FOR OFFICIAL USE ONLY
COMMONWEALTH OF KENTUCKY

# KENTUCKY STATE TREASURY

Instructions for requesting processes within the Special Payments and Disbursements sections.

Requests described herein this document are to be sent to Treasury by Commonwealth of Kentucky employees associated with the original issuing agency which created the payment.

Treasury cannot create new payments to payees/vendors without the original issuing agency sending the request to reissue.

Treasury may not discuss details about payments with payees. If calls from payees are received, Treasury will have them reach out to the agency that created the original payment.

**Date: 03/03/2025**

1050 U.S. HIGHWAY 127 SOUTH, SUITE 100
FRANKFORT, KY 40601

# INSTRUCTIONS TO STATE AGENCIES SUBMITTING REQUESTS OF THE BELOW PROCESSES THROUGH KENTUCKY STATE TREASURY

This document is a guide to assist Kentucky State Agencies when sending requests to Kentucky State Treasury for processes listed below. There are many factors that may determine which processes are available. Below is a general overview of normal processes Treasury can provide.

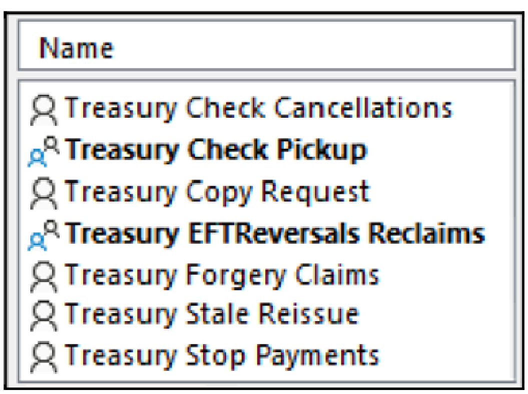
**READ PRIOR TO SENDING REQUESTS:**
All requests for processes mentioned within this document are to be requested by the Kentucky State Agency which created the payment. Calls from payees pertaining to payments made by an agency will be forwarded to the issuing agency as Treasury cannot accept requests for processes from the payee(s).

**Processes** **Page**



**Important Note:**
Checks issued from a Commonwealth Account via eMARS are unlike a personal bank account. Once a state issued check is created, funds are immediately deducted from the chart of accounts from which the payment was created. However, funds will not be debited from the Commonwealth's bank account until the check is cashed and marked "Paid" in eMARS.

**Most processes at Treasury have email addresses listed on Global for submitting requests or inquiries. There are more treasury emails than the screenshot below displays, although the ones shown pertain to processes identified within this document.**



## Section One: Stop Payment / Current Check Reissue

Stop payment and reissue requests should **ONLY** be sent for checks needing reissued to the original payee by Treasury, that meet the criteria listed below. Checks that are not to be reissued should be cancelled via the Check Cancellation process, to have the funds returned to the original issuing agency.

**REQUIRED READING: Stop Payments and Check Cancellations do not accomplish the same thing. Too often agencies confuse the two as being the same thing. Stop payments only keep the check from being cashed. Check Cancellations return the funds back to your chart of accounts.**

1. **Criteria to request a stop payment:**

   **A.** Check is lost, not received by payee, and needs to be replaced / reissued.

   **B.** Damaged beyond the ability for a financial organization to process / cash the check.

   **C.** Mailed to an incorrect or outdated address.

   **D.** Less than one year old from date of issue. All State checks are negotiable for one year from the date it is issued, although most banks won't cash checks after they are 6 months or older. Checks that have become Stale/Escheated are covered in the Stale & Legislative Claim process within this document.

   **E.** Not previously Paid, Cancelled, Reissued, or Escheated.

   Checks that do not meet the above criteria, please review the other processes within this document. A stop payment is the first of a two-part process; the second being the reissuance of a replacement check to the payee once the original check or Treasury provided replacement check affidavit is signed by the payee(s), notarized, and returned. Checks that are not to be reissued should be sent as a check cancellation request to have funds returned to your agency. Stop payments do not credit funds back.

2. **Sending a stop payment and reissue request to Treasury:**
   State Agency contacts can send requests by email to Stop.Payments@ky.gov with the following information. Vendors/Payees **cannot** request a stop payment for a check made payable to them. All requests must come from the Agency that issued the original check and should include a written request of the actions you are requesting.

   Example of Request: Please include a written request such as "Requesting stop payment and reissue the below listed check". Then include the required check information shown below:

   **A.** Bank Account Code and Check Number: (i.e., GA ########)

   **B.** Legal Name: (As shown on the check)

   **C.** Check Amount: (As shown on the check)

   **D.** Issue Date of Check: MM/DD/YYYY

## Section One: Stop Payment / Current Check Reissue

3. **Replacement check affidavit:**
Once Treasury places the stop payment on the check, a replacement check affidavit will be returned to you. The affidavit is to be signed by the legal payee, notarized, and returned to Treasury. (See item 5 in this section for detail on check reissuances.) Incomplete affidavits will not be accepted and may require a new affidavit to be signed and notarized. If you or the payee has the original check or a bank provided legal copy, Treasury can use that to reissue the check, and an affidavit will not be required.

   **A.** Affidavits not signed by the legal payee must have supporting documentation that reflects the authorization for the signee to legally sign and receive the funds from the payment. If the check was made payable to multiple payees, each payee must sign and have their signatures notarized before the check can be reissued.

   **B.** Checks made payable to a **Business** or **Entity** other than to an individual **must** be signed by someone legally associated with the business or entity. The **signee must include their position** on the affidavit before returning the signed and notarized affidavit back to Treasury.

