

## 14.6 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 14-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 CFMS/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 14-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 CFMS/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 CFMS/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 CFMS/SAP 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 14-E Stop-Payment Request Form  
Appendix 14-F Cheque Cancellation Form

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*Approval date: July 5, 2001*

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*Approved by: Minister, Department of Finance*

*Most recent review:*

**Appendix 14-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				
Vendor Account			Cheque Number	
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				

Province of Nova Scotia

**Return of Cheques for Cancellation**

TO		Department of Finance			Accounts Payable Section		FROM			Document Number for Cancellation	
Authorization for Cancellation			Payroll Services Section		DEPT		Date				
DESCRIPTION											
Business Area	Document Number	Cheque Date DD/MM/Year	Cheque Number	Payee	Vendor Account	Amount					
Reason for Cancellation											
To be cancelled and credited back											
To be cancelled and re-issued											
Acknowledgement of Return of Cheques for Cancellation											
Document Number for Crediting Back											
Department of Finance—Accounts Payable					Date		Per				