

# MANAGEMENT DIRECTIVE

## Commonwealth of Pennsylvania Governor's Office

<b>Subject:</b> Standard Check Endorsement Procedure	<b>Number:</b> 305.2 Amended
<b>Date:</b> May 22, 2009	<b>By Direction of:</b>  Mary A. Soderberg, Secretary of the Budget
<b>Contact Agency:</b> Office of the Budget, Office of Comptroller Operations, Bureau of Commonwealth Accounting, Telephone 717-425-6708	

**This directive provides standards for the content and placement of check endorsements for agencies forwarding items to the Commonwealth Central Depository Facility at Brookwood Street. This amendment includes the definitions of FI document number and deposit transit slip, and updates terminology to reflect the Office of Comptroller Operations reorganization. Marginal dots are excluded due to major changes.**

- 1. PURPOSE.** This directive provides standards for the content and placement of check endorsements for agencies forwarding items to the Central Commonwealth Depository Facility located at 1854 Brookwood Street, Harrisburg, PA, 17104.
- 2. SCOPE.** Applies to all agencies under the Governor's jurisdiction and other agencies using the Central Commonwealth Depository Facility at Brookwood Street.
- 3. OBJECTIVE.** To improve security when forwarding third party checks payable to commonwealth agencies from any agency location to the Central Commonwealth Depository Facility, to provide a standard efficient method for identifying endorsed checks with the depositing agency, to expedite the processing of checks returned by a bank for insufficient funds or other reasons, and to comply with the standards for endorsement developed by the banking industry in accordance with the *Federal Expedited Funds Availability Act*.
- 4. DEFINITIONS.**
  - a. Agency Control Number.** A unique numbering system, maintained for a particular agency, which may take the place of the document number of the *STD-421, Deposit Transit Slip, STD-420, Transmittal of Revenue, or the STD-419, Refund of Expenditures*, on which checks are forwarded to the Central Commonwealth Depository Facility for deposit.

- b. **FI Document Number.** A unique number generated by SAP upon parking or posting a journal entry in the SAP Financial Accounting Module.
- c. **Third Party Check.** A check or money order received from an individual, organization, company or other governmental entity indebted to the commonwealth for a service, sale, fee, tax or overpayment. Third party checks do not include checks prepared by Treasury or any commonwealth agency, bureau, unit or division.
- d. **Deposit Transit Slip.** Control document generated by SAP or other agency system used to forward checks and money orders to the Central Commonwealth Depository Facility (Refer to *Management Directive 305.11, Depositing Checks, Money Orders and Cash* for policy and procedures).

## 5. POLICY.

- a. The *Federal Expedited Funds Availability Act*, amended October 28, 2004, identifies standards for the content and placement of check endorsements.
- b. Commonwealth agencies will comply with the published standards by adhering to the responsibilities listed herein.

## 6. RESPONSIBILITIES.

- a. Agency heads are responsible for instituting procedures to ensure conformance to this directive, as follows:
  - (1) All checks will be endorsed upon receipt by commonwealth agencies. Any exceptions will be reviewed and approved by the Office of Comptroller Operations.
  - (2) Checks forwarded to the Central Commonwealth Depository Facility must include "FOR DEPOSIT ONLY", Commonwealth of PA or the agency name and a document control number on each check. The document control number may be the STD-421 number, the STD-420 number, the STD-419 number, the SAP FI document number, or an agency control number.
  - (3) Use of agency control numbers must be reviewed and approved by the Office of Comptroller Operations. Number ranges used by an agency must not be duplicated, either by another agency, or by another series of documents created by the same agency. Every agency control number must be unique.
- b. The Office of Comptroller Operations will monitor agency control numbers for compliance.

- ## 7. PROCEDURES.
- All agencies in receipt of third party checks payable to the commonwealth or a commonwealth agency are to endorse the checks on the reverse side with "FOR DEPOSIT ONLY", Commonwealth of PA or the name of the agency and a document control number.

Sample agency endorsement:

FOR DEPOSIT ONLY  
COMMONWEALTH OF PA  
95001234

**OR**

DEPT OF EDUCATION  
FOR DEPOSIT ONLY  
94001234

All agencies in receipt of third party checks payable to a commonwealth employee or a bureau, division, section or unit of a commonwealth agency must have the check endorsed by the employee or with the name of the bureau, division, section or unit of a commonwealth agency before "FOR DEPOSIT ONLY", Commonwealth of PA or the name of the agency and the document control number.

Sample agency endorsement:

John Smith  
FOR DEPOSIT ONLY  
Commonwealth of PA  
95002345

**OR**

Bur of Teacher Certification  
Dept of Education  
FOR DEPOSIT ONLY  
94002345

Agency endorsements must be placed on the reverse side of checks and money orders in the area designated for endorsements, generally 1.5 inches from the trailing edge, using black, blue or purple ink. Agency endorsements should not be placed in the area reserved for financial institution use.

**Enclosure - Exhibit 1 - Location Chart for Check Endorsement (Illustration of endorsement content and location.)**

**This directive replaces, in its entirety, *Management Directive 305.2*, dated, August 15, 1988.**

**LOCATION CHART FOR CHECK ENDORSEMENT**