   **C.** Affidavits missing signatures lacking the position for business or entity other than a direct payee may not be acceptable and another affidavit will need to be sent to the payee to have them sign and include the information required.

   **D.** The notary must print the name of the person(s) they are witnessing sign the document in the notary section. Often for a check made payable to a business or entity, the Notary will write the name of the business in the Notary section. Affidavits that do not have the Notary print the name of the individual(s) signing the document will no longer be accepted.

   **E.** All out of state notarized affidavits require the Notary Seal on the affidavit. For affidavits notarized within the state of Kentucky, the seal is not required. Although KY Notarized **MUST** include their Commission Number as required by KRS 423.360(1)(e).

   **F.** See item six (6) within this section for required documents needed for a check reissue. That item covers what supporting documentation is required in the event the legal payee is not able to sign an affidavit.

4. **Stop Payment Revoke / Release**
Stop payments may be revoked to allow the check to be cashed, but only if the check has not already been reissued, cancelled, or payee attempted to cash the check prior to having the stop payment released. This action is not immediate, once a revoke is completed the vendor should allow a one day waiting period prior to cashing the check. This is to ensure the stop release has taken effect throughout the banking system.

   **A.** To request a stop payment revoke, send the request to Stop.Payments@ky.gov with the same information shown in 1A above; or a reply to the original stop payment request email would also suffice as the check information should already be present.

**WARNING: An Agency should not create a reissue (second) payment in EMARS to replace a lost check without having the original check cancelled. Doing so will cause your Agency's funds to be deducted twice for a single payment.**

5. **Check Reissuance:**

Once Treasury receives an original check or acceptable signed and notarized affidavit along with the written request from the issuing agency, a replacement check will be created. This replacement check will realign the funds deducted from the original issuing agencies chart of accounts to the new replacement check. The original check will be updated in eMARS to a status of "Cancelled" with a cancellation reason of "Lost" and the new check number will be input into the comment field along with the date the check was reissued.

If a check is in Escheated status (older than one year) before the reissue request is sent to Treasury, see the section in this document pertaining to stale dated checks. These are two separate processes. Some escheated checks may not be able to be reissued.

**A.** When a replacement check is created, the original check is no longer valid for payment and the stop payment can no longer be revoked.

**B.** There are a few options for getting the check replaced:

**1)** **Option A:** Agency or payee has original check in possession.

**a)** Agency sends request for reissue to Treasury Stop Payments email. The original check can be sent to Treasury, and a replacement check affidavit will not be needed. In these cases where agencies or payees have the check, they can let Treasury know this when sending the reissue request and disregard the affidavit if one is returned to them once the stop is placed.

**b)** In the event the check is damaged, send original damaged checks (photocopies of checks are not accepted) along with the request to reissue to Treasury (mailing address listed below).

**c)** If the check is damaged beyond legibility, then follow the same procedures as option B, as the affidavit will be required for the reissue.

**2)** **Option B:** The original check is not in possession and presumed lost as neither party (Payee nor Payer) has the original check.

**a)** Agency sends request for reissue to Treasury Stop Payments email. A replacement check affidavit will be created and returned to the Agency.

**b)** Once the Agency receives the replacement check affidavit from Treasury, they will need to send the affidavit to the payee to have the payee(s) sign, and must be notarized, pursuant to KRS 41.375.

For a check to be reissued to the original payee(s), the payee(s) **MUST** sign the Affidavit. Once the affidavit is received at Treasury, the check will be reissued with a new check number and new issue date. The replacement check will be sent to the Agency Contact who requested the stop payment / reissue. The Agency will be responsible for sending the check to the vendor. Treasury does not mail replacement checks reissued by Treasury directly to payees.

## **Section One: Stop Payment / Current Check Reissue**

6. **Required Documents for Reissue:** Items required for Treasury to reissue a check are listed below:

   A. **E-Mail request or Memorandum from original issuing Agency** requesting the reissuance of the check(s). This is discussed in item 2 previously described within this section. (Treasury will be creating a reissue form at a later date which will then be required for check reissues. A notification will be sent out in a Finance Newsletter once the form is published, and this document is updated.)

   B. **Original check or signed and notarized affidavit.**

      1) Checks **MUST** be original; photocopies or scanned images of checks are not acceptable for use to reissue. Treasury can accept a bank provided "Legal Copy" in place of the original check. Also note that as of June 29, 2021, KRS 41.375 was updated to allow Treasury to receive scanned affidavits for check reissues.

      2) All affidavits received **MUST** be signed and notarized.

         a) A check made payable to multiple payees, affidavits must be signed by all listed payees and all signees must have their names notarized. This is in reference to the bottom section of the affidavit where the notary signs, verifying they witnessed each payee sign the affidavit. If all listed payees' signatures are not notarized, the document cannot be used to reissue the payment; a new affidavit will be needed.

         b) Individuals signing on behalf of a Business check **MUST** list their position associated with the payee on the affidavit.

         c) If a legal payee is unable to sign the affidavit, supporting documentation will be required. (See the next item, Supporting Documentation for what is needed for each situation.)

   C. **Supporting Documentation:** If original payee listed on a check is unable to sign an affidavit, documentation will be required to allow the check to be reissued. The legal name will be updated in accordance with the legal documentation provided. Supporting documents aren't needed for check cancellations as the Agency will sign the affidavit.

      1) **Death Certificate:** Treasury can add DECD (deceased) to the end of the legal name.

