

Uncashed Aged Parish Checks

Parishes occasionally ask the diocese, “What is the best practice at the parish to handle uncashed checks that appear open for months on bank statements.” Under North Dakota Century Code 47-30.1 Uniform Unclaimed Property Act any unclaimed property over 2 years old needs to be reported and turned over to the state. Churches and non-profit entities are not exempt from this law. As part of the state’s requirement proof of due diligence to contact the owner of the unclaimed property must be provided and reported by November 1st after reaching 2-year age and then paid to the state by June 30th. You can find all requirements pertaining to the law on the unclaimed property at the state website link <https://unclaimedproperty.nd.gov/>

BEST PRACTICE --- The best practice for a parish is to continuously work at avoiding aged uncashed checks never allowing uncashed checks age to the point where you are required to report the funds to the state. The parish business office must practice due diligence and perform all the tasks necessary to contact the payee of the check to resolve why a check has not been cashed. If the payee never wanted funds to be reimbursed from the parish then get his/her statement, void the check, and note details of the communication. If the check was lost, void the check and reissue the check. If the payee moved, make the effort to locate the person through post office address records, parishioners, friends, or relatives and continue your attempts to communicate with the payee. Your effort to keep aged checks off your bank statements, never allowing them to get over 4 months old, is your best practice.