

CATEGORY: FINANCIAL AFFAIRS  
SECTION: FUNDS MANAGEMENT  
SUBJECT: PROCESSING AND ENDORSEMENT OF CHECKS  
EFFECTIVE DATE: AUGUST 25, 1989

#### I. PURPOSE

To establish the procedure for standardization of the endorsement of checks made payable to the University of Pittsburgh, or others as authorized by the Comptroller, for payment of goods and/or services. This procedure implements the Expedited Funds Availability Act, for which the Federal Reserve System has established regulations that restrict the placement of the endorsement of checks.

#### II. SCOPE

This procedure is applicable for the following:

- Checks made payable to the University of Pittsburgh, or others as authorized by the Comptroller, in payment for goods and/or services
- To all University units that accept such checks for payment and endorse them for deposit in the Cashier's Office or directly in the bank

#### III. DEFINITIONS Restrictive

##### Endorsement

The method of affixing an endorsement to a check or money order using a rubber stamp to limit its use to deposit in a University bank account. The endorsement must include the words FOR DEPOSIT ONLY, and the name of the University unit.

#### IV. PROCEDURE

##### 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

## Federal Reserve System Endorsement

The Expedited Funds Availability Act requires the standardization of endorsement of checks received by the University in payment for goods and/or services. Failure to follow the requirements of the regulations that the Federal Reserve System has established for check endorsement may result in the bank refusing to accept for deposit checks that do not meet the Federal Reserve System standards.

## University Auditor's Endorsement Requirements

University Auditors require that the University unit Restrictive Endorsement stamp be put as soon as possible on any checks received for payment of goods and/or services.

## Third Party Checks

All checks received by any University unit must be made payable to: University of Pittsburgh. Checks made to any other payee must be approved and authorized by the Comptroller. Third party checks should be avoided, and may be accepted only if they are made payable to the University, or other authorized payee.

## University Endorsements

The total field allowance for placement of endorsements permitted by the Expedited Funds Availability Act is 1-1/2 inches. Refer to EXHIBIT A, Figure B, for illustration of the endorsement field.

## Endorsements by Units Authorized for Direct Deposit

University units that are authorized by the Comptroller to deposit receipts directly in the bank may use the entire endorsement field of 1-1/2 inches for the restrictive endorsement. Refer to EXHIBIT A, Figure B.

## Endorsements by Units Processing Deposit of Receipts Through the Cashier's Office

The University Cashier's Office endorsement requires 1-1/4 inches of the 1-1/2 inch endorsement field, leaving a balance of 1/4 inch for the unit endorsement stamp. The unit restrictive endorsement stamp is limited to a maximum of 1/4 inch. For the proper placement of the unit restrictive endorsement stamp refer to EXHIBIT A, Figure B. The unit campus address and any other identifying information such as account numbers should be placed on the front of the check in the suggested locations as indicated in EXHIBIT A, Figure A.

## Refusal By The Bank To Accept Checks

Checks sent to the bank for deposit that do not meet the requirements established by the Federal Reserve System for endorsement of checks, may result in the bank's refusal to accept such checks for deposit, or that the University assume any liability for which the bank may become liable because of its inability to process checks that do not comply with the endorsement requirements.

## V. EXHIBITS

- [Exhibit A, Endorsement and Information Fields](#)

## VI. REFERENCES

- [Policy 05-06-04, Processing and Endorsement of Checks](#)