         Example: Legal Payee: JOHN DOE (DECD)

      2) **Power Of Attorney (POA):** A POA can sign the affidavit for reissue if a copy of the POA is provided along with the affidavit. There will be no change to the name as the Legal Payee is still the recipient of the check. POA's are only valid for use while the payee is living. If the payee is deceased, Estate documentation will be needed.

         Example: Legal Payee: JOHN DOE
         Alias: JOHN DOE JR (POA)

      3) **Executor of Estate:** If a check is made payable to person that is no longer living a copy of the Executor of Estate will be required to have the check reissued. Treasury can add the name of the executor followed by (Executor) as the Alias name on the reissued check. Power of Attorney will not suffice as the power of attorney is only valid while the individual is living.

         Example: Legal Payee: JOHN DOE (ESTATE)
         Alias: JOHN DOE JR (EXECUTOR)

## Section One: Stop Payment / Current Check Reissue

4) **Marriage Certificate / Divorce Decree:** If the payee has had a name change after the issue date of the original check and the signing name is different from what is on the original check. The replacement check will be made out to the same name as the original payment, the supporting documentation is needed to associate the signed name on the affidavit with the payee's name. If the name must be changed, the check will need to be cancelled to have the funds returned to the original agency, then the original agency would issue the new payment to the new name.

5) **Tax Documentation:** Documentation usually needed only for checks made payable to a business to reflect parent ownership of the business listed as the legal payee. This is typical if a parent company of a legal payee is attempting to reclaim funds for one of their subordinate companies. Also, documents to show a name change or reorganization since the original payment was made will be needed for payees that no longer exist. The original legal name will still be reflected on the replacement check, although we can add an alias of the Doing Business As (DBA) and the new name when these documents are provided.

**7.** Affidavits and supporting documents should be returned to Treasury. Physical copies can be mailed to the mailing address listed below. Treasury is now able to accept copies of signed and notarized affidavits digitally via email; however, original checks must be mailed as Treasury is unable to accept copies of checks to reissue the payment.

Kentucky State Treasury
Attn: Check Reissue
1050 US Hwy 127 South, Suite 100
Frankfort, KY 40601

**Note:** EFT Payments cannot be stopped via the stop payment inbox. If there is an EFT payment needing returned, see the section later in this document about EFT Return requests.

## Section Two: Check Cancellations

1. **Criteria to request a check cancellation:**

   **Cancellation requests should only be sent via email. Treasury no longer accepts physical copies of checks and cancellation forms, as to condense the versions of cancellation forms and to align to processes to reduce paper usage and storage requirements.**

   Check Cancellations are to be processed for checks less than one year old which are no longer required for payment, name change is required, or various other reasons. Once a check is cancelled, it cannot be undone as funds are returned to the original issuing Agency. Should a new check be required after a check cancellation is completed, the Agency will be responsible for creating a new payment.

   **A.** Prior to sending check cancellations the Agency should verify the following items.

   **1)** The check is still in a "**Disbursed**" or "**Stopped**" status. If the check has been previously cancelled, reissued, cashed, or escheated / stale, the check cannot be cancelled and should not be sent as a check cancellation.

   Note: EFT's payments cannot be cancelled or reversed using the check cancellation process, those would need to follow the EFT Return process.

   **2)** **Bank Account Code and Check Number:** (i.e., GA 12345678) the account is the two letters to the left of the check number.

   **3)** **Check Date:** State checks are negotiable for one year from issue date, per KRS 41.370. Checks older than one year that are listed as status of Escheat cannot be cancelled.

   **4)** **Check Amount:** As shown on the check reconciliation table on eMARS. It is important the amount is accurate to ensure no balancing issues will arise when the cancellation is processed.

   **5)** **Legal Name:** As shown on the original check payment in eMARS. (This is not the Vendor #)

2. **Items required when sending cancellations requests to Treasury:**

   **A.** **Cancellation Form:** – Form is to be filled out completely per the instruction sheet tab of the form. Agency point of contact must be filled out or the cancellation will not be processed. Cancellation requests with missing required information, incorrect, or incomplete, will not be able to be processed until corrected.

   **1)** **Check Listing:** List all check(s) to be cancelled, not to exceed 100 checks per cancellation.

   **a)** Verify the status of the checks to ensure they are in a status able to be cancelled. ("Disbursed" or "Stopped"). As mentioned throughout this document, checks with any other status cannot be cancelled using this process.

   **b)** Verify the amounts and all check data is correct.

   **2)** **COA – Return Funds:** To be filled out completely with the chart of accounts funding information for where the funds are to be returned.

## Section Two: Check Cancellations

**3.** Agencies who wish to reclaim funds for checks that have become stale (Status of "Escheat") which has not previously been reissued, will need to request a stale reissue for redeposit outlined in the stale reissue section in this document.

**4.** Items of consideration for better understanding about cancellations in eMARS.

**A.** Cancellation Transactions are only created by Treasury.

**1)** Transaction Type: CR5

**2)** Transaction ID: RD25-0001-### (Example, breakdown listed below)

**a)** **RD**25-0001-### (**RD** is short for Redeposit)

**b)** RD**25**-0001-### (**25** represents the fiscal year the cancellation is completed in)

**c)** RD25-**0001**-### (**0001** represents a sequence number assigned by Treasury)

**d)** RD25-0001-**###** (**###** represents the submitting Agency's department code)

**B.** Bank account codes (GA, BA, PA, etc…) cannot be mixed on one cancellation request, they must be submitted on separate Cancellation Forms.

