

# Processing NSF Items Policy and Procedures – AR07M

## 1. Document History

Revision Number	Revision Date	Effective Date	Description of Changes	Prepared By	Approved By
1	5/14/04	5/17/04	Initial Release	Sam Davis	Susan Jones

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## 3. Purpose of this Document

This document describes the procedure the Business Manager (BM) uses to process payment checks returned from Corporate for insufficient funds (NSF).

## 4. Definitions

NSF - A Payer's check that has not cleared the bank because of insufficient funds in the Payer's account.

The  icon indicates the presence of an internal control.

## 5. Policy

Our policy requires that all NSF checks must be documented immediately. US Bank processes all NSF checks twice before reporting them to the Corporate office.

## **6. Process Summary**

The process objective is for timely and consistent conversion of NSF items to collection items.

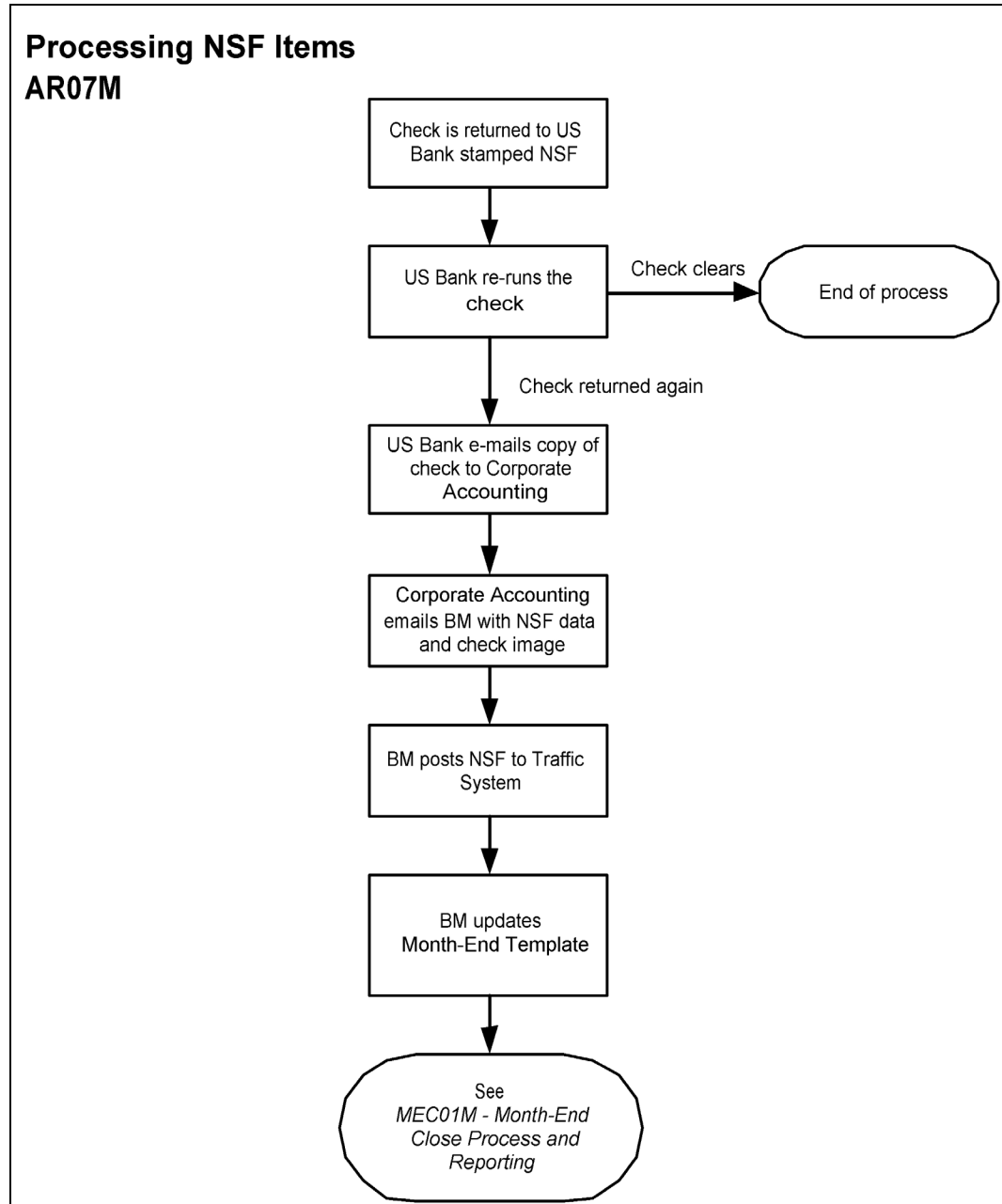
The financial statement elements associated with processing payments are Cash and Accounts Receivable.

The Process Manager for this policy and procedure is the BM.

This document describes the transaction of processing NSF items.

The key system involved in this procedure is the US Bank “First Look Now” web site.

7. Workflow



## **8. Procedure**

Use the procedure in this section for processing NSF items.

### **8.1 US Bank Receives NSF Check and Notification from Payer's Bank**

US Bank receives the NSF check and notification from the Payer's bank detailing the NSF.

### **8.2 US Bank Reprocesses NSF Check**

US Bank processes the check a second time.

#### ***8.2.1 Check Clears on Second Attempt***

If the check clears on the second attempt to process, no further action is taken. The check appears in the "First Look Now" web site as a normal deposit.

#### ***8.2.2 Check Returns as NSF on Second Attempt***

US Bank e-mails an NSF notice with a copy of the check to the Corporate Cash Administrator. NSF items do not appear on the market's First Look Now online reports. Follow the procedure in Section 8.3.

### **8.3 Corporate Accounting E-mails Business Manager with NSF Data**

Corporate Accounting attaches a copy (PDF File) of the NSF check that details the data of the NSF and sends it to the BM.

### **8.4 Business Manager Posts the NSF Data to the Traffic System**

The BM posts the NSFs as a debit adjustment to the Traffic System to add it back to Accounts Receivable in the month the NSF is identified as not being cleared.

### **8.5 Business Manager Updates the Month-End Template**

The BM records the NSFs in the Month-End Template for the month in which the NSF check was discovered. Follow the *Month-End Close Process and Reporting Policy and Procedures - MEC01M*.