

Complete Guideline Title: <b>Unclaimed Payments Procedure</b>	Policy Number (if applicable): N/A
Approved by: <b>Nancy Gray</b> Director of Finance	Date of Most Recent Approval: Supersedes/Amends Policy dated:  N/A
Date of Original Approval(s): <b>February 2017</b>	Enquiries:  <a href="mailto:acctrec@mcmaster.ca">acctrec@mcmaster.ca</a>
Responsible Executive: <b>Nancy Gray</b> Director of Finance	Related Documents:
<b>DISCLAIMER:</b> If there is a Discrepancy between this electronic guideline and the written copy held by the guideline owner, the written copy prevails	

### Scope

The University sometimes receives payments that are not clearly identified as to what Department or Student they should be applied against. It is the policy of the University that unclaimed payments be deposited into balance sheet holding accounts until they are claimed. These holding accounts are reconciled on a regular basis. This document outlines the process of handling the unclaimed payments.

## Process for handling payments in Mosaic Finance Cashiering Module

Below are the bank accounts and GL chartfields where these payments are handled:

CIBC Bank Account	CIBC A/C #	Bank GL		FS Unclaimed GL	
		Account #	Department	Account #	Department
Deposit Account Canadian	00-01007	100005	FA and SAC	20-200040	SAC
Deposit Account US	02-02010	100020	FA and SAC	20-200040	SAC

### **Incoming payments:**

The Student Accounts and Cashiers (SAC), on a daily basis reviews the Bank statements for the two CIBC deposit accounts. This is the responsibility of the Accounts Receivable Clerk.

The CIBC bank statements provide the information on the incoming payments and should provide the information needed to deposit the payments into the correct chartfield. When complete information is present the Accounts Receivable Clerk will post the transaction in Mosaic.

### When information is not provided for the incoming payments:

1. The Accounts Receivable Clerk will check the Accounts Receivable email box ([acctrec@mcmaster.ca](mailto:acctrec@mcmaster.ca)) to find out if there has been any communication advising of; the expected payment, from which company, the amount and what chartfield it should be used to post the transaction in Mosaic. If provided the transaction is completed.
2. If there is no email advising of the expected payment, the Accounts Receivable Clerk emails the main contacts in larger departments (i.e. Health Science Finance, Research Finance) advising that funds have been received and asking if this is something that they are expecting. If yes, and we are provided the Chartfield via email response, the transaction is then processed.
3. When payments come through and are identified as **Student payments** (i.e.: Student ID# provided), a regular deposit is completed in the Financial Module directly to account 20-200050. The payment is then transferred via a group post onto the Student Account.
4. On a monthly basis the Financial Coordinator in Financial Services reconciles the CIBC Bank to GL (100005) and advises SAC of any discrepancies. (Same process/different bank account and GL chart field for US deposits.)
5. If the payment is not claimed by the end of the month the funds are deposited to the FS Unclaimed account (#20-200040). The unclaimed payment is recorded on the Tracking Log which is saved at Q/receive/Tracking log.
6. The complete list of outstanding unclaimed payments is available in Mosaic, Mosaic News.

**Process to claim payments:**

1. Departments looking for payments contact the Accounts Receivable Clerk via email at [acctrec.mcmaster.ca](mailto:acctrec.mcmaster.ca). The email should contain the amount of the payment, the company that issued the payment and instruction for what chartfield the payment should be deposited into. The department should also provide further proof of payment such as an invoice or email from the company.
2. The Accounts Receivable Clerk will look in the Tracking log for the payment.
3. If confirmed as a "claimed" payment the Accounts Receivable Clerk (Back Office) creates a Journal Entry to transfer the funds from account #20-200040 to the chartfield provided.
4. Once the Journal Entry is complete, the Accounts Receivable Clerk (Cash Room) notifies the department of the Journal Entry # and provides them with any back up we have regarding these funds.
5. Accounts Receivable Clerk (Cash Room) updates the Tracking Log with; the Department that claimed the Funds, Date, Journal Entry # of the transfer.
6. Backup is then filed by the date the payment was originally received, in the Departmental monthly binders located in the Cash room (that hold the bank statements).