**5.** Cancellations are to be submitted only via email to TreasuryCheckCancellations@ky.gov using the Cancellation Form posted to the eMARS Forms page of the Finance website.

Email is shown on Global Address Listing in Outlook: Treasury Check Cancellations

**A.** Physical checks and cancellation forms sent to Treasury will no longer be processed.

**B.** Check cancellations will be processed in the order of which they are received. If you do not receive a confirmation email within three business days of sending your request, please send a follow up email to ensure the cancellation request was received.

**C.** Once cancellations are completed, the submitter should receive an email notification via reply email to the original request confirming the cancellation has been completed and the funds returned to your agency once the CR5 transaction is approved to Final.

**D.** Any physical checks that may be in possession to be cancelled, can be shredded once the cancellation confirmation email is received.

## Section Three: Stale Dated and Legislative Claim Check Reissue

1. **Criteria to reissue a check payment either as a Stale Check Reissue:**
   Checks with an issue date beyond one (1) year from the current date but less than five (5) years are referred to by Treasury as "stale checks". Stale checks can be reissued once Treasury has the required documentation.

2. **Criteria to reissue a check payment either as a Legislative Claim Reissue:**
   Checks with an issue date beyond five (5) years from the current date are referred to as legislative claim checks. Reissue documentation for legislative claim checks will be held at Treasury to be submitted at the end of the year to be included in the next available Legislative Claim bill to be passed. Once the bill is passed listing the check as able to be reissued, replacement checks will be created and sent back to the agency contact who requested the reissue.

   **A.** Checks categorized as Stale or Legislative Claim will be listed with a status of "Escheat" on the Paid Checks table within eMARS.

   **B.** If there is a new check number listed in the comment field of the paid checks table, the check has been previously reissued and cannot be reissued a second time. The check number in the comment will be the replacement check number, which could have been reissued to the original payee, or reissued as an agency redeposit. To verify if the funds were redeposited, Treasury can look up the check to see how it was reissued.

   **Note:** Checks issued from the MA, UA, and YA accounts in addition to any checks originally issued using fund 6200, 6210, or 721Z, listed with status of "Escheat" cannot be reissued by Treasury. As result, such checks are to be reissued by the original issuing agency if the agency determines the check is eligible to be reissued.

3. **Sending the Request to Reissue:** The process for State Agencies to request the reissuance of a check to the original payee or to have a check reissued as an agency redeposit to reclaim funds that have been escheated is listed below. Requests to reissue any check(s) older than one year are to be sent to the Treasury Stale Reissue TreasuryStaleReissue@ky.gov email inbox and not the Treasury Stop Payments email inbox. Please include in the written request as to whether an affidavit is needed or the original check that can be mailed in.

   Note: Treasury will be creating a reissue form at a later date which will then be required for check reissues. A notification will be sent out in a Finance Newsletter once the form is published, and this document updated.

   **A. If the original check is in hand:**
   The original check can be sent to Treasury along with a copy of the written request for reissue from the original issuing agency. In these cases, an affidavit isn't necessary, as an affidavit is only needed when the original check is not present. A photocopy of a check cannot be used to reissue a payment, Treasury must have the original negotiable document, even if damaged.

   **B. Treasury Replacement Check Affidavit:** In the event the check was lost, misplaced, or never received by the payee, a request can be sent to TreasuryStaleReissue@ky.gov to reissue the check. A replacement check affidavit will need to be signed and notarized and returned to Treasury.

## Section Three: Stale Dated and Legislative Claim Check Reissue

**4.** Documentation required for all check reissues is the same across any date range. The process Treasury uses to create the replacement check is the only difference which is dependent upon the funding and timeline of when a check is reissued.

**A.** **For reissue to Vendor:** Submit request by e-mail or send written request by mail to include the following check information:

**1)** Bank Account Code and Check Number: (i.e., GA 12345678)

**2)** Legal Name: (As shown on the Check)

**3)** Check Amount: (As shown on the Check)

**4)** Issue Date of the Check: MM/DD/YYYY

**5)** Send the original check or Replacement Check Affidavit **(*Must be signed by the Original Payee*)** to Treasury. Once Treasury has the Agencies authorization for reissue and the original check or affidavit signed by the payee and notarized, a new check will be created made payable to the original payee. Replacement checks will be returned to the requesting Agency contact, whom will be responsible for mailing the check to the payee. Treasury does not mail reissued checks directly to payees.

**B.** **For reissue as Agency Redeposit:** This process is used in lieu of the check cancellation for checks older than one year as they cannot be cancelled. Any check older than one year that the original issuing agency deems no longer due to the payee, can be requested to be reissued as a stale reissue for agency redeposit. This is done by sending an e-mail request to include the check information below as well as a statement identifying the funds are to be reclaimed as an Agency Redeposit:

**1)** Bank Account Code and Check Number: (i.e., GA 12345678)

**2)** Legal Name: (As shown on the Check)

**3)** Check Amount: (As shown on the Check)

**4)** Issue Date of the Check: MM/DD/YYYY

**C.** **Required Documents:** Items required to have a stale check reissued.

**1)** E-Mail request or Memorandum from original issuing Agency stating the check(s) are to be reissued.

**2)** Original check(s) or original Affidavit(s). (Not needed for Agency Redeposits)

**a)** Checks **MUST** be originals; photocopies are not accepted.

**b)** Affidavits **MUST** be notarized.

**a.** If the check is made payable to multiple payees, all payees must sign the affidavit.

**b.** Individuals signing on behalf of a business check must list their position on the affidavit.

**c.** If the check is to be reissued as an Agency Redeposit. All that is needed is the written request identifying the check is to be reissued as an agency redeposit.

