

SEAN SCANLON
STATE COMPTROLLER



TARA DOWNES
DEPUTY COMPTROLLER



STATE OF CONNECTICUT
OFFICE of the STATE COMPTROLLER
165 Capitol Ave.
Hartford, CT 06106

MEMORANDUM NO. 2024-21

July 25, 2024

TO THE HEADS OF ALL STATE AGENCIES

Attention: Agency Heads, Chief Administrative and Fiscal Officers, Business Managers, Payroll and Human Resource Officers

Subject: Procedures to Request a Check be Returned to Agency for Special Handling

I. PURPOSE

To communicate changes in the procedures regarding requests to issue vendor checks to agency staff for additional/special handling. This memorandum replaces OSC Memorandum 2009-31. Effective immediately, the new procedures outlined below must be implemented at Core-CT agencies.

II. AUTHORITY

CT General Statutes Sec. 3-112 – **Powers and Duties.** The Comptroller shall: [...] (2) register all warrants or orders for the disbursement of the public money; (3) adjust and settle all demands against the state not first adjusted and settled by the General Assembly and give orders on the Treasurer for the balance found and allowed; [...] (5) prepare and issue effective accounting and payroll manuals for use by the various agencies of the state.

CT General Statutes Sec. 3-117 - **Claims against the state.** Upon the settlement of any claim against the state, the Comptroller shall draw an order on the Treasurer for its payment.

III. ISSUANCE AND HANDLING OF RETURN TO AGENCY (RA) CHECKS

Proper internal accounting controls require the immediate mailing of checks to the payee. Using the Return to Agency (RA) process weakens internal controls, delays payment, and increases the chance of lost checks. Every effort should be made to eliminate the need for an RA check.

Payment Handling Code of RA is restricted to checks requiring special handling for an approved purpose. In the voucher Payment Comments field, enter **RA** - and explain why the check must be returned to the agency. Agencies can have legitimate reasons for returning the check to the agency. However, it must be specific to the payment and in accordance with the established RA rules and it must be documented in Core-CT on the associated payment voucher, otherwise, it will not be processed as an RA. Valid exception may include, but are not limited to:

1. Application processes where payment must accompany documents; or
2. Court orders requiring specific check delivery; or
3. Real estate closings; or
4. Other legal proceedings where payment is made in association with the physical signature of legal documents.

The agency must also note whether the check will be picked up from our office or returned via interoffice mail.

IV. PAYMENTS TO DEFAULT ACH VENDORS

If an agency needs a check for special processing on a vendor that defaults to ACH, they should request to change the ACH Payment Method to Check by emailing the Central Accounts Payable, Audit Section shared mailbox osc.apdpa@ct.gov. The email subject line should contain: “**RA – (Insert Business Unit & Voucher ID) Switch ACH to CHK**”.

All payment supporting documents must be uploaded and attached to the Core-CT voucher for review. Vouchers that do not have proper documentation and approval in Core-CT will not be processed as RA. In Core-CT the voucher should be placed on Hold and the Payment Comments field on the voucher must contain the following:

- The full details of the reason for switching the payment handling codes and returning the check to the agency. See examples in section III above.
- The agency must also note whether the check will be picked up from OSC or returned via interoffice mail.

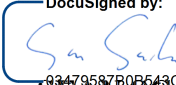
V. AGENCY RESPONSIBILITY

It is the agency's responsibility in all instances to consider internal controls and devise ways to ensure that positive control is kept over the check until it is able to be given/sent to the proper recipient.

No check should be held by an agency solely for the purpose of ensuring completion of the vendor's contractual obligation.

VI. QUESTIONS

Any comments or questions concerning this memorandum, or its interpretation, may be directed to the Office of the State Comptroller, Central Accounts Payable Division, Audit Section, at osc.apdpa@ct.gov.

DocuSigned by:

03479587B0B543C
SEAN SCANLON
STATE COMPTROLLER

SS:LT

<https://osc.ct.gov/>