



HowardSimon

retirement plans • payroll solutions
human resources management

Uncleared Checks Policy

You are receiving this notice because you currently issue checks from HowardSimon's (HS) accounts.

Beginning November 12th, HS will be considering all checks that have not been cashed within 365 days to be "stale". Any stale check will automatically be voided, have a stop payment issued, and then re-issued concurrent with your next payroll process. The reissued check will be delivered to you via your normal delivery method. We will be starting with checks that are between 365 and 465 days old. Older checks will be re-issued after the year-end.

Checks that are reissued will be marked as 'REISSUED' and will appear in your reporting, check history, etc. The payroll register will display a VOID entry for the original check and a REISSUE entry. Together those two checks will net 0, so there will be no tax impact or cash impact with this process, even if the check is from a prior tax period.

If a REISSUED check is then not cashed within 90 days, and checks older than 365 days and less than \$1.00, will be considered "stale" by HS. If you have an unclaimed check, HS will issue a stop payment on that check and return the funds to you, along with instructions on how to proceed. This will be done outside of the payroll system and will not appear on your reporting. The instructions will explain that you should first attempt to find the employee and get the funds to them. If that is not successful, you should then send the funds to the appropriate State as unclaimed property in accordance with your State's escheatment laws.

The fee for this service is \$5.50 per REISSUED check and \$15/unclaimed check. If you are issuing checks on HS accounts, you can avoid incurring these fees by monitoring the Uncleared Items report and addressing any uncleared items before we take action. The "Uncleared Items" report has been included with each payroll package and displays all uncleared items for your account.

Please be advised that each state has their own escheatment laws. If you are unable to locate an employee to provide them with funds that are due, you are required to comply with your state's escheatment laws.

If you have any questions or concerns regarding this message, please do not hesitate to contact us. If you believe this policy will create any undue hardship for you, please contact us and we will make alternate arrangements.

Thank You for Choosing *HowardSimon!*