## Section Three: Stale Dated and Legislative Claim Check Reissue

3) **Supporting Documentation:** If original payee listed on a check is unable to sign an affidavit, documentation will be required to allow the check to be reissued. The legal name will be updated in accordance with documentation provided. Supporting documents are not needed if for Agency Redeposit.

   a) **Death Certificate**: Treasury can add DECD (deceased) to the end of the legal name.

      Example: Legal Payee: JOHN DOE (DECD)

   b) **Power Of Attorney (POA):** A POA can sign the affidavit for reissue if a copy of the POA is provided along with the affidavit. There will be no change to the name as the Legal Payee is still the recipient of the check.

   c) **Executor of Estate:** If a check is made payable to person that is no longer living a copy of the Executor of Estate will be required to have the check reissued. Treasury can add the name of the executor followed by (Executor) as the Alias name on the reissued check. Power of Attorney will not suffice as the power of attorney is only valid while the individual is living.

      Example: Legal Payee: JOHN DOE (ESTATE)
      Alias: JOHN DOE JR (EXECUTOR)

**D.** Affidavits and supporting documents should be returned to Treasury. They can be sent to the same email as the original request was sent to or mailed to the address below. If using the original check instead of a replacement check affidavit, the check will need to be mailed as Treasury cannot accept photocopies or scans of original checks.

Kentucky State Treasury
Attn: Stale Check Reissue
1050 US Hwy 127 South, Suite 100
Frankfort, KY 40601

## Section Four: Forgery Claims

**1.** Forgery claims are to be submitted when a vendor proclaims their check has been unlawfully cashed by someone other than themself. There are steps that should be taken to ensure the claim is indeed a forgery prior to sending a request to initiate a Forgery Claim.

**Note:** It is best practice to double check with the payee to ensure the payee has not mobile deposited and overlooked the deposit when reconciling. Prior to initiating a forgery claim, request a copy of the check from the below listed email address and have the payee verify they were not the one to cash the check.

**A. Submitting Timeline:** Forgery claims can be processed on checks cashed within six (6) months from the current date. Treasury must have all required documentation submitted to the bank prior to the six-month deadline. This timeframe is set by the bank and not controlled by Treasury. Forgeries submitted beyond that timeframe will be automatically denied by the bank.

**B. Request a copy of the paid Check:** The Agency can request a copy of the paid check by email to Treasury.CopyRequest@ky.gov.

**C. Initiating the Forgery Claim:** A police report will be required to be submitted with the original request to initiate a Forgery Claim. Without the police report, the claim will not be initiated. Once the issuing Agency has received the police report from the payee, an email request can be sent to Treasury Forgery Claims with the Police Report and Copy of paid check attached to the request as well as the following check information.

Please include in the email request to Treasury Forgery Claims Treasury.ForgeryClaims@ky.gov, a written request stating you are requesting to initiate a forgery claim. The written request is needed for auditing purposes.

**1)** Bank Account Code and Check Number: (i.e., GA 12345678)

**2)** Legal Name: (As shown on the Check)

**3)** Check Amount: (As shown on the Check)

**4)** Issue Date of the Check: MM/DD/YYYY

**D. Special Forgery Declaration:** Treasury will prepare a Declaration of Unauthorized Endorsement or Altered Item and will send this to the requesting Agency. This is a bank provided document and different from a replacement check affidavit.

**E. Agency Authorization Form:** This will also be returned to the Agency along with the affidavit that will need to be signed by the Agency contact initiating the Forgery Claim.

**F. Required Documents:** Before the claim can be submitted to the Bank to allow them to initiate their investigation and make their determination on whether the check is fraud, there are a minimum of items required to submit. These items will need to be returned to Treasury before the claim can be submitted.

## Section Four: Forgery Claims

1) Agency Authorization Form: Signed by the issuing Agency.

2) Forgery Declaration: Filled out and signed by the payee and returned to Treasury.

   a) If multiple payees are on one check, all payees must sign the declaration.

   b) Only Treasury provided forgery claim declarations are accepted, any other formats will be declined, and the claim will not be processed until the correct form is returned.

3) Check Copy: This is the copy of the cashed check that was requested in section 6B.

4) Police Report: Provided by the payee of the loss; to be provided by the payee. Forgery claims cannot be submitted without a police report.

**G.** All documents pertaining to the Forgery Claim should be returned to Treasury.

Kentucky State Treasury
Attn: Forgery Claim
1050 US Hwy 127 South, Suite 100
Frankfort, KY 40601

**H.** Once completed documents are returned to Treasury, the packet will be submitted to the bank for processing unless beyond the six-month deadline.

1) The bank may take up to 120 days to investigate the claim and render their decision. Treasury has no impact on the determination the bank will make, nor is Treasury able to provide where the check was cashed. The bank will not provide Treasury with that information, as that would entail the account information of the potential payee.

2) If the bank determines the check was negotiated fraudulently, they will credit the funds back to the Commonwealth. Treasury will then create the replacement check and send the replacement check to the agency contact that initiated the claim.

3) If the bank determines the check was cashed correctly and the recipients' account was credited or for any other reason the claim is not to be processed. The bank will notify Treasury with the reason for denial, Treasury will pass this information along to the agency contact.

