improperly endorsed and exceed the maximum allowable endorsement field of 1-1/2 inches may be refused for deposit by the bank. The bank may require that the University assume any liability for which they may become obligated because of their inability to process checks that do not comply with the Federal Reserve System endorsement regulations.

Third party checks will be accepted only if they are made payable to the University of Pittsburgh, or other payees as approved and authorized by the Comptroller.

Checks Processed for Direct Deposit in the Bank -- Checks that are received by University units that are authorized by the Office of the Comptroller to deposit receipts directly in the bank may use the maximum endorsement field of 1-1/2 inches.

III. REFERENCE