Note: Payments are not assigned to departments without documented information from the department claiming the payment.

If a "Student" payment is claimed from Account 200040, a direct Group Post is completed to transfer the payment onto the Student Account.

**Reconciliation of Account 200040**

1. The reconciliation of Account 200040 is the responsibility of the SAC Systems Coordinator.
2. The process is started by bringing forward the previous months' spreadsheet containing the unclaimed payments and an opening balance.
3. A query is created from the GL containing all activity in the month being reconciled.
4. An excel match is completed to find any corresponding transactions.
5. The matched transactions are removed from the main reconciliation spreadsheet and saved in a separate tab.
6. A month end balance and summary are created and balance to trial balance.

**Write-offs of Account 200040**

At Fiscal yearend, the Systems Coordinator evaluates the account for writing off of aged payments. A report is created with the following criteria:

- Less than \$15,000 – 3 years
- \$15,001-\$50,000 – 4 years
- \$50,001+ - 7 years
- Government payments - never written off

Once completed by the Systems Coordinator, the write off report is provided to the Director of Finance for approval.

When approval is received the amount is written to chartfield # 110015 20 10385 30000

### Process for handling payments in Mosaic Student Campus Solution (CS) Module

Below are the bank accounts and GL where these payments are handled:

<b>CIBC Bank Account</b>	<b>CIBC A/C #</b>	<b>Bank GL</b>	<b>CS Unclaimed GL</b>
Student Deposits Canadian	64-35513	100012	20-200050
Student Deposit Account US	04-91713	100013	20-200050

### **Incoming payments**

1. Student Accounts and Cashiers (SAC), on a daily basis reviews the Bank statements for the two CIBC Student deposit accounts. This is the responsibility of both SAC and Financial Services.
2. EFT Student payments are processed via a nightly batch job onto the Students Accounts. These batch files are tracked by the System Assistant to ensure the batch processing.
3. All other payments and/or adjustments such as: wire transfers, are deposited manually via a Group Post by the Customer Service Assistant.
4. GL bank account 100012 and 100013 is reconciled by the Financial Coordinator (FS) on a monthly basis.
5. Bi-weekly the Customer Service Assistant and the Financial Coordinator work jointly to rectify any reconciliation issues in an effort to assign the unclaimed payments to the correct students' accounts.

**Reconciliation of Account 200050**

6. The reconciliation of Account 200050 is the responsibility of the SAC Systems Coordinator.
7. The process is started by bringing forward the previous months' spreadsheet containing the unclaimed payments and an opening balance.
8. A query is created from the GL containing all activity in the month being reconciled.
9. An excel match is completed to find any corresponding transactions.
10. The matched transactions are removed from the main reconciliation spreadsheet and saved in a separate tab.

A month end balance and summary are created and balance to trial balance.

**Process to claim payments:**

1. When Students report that they have made a payment and supply details on the payment (how, where, amount, date) an investigation begins.
2. The Customer Service Assistant will search in the following accounts:
  - i. #64-35513 and #04-91713
  - ii. #20-200050
  - iii. #20-200040
3. If found the Collections Assistant will create a Group post and transfer the payment to the Students Account.

Payments without deposit details are held in accounts # 64-35513 # 04-91713. At the end of the fiscal year, any payments older than 9 months that are not claimed, are transferred as per the Manager, Financial Reporting, to the CS Unclaimed account (#20-200050).

**Write-offs of Account #20-200050**

At Fiscal yearend, the Systems Coordinator evaluates the account for writing off of aged payments. A report is created with the following criteria:

- Less than \$500 – 3 years
- \$501 - 1500– 4 years
- \$1501+ - 7 years

Once the report is completed by the Systems Coordinator, the write off report is provided to the Director of Finance for approval.

When approval is received the amount is written off the chartfield # 110015 20 10385 30000.