# Section Five: Timeline of a State Check

1. **Timeline of a State Issued Check**

   **A. Current Dated Check:** Issue date less than one year old.

   Actions that can be processed:

   **1)** Stop Payment and Check Reissue to Payee(s).

   **2)** Stop Payment Revoke / Release:

   **3)** Check Cancellation: For the agency to recapture the funds.

   **B. Stale / Escheated Check:** Issue date older than one year, but less than five years old.

   Actions that can be processed:

   **1)** Reissue to Payee(s).

   **2)** Agency Redeposit: For the agency to recapture the funds.

   **C. Legislative Claim Check:** Issue date is older than five years. These are only reissued once a year after the Legislative session approves the Bill to pay out these claims.

   Actions that can be processed:

   **1)** Reissue to Payee(s).

   **2)** Agency Redeposit: For the agency to recapture the funds.

## Section Six: Fund Movement by Transaction

1. Below lists a brief explanation of fund movement when the processes below are applied to checks created within eMARS. Keep in mind many Agencies use their own software which may have files extracted and uploaded into eMARS to create payments. Therein some terminology may not align between certain agency software systems and eMARS. If your agency does not use eMARS, data from your system of record may still be integrated into data that gets uploaded to eMARS to create payments for your agency.

    A. **Check created in eMARS:**
    Fund Movement: Funds deducted from Agency chart of accounts once the AD/EF chain job or Check Writer Accounting job has run in eMARS. Fund are debited immediately once the check prints, even though the check has not been cashed yet. Funds won't be debited from the bank until the check is presented for payment and marked as being "Paid" in eMARS.

    B. **Stop Payment:**
    Fund Movement: Keeps the check from being cashed if presented for payment but does not return the funds back to the original issuing agency.

    C. **Check Cancellation:**
    Fund Movement: Funds originally deducted are returned to the Agencies chart of accounts listed on the check cancellation form. The check is also cancelled at the bank, so the check will not clear if presented for payment.

    D. **Treasury Reissued Check:**
    Fund Movement: Funds originally deducted are now realigned to the replacement check. If an Agency creates a replacement check without having the original check cancelled it will create a duplicate payment; meaning funds will be deducted twice for one single payment.

    E. **Check becomes Escheated:**
    Fund Movement: Funds originally deducted from Agency to create the check were never reduced from the Banking functional area. To account for these Funds, they are placed into the appropriate Escheated Fund according to the Fund Class.

    F. **Stale Check Reissue:**
    Fund Movement: Check is reissued by Treasury from the escheated fund the original funds were moved to during the escheatment process. If an Agency creates a replacement check for a stale check it will create a duplicate payment; meaning funds will be deducted twice for one single payment.

## Section Seven: Check Copy Requests

1. Check copies of "Paid" checks issued by the Commonwealth of Kentucky can be provided upon request of the original issuing agency. Check copies are limited to checks issued through eMARS and which have been cleared within the last ten (10) years. Checks which cleared beyond ten years are no longer available.

2. Requests for copies can be sent to Treasury Copy Request Treasury.CopyRequest@ky.gov. Requests must include the check information below so that the State Treasury can verify the copy of the check being provided is the correct payment.

   **A.** Bank Account Code and Check Number: (i.e., GA 12345678)

   **B.** Legal Name: (As shown on the Check)

   **C.** Check Amount: (As shown on the Check)

   **D.** Issue Date of the Check: MM/DD/YYYY

   **Note: The check status can be verified by searching for the check on the Paid Checks table. The eMARS check status MUST be "Paid" for Treasury to be able to provide a copy of the check. Checks in Disbursed status have not yet been cashed, that only means the check has been created.**

3. Check copies may take up to three days to process. Treasury strives to process them within the same day the request comes in. Although between the two sections covered within this document, there are three allotted positions to process all tasks within this document, in addition to other tasks not covered.

## Section Eight: Check Disbursements

1. Disbursements for the most part are not as much of a concern for agencies, as the majority agencies create checks with a disbursement category of Sealed Treasury Mailed (STM). This section will cover the different disbursement types as well as the two main methods for how checks are created.

2. Checks created through eMARS will either be created via the overnight AD Chain Job or a Check Writer upload.

   A. **AD Chain Job**: This process occurs when any GAX, PRC, TP, or derivatives of those type transactions are approved to Final. Once the transaction is approved to Final in eMARS, the transaction will be included in the overnight AD chain job.

      1) Example: GAX transaction 2500333333 is created and submitted on 11/15/2025, then approved to final on 11/25/2024 by the agency. That GAX will be included in the overnight AD chain job on the night of 11/25/2024 which verifies the availability of funds from the chart of accounts used, as well as other checks and balances. Once the AD chain has been processed, a check number will be assigned, and the file will be sent to Treasury the following business day on 11/26/2024 to be printed.

      2) If there are issues with the GAX that fails the AD chain job, the transaction will be listed on the daily updated AD/EF Exception report located on the Finance website with the reason the transaction failed.

   B. **Check Writer Upload**: Check Writers (CW) can be uploaded and possibly printed within the same day depending on when Finance applies Central Certification. All uploaded check writers that are central approved will go through several Finance processes and CW files are sent to Treasury three times per day.

      1) Timeline when files are sent to the Treasury from the Finance Cabinet. These timelines are only designated as the normal timelines for files sent to Treasury, this does not mean the checks have been printed. If there are print jobs currently being run by the Check Printing section, then these files will be printed in the order they are received.

         a) 10:00 first file set sent to Treasury, print times may vary.

         b) 12:00 second file set sent to Treasury, print times may vary.

         c) 1:45 third file set sent to Treasury, print times may vary.

