

Complete Guideline Title: Unclaimed Payments Procedure	Policy Number (if applicable): N/A
Approved by: Steven Moore, Treasurer	Date of Most Recent Approval: Supersedes/Amends Policy dated: N/A
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Responsible Executive: Steven Moore Treasurer	Related Documents:
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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

Incoming payments:

The Accounts Receivable (AR) department, daily reviews the Bank statements for the two CIBC deposit accounts daily. This is the responsibility of the AR Financial Coordinators.

The CIBC bank statements provide the information on the incoming payments and should provide the information needed to deposit the payments into the correct chart field. When complete information is present the AR Financial Coordinator will post the transaction in Mosaic.

When information is not provided for the incoming payments:

1. The AR Financial Coordinator will check the AR email box acctrec@mcmaster.ca and the macpay@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 AR Financial Coordinator 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), the payment is then transferred via a group post onto the Student Account.
4. On a monthly basis the Financial Coordinator in Financial Reporting reconciles the CIBC Bank to GL (100005) and advises AR 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 AR Unclaimed account (#20-200040). The unclaimed payment is recorded on the Tracking Log which is saved MacDrive and Mosaic.
6. The complete list of outstanding unclaimed payments (including cheques) is available in Mosaic, Mosaic News.

Process to claim payments:

1. Departments looking for payments contact the AR Financial Coordinator via email at acctrec@mcmaster.ca or macpay@mcmaster.ca. The email should contain the amount of the payment, the company that issued the payment and instruction for what chart field 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 AR Financial Coordinator will look in the Tracking log for the payment.

3. If confirmed as a “claimed” payment the AR Financial Coordinator creates a Journal Entry to transfer the funds from account #20-200040 to the chart field provided.
4. Once the Journal Entry is complete, the AR Financial Coordinator notifies the department of the Journal Entry number.
5. AR Financial Coordinator updates the Tracking Log with; the Department that claimed the Funds, Date, Journal Entry # of the transfer.
6. Backup is attached to the journal entry in Mosaic.

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 AR Financial 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 AR Financial Coordinator evaluates the account for writing off aged payments. A report is created with the following criteria:

- Less than \$15,000 – 2 years
- Greater \$15,001 3 years
- Government payments never written off

Once completed by the AR Financial Coordinator, the write off report is provided to the Treasurer for approval.

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

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

Incoming payments

1. AR (AR), daily reviews the Bank statements for the two CIBC Student deposit accounts. This is the responsibility of both AR
2. EFT Student payments are processed via a nightly batch job onto the Students' Accounts. The AR Systems team ensures the batch files process correctly.
3. All other payments and/or adjustments such as: wire transfers, are deposited manually via a Group Post by the AR Financial Coordinator.
4. GL bank account 100012 and 100013 is reconciled by the Financial Coordinator monthly.
5. Bi-weekly the AR 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

1. The reconciliation of Account 200050 is the responsibility of the AR Financial 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.

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 AR Financial Coordinator will search in the following accounts:
 - i. #20-200050
 - ii. #20-200040
3. If found the AR Financial Coordinator will create a Group post and transfer the payment to the Students Account.

Payments without deposit details are held in accounts. At the end of the fiscal year, any payments that are not claimed, are transferred as per the Manager, AR, to the CS Unclaimed account (#20-200050).

Write-offs of Account #20-200050

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

- Less than \$500 – 2 years
- Greater than \$501 3 years

Once the report is completed by the AR Financial Coordinator, the write off report is provided to the Treasurer for approval.

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

Variances to payment amounts:

Variances to payment amounts will not be deposited to the Holding accounts.

- **Foreign Exchange – deposit/ journal to foreign exchange account**
- **Payment amount variance less than \$100 – deposit /journal to short or over account approval Manager, Accounts Receivable**
- **Bank charges – deposit/journal to bank charge account**