

Independent Activity Fund (IAF) Accounting With



Escheatment Process

The escheatment process defines the MCPS procedures to comply with the Maryland regulation for unclaimed checks.

1. School Financial Agents begin the escheatment process in the following order:
 - Obtain a copy of outstanding checks from November bank reconciliation.
 - Compare to cleared checks on December bank statement to determine if any have cleared since the last bank reconciliation.
 - Prepare a list of checks that will need to be escheated (over 180 days) and complete the JE asset transfer to establish the holding (amount owed to MCPS).

A screenshot of the School Funds Online web application. The top navigation bar includes tabs for ADMIN, DATA FILES, CHECKS, RECEIPTS, JE's, PO's, REGISTERS, REPORTS, BANK RECON, and ADMIN FUNCT. The JE's menu is open, showing options: Bank Interest/Other Credits, Bank Charge/Other Debits, Returned Check, Transfers (highlighted), Edits, Review JE's, Void JE's, and Miscellaneous. The Transfers sub-menu is also open, showing options: Fund Transfer, Multi Fund Transfer, and Asset Transfer (highlighted). On the left, there are input fields for TRANSACTION DATE (2/4/2013), TAKE-FROM ACCOUNT, ADD-TO ACCOUNT, REFERENCE, and ADDITIONAL COMMENTS (PROOF SHEET ONLY). A Preview button is at the bottom left. On the right, a TBALANCE: \$12,288.35 is displayed.

(All fields below are required except Additional Comments).

Transaction Date: Automatically inserts the current date. Update this to reflect the last day of December. **Date must be in the month you are reconciling.**

Transfer Amount: Enter the amount to be escheated (total amount of checks over 180 days).

Take From Account: Escheated account (9925-0000).

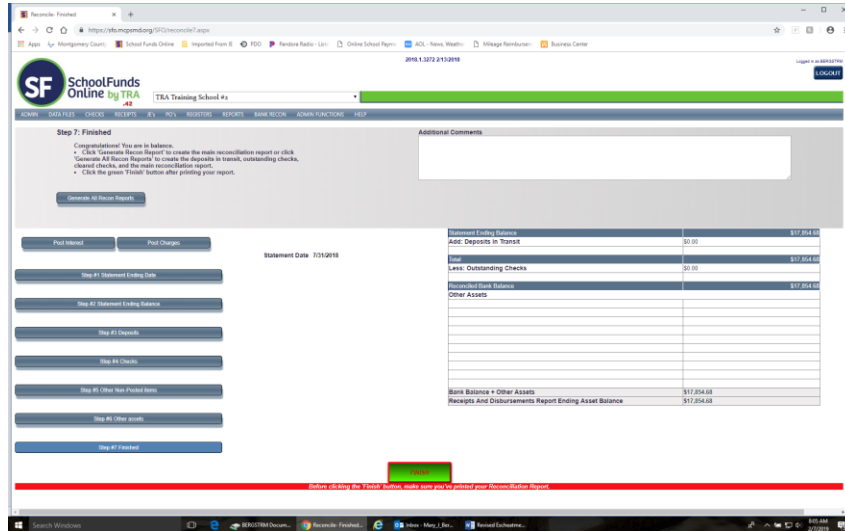
Add to Account: Checking account (9920-0000).

Reference: Enter a description for this entry.

Additional Comments: Enter any additional comments/description for this JE not entered in the reference field. This information will only print on the proof sheet.

Once the screen is completed, click on the **Preview** button to display the preview entry. Verify all information and click on the **Post and Generate Final Proof** button. The entry has now posted. When the proof sheet appears, click on the printer icon to print a copy of the entry for documentation. **Note: Be sure to print the proof sheet. If you need to "reverse" this entry, reenter the exact same entry again, except enter the amount as a negative.**

2. Give the December bank statement, JE register, and complete list of checks you are escheating to the independent bank reconciler.
3. Independent bank reconciler completes December bank reconciliation and marks all escheated checks as cleared.
4. Complete the December bank reconciliation, print all reports and click the green "Finish" button.



- Finally prepare and send the approved memo to the Division of Controller with detail for checks to be escheated that includes the following information:
 - Check number, check date, amount to pay, SFO vendor name, SSN/TIN, and vendor address for each check escheated;
 - Approval line for the principal; and
 - Memo due date to DOC: Monday, January 22, 2024.
5. Once the Division of Controller reviews and verifies the information in the memo, an invoice is issued to the school.
 6. When the school receives the invoice request through iPayment application, initiate the payment process through iPayment as soon as possible.
 - The school must record the electronic payment through the SFO Manual Check process by charging the Escheat account (9925-0000).
 7. The Division of Controller starts the districtwide escheatment process after receiving the money from the schools. The Division of Controller will transfer the escheated funds to the State per their timeline.
 8. Refer any calls/inquiries about escheated checks to the Division of Controller, at 240-740-7500, or via fmsmaintenance@mcpsmd.org.