      2) Also note that only files that have Central Certification will be included in these file transfers. Just because a CW file has been uploaded does not mean that it will be automatically processed. Finance has a daily cutoff at 2:00 pm. CW files uploaded, and Department Certified after the cutoff time will have Central Certified applied the following business day.

C. **Intercepted payments:** Payments made towards a vendor Tax ID that has an active intercept, may generate a $0.00 check. These are typically intercepted by the U.S. Treasury but could be various entities to be applied to funds the vendor owes.

1) If it is discovered that a payment was created for $0.00 and marked as Paid, the funds were applied to the vendor's outstanding balance. The payee will need to contact the intercepting entity to resolve any issues they may have. The U.S. Treasury will not discuss with the Commonwealth of Kentucky Treasury, as Treasury is not the owner of the balance/debt the vendor owes.

a) Note that if the agency created the transaction and the funds were intercepted, do not continue to create transactions to pay the same invoice.

b) Example, if a vendor has an active intercept of $1,000.00, and the agency creates a transaction to them for $100.00, but a check generated for $0.00. Funds are deducted from the agency's chart of accounts in eMARS, and that vendor should then have a $900.00 balance owed. If the agency assumes there was an error, and kept creating transactions towards that payee until a check was printed for $100.00, the agency will inevitably have paid the balance the vendor owed elsewhere, causing the agency funds to have been deducted by $1,100.00 to pay the $100.00 initially intended.

3. **Disbursement Categories**: Listed below dictate what actions occur when checks are printed. **Agencies who create checks with a "Hold" disbursement type, should send an email to Treasury Check Pickup TreasuryCheckPickup@ky.gov, letting them know the Transaction ID and the Agency contact who will be picking up that payment(s). Payees cannot pick up checks directly from Treasury.**

**A. STM: Sealed Treasury Mailed**

Default disbursement type if no disbursement category is input. STM checks are sealed and mailed out through postal services typically the same day the checks are printed depending on the time of day the checks are printed.

**B. UAM: Unsealed Agency Mailed**

UAM checks are unsealed and sent back to the creating agency.

**C. SAM: Sealed Agency Mailed**

SAM checks are sealed and sent back to the creating agency.

**D. STH: Sealed Treasury Hold**

STH checks are sealed and held at Treasury until the creating agency picks up the checks.

**E. UTH: Unsealed Treasury Hold**

UTH checks are unsealed and held at Treasury until the creating agency picks up the checks.

## Section Nine: EFT Reversal, Reclaim, Deletion, and/or Recall Requests.

**1.** As with check payments, EFT payments should only be created for payees who are meant to receive the funds. Return requests are not a guarantee to have funds returned to the Commonwealth.

**A.** All EFT return requests have the potential to fail for various reasons. Below are a few examples of common reasons an EFT return request may fail.

**1)** Funds deposited into an account that has been closed before the return is attempted.

**2)** Payee's account no longer has the available funds to be debited.

**3)** Accounts may also have debit blocking, which will cause an EFT return request to fail.

**2.** EFT payments that are created with errors should be requested to be returned at the earliest time available. There is a form to be completed for this process; completed forms should be submitted to Treasury EFT Reversals Reclaims Deletions TreasuryEFTReversalsReclaimsDeletions@ky.gov.

**3.** EFT Returns are different from the Stop Payment process listed previously in this document. EFTs are direct deposit payments into the vendors bank account. Therefore, the timeline is much more important in determining which type of reversal request can be processed.

**4.** Types of EFT Return requests.

**A.** **Reversal**: To be processed within five (5) days of the effective date (eMARS Cleared date).

**B.** **Reclaim**: To be processed within five (5) days of the effective date (eMARS Cleared date). Reclaims are processed for payees who recently are deceased.

**C.** **Deletion**: Deletions are very time-dependent, as these must be submitted prior to the EFT payment being uploaded to the bank. Meaning the EFT payment will be listed in eMARS, but not yet listed in the bank.

**1)** Deletions are also critical as the account number and routing number must match the information pertaining to the EFT payment for the deletion to be successful. If there is a typo in the numbers provided that do not match the original payment information, the deletion will not match and therefor will not delete the EFT.

**D.** **Recall**: Any requests to have an EFT payment returned to the Commonwealth that has an effective date older than five (5) days will be a recall request.

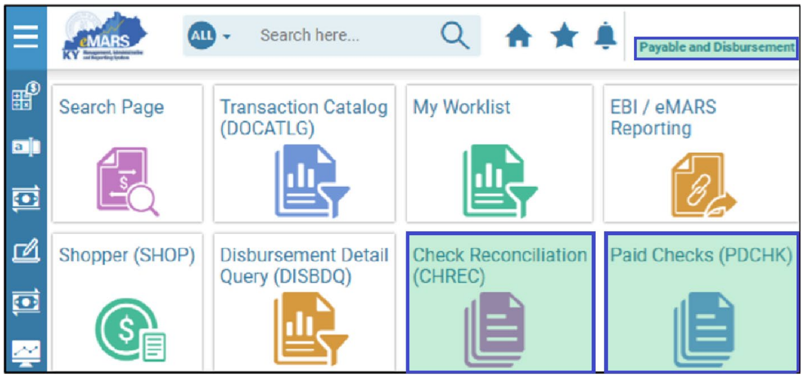
**1)** This requires additional documentation to be submitted and could take several months to have the funds returned.

**2)** The bank will have to get permission from the account owner to debit the funds back from their account. Whereas if the EFT return request is completed within the five (5) day period mentioned above, the bank does not require the account owner's approval.

# Section Ten: eMARS Check Status and Glossary of Terminology

1. Checks listed in eMARS will all have a status listed and all check payments will be listed on one of the two tables **Check Reconciliation** or **Paid Checks**. EFT payments will be listed on these tables as well even though they are not checks, but the payment type is listed so the difference of these payment types is easy to note.

   **A.** Both tables can be found on the Payable and Disbursement Business role in eMARS.




   **B.** The difference between Check #'s and EFT #'s are noted by the payment type listed on the table as well as the number format itself.

   a) Check's will be shown with **seven zeros** in front of the check number (**Check Example: 000000012345678**)

   b) EFT's will start with the date the payment was generated, such as **YYYYMMDD#######.** (**EFT Example: 202411291234567**)

2. **Check Reconciliation (CHREC) Table: Payments with the status below will be listed on the Check Reconciliation table.**

   **A. Disbursed:** Able to be cashed, not yet cashed. (Bank should show as Outstanding)

   **B. Stopped:** Will get rejected if attempted to be cashed. Pending reissue once the replacement affidavit or original check has been returned.

3. **Paid Checks (PDCHK) Table: Payments with the status below will be listed on the Paid Checks table.**

   **A. Cancelled:** Cannot be cashed, check was either "Reissued" to a new check or "Cancelled" and funds returned depending on the comment).

   **1) Cancelled / Lost**: Check has been reissued to new check number, new check # should be listed in the comment on the paid checks table.

   **2) Cancelled / Cancel**: Check has been cancelled and funds returned to the Agency, Cancellation doc # will be listed in the comment on paid checks table.

   **B. Escheat:** Cannot be cashed, often also referred to as Stale. If reissued the new check will be listed in comment field on the paid checks table.

   **C. Paid:** Check has been cashed; funds cleared the Commonwealths bank account. If the amount is $0.00 it's likely the funds have been intercepted, the agency will have to look at the intercept query table to verify.

# Section Ten: eMARS Check Status and Glossary of Terminology

## Glossary and Terms

**Current Dated Check:** Checks in Disbursed or Stopped status with an issue date less than one (1) year from current date. Essentially it is still negotiable if a stop is not applied.

**Escheated (Stale) Check:** Checks in Escheat status with an issue date greater than one (1) year from current date but less than five (5) years.

**Legislative Claim:** Checks in Escheat status that were issued more than five (5) years from the current date which have not been negotiated or reissued.

**Forgery Claim:** Checks will be listed as Paid status and presumed to be unlawfully cashed by someone other than the payee. Forgery Claims cannot be submitted for checks with a cleared date older than six (6) months from the current date.

The chart below is a simplistic overview of how most checks are created. Ideally, all checks created should be intended to be cashed and shown in eMARS as "Paid", to reflect the payment has been received by the payee.

| **Check Writer File Upload** | **Common eMARS Transaction for (Overnight AD/EF Chain Job)** |
|---|---|
| CW - Check Writer | GAX - Gen Accting Expense / Expenditure<br>GAX2 - Gen Accting Revenue Refund<br>GAX3 - Gen Accting Balance Sheet Payable<br>TP - Travel Payment<br>PRC - Commodity Based Payment Request |
| Agency - Department Certified<br>Finance - Central Certified | Overnight "AD/EF Chain Job" runs at the end of business days. This job creates the AD/EF transactions assigning Check/EFT No #'s to payment transactions approved to final.<br>**AD - For Check Payments / EF - For Electronic Funds Transfer Payments** |
| CW prints same day depending on time central certified. | All AD checks will print the day after the transaction is approved to Final, given the funding is available and the transaction does not fail. |
| Regardless of creation method checks will by default have a status of "Disbursed" and are negotiable for one (1) year.<br>Note: Intercepted payments that result in $0.00 check will be updated as Paid. | |

| Below are statuses used for check payments in eMARS and the explanation of what each status means. All checks are searchable / visible on either the Check Reconciliation (CHREC) or Paid Checks (PDCHK) tables, depending on the status. | | |
|---|---|---|
| Table | Status | Description |
| CHREC | Disbursed | Check can be cashed "Paid" if check is presented for payment. If check is not presented for payment, cancelled within the one-year negotiable period, the check will "Escheat". |
| CHREC | Stopped | Check has been requested to have a stop payment placed and will not clear if presented for payment. Checks in stopped status are pending return of affidavit to create a replacement check. |
| PDCHK | Cancelled | Cancelled with reason of **Cancel**, the funds have been returned to the agency. The comment field will list the CR5 transaction ID crediting the funds back to the agency. |
| PDCHK | Cancelled | Cancelled with reason of **Lost**, the check has been reissued to a new check number by Treasury. The new check number will be listed in the comment field in eMARS. |
| PDCHK | Paid | Check has been presented for payment and has cleared the Commonwealths account. |
| PDCHK | Escheat | Check not paid, cancelled, or reissued within one year. Cannot be cashed if presented. If reissued by Treasury as a stale reissue, a new check number will be listed in the comment field. If comment field is blank, check has not been reissued or reclaimed by the agency. |

Further note: Stop Payment, Reissue, Check Cancellation, and Forgery Claim requests must be submitted to Treasury from the creating agency for those actions to occur. These are not an automatic process, nor can they be requested directly to Treasury from payees.