SAN DIEGO COMMUNITY COLLEGE DISTRICT

Administrative Procedure

CHAPTER 6 – BUSINESS AND FINANCIAL SERVICES

AP 6300.8 Remote Image Deposit Procedure

Office(s) of Primary Responsibility:

Vice Chancellor of Business Services
Controller
Vice Presidents of Administrative Services

A.   Purpose/Scope

The purpose of this procedure is to implement certain provision of Board Policy 6300 Fiscal Management. Imaged deposit processing service in now available for submission via website at Union Bank for electronic check deposits. The campuses will be able to make check deposits, directly from their desktop using a scanner, which will be transmitted to Union Bank the same day and posted to the District Transfer account. This system will extend the deadline for same day deposit credit until 5:00 p.m. Availability of data in retrieving deposits and check images from a file directory will also be simple and efficient.

B.   Function

Access controls to prepare and scan deposit batches daily using the Remote Image Deposit web site, with proper authorization and security assigned to credit Union Bank transfer acct. Reconcile batch deposits, process for final approval and submission to Union Bank by designated level of security. Exception handling of items for rescanning checks that may not have been imaged properly. Structure of file folders, handling and storage of hard copies of batched checks deposited.

C.   Implementation

Access controls are established as to the designated employees authorized to perform a specific step in the process and identify separation of duties to prevent unauthorized transactions. The process flow of deposit batches includes preparation, scanning, exception handling, approval and submission.

- Prepare deposit control count and deposit control amount totals using calculator tapes with total dollars to be deposited and number of checks. Use the deposit description field for a brief description of the deposit and reference on the pending items and report tabs

- Place checks in the scanner facing toward the green light and scanner will blink when ready, to create an image of each check. Load no more than 100 checks into the scanner at a time, and include a maximum of 300 checks in any one deposit. Total dollar amount is automatically read, MICR line at the bottom of the check is captured, which includes information about the paying bank. If all scanned items are accepted, click the "Save" button to save the deposit. The "Pending Items" tab is displayed. During the "Save" process, checks go through quality checks to validate that control totals match the total number and dollar value of the individual checks, that the ABA number on each check matches the banks file of ABA numbers, and that each check has not been included in a previous deposit. Once scanning is completed, check batches are created, and their statuses updated on the "Pending Items" tab. From the Pending Items tab, a check batch can be approved and submitted.

- Re-scan any checks that may not have been imaged properly and enter any data elements that the system was unable to read automatically. Once scanning is complete, users with the appropriate permissions can modify reference information, check data, and MICR information. Failures during scanning could occur because of inadequate image quality, if a check is already an Image Replacement Document (only original check items may be deposited via Remote Deposit), and if a check appears twice within this deposit and must be corrected. If the failure is not resolved, the check must be physically deposited.

- Created check batches will have a status of waiting for approval, waiting for submission, submitted or waiting for delivery

- Approve created deposit batches by the designated approver prior to submission. These deposits will be displayed on the Pending Items tab, their statuses will be "Waiting for Approval". Select the deposits listed and click the "Approve" button. The status of the approved deposits become "Waiting for Submission"

- Submit deposit electronically to the bank so that the account is credited the same day if submitted by 5:00 p.m. Click the "Submit" button and the status of the submitted deposit becomes "Submitted." During the submission process, checks go through a quality check to verify that the count does not exceed the system limit on number of submitted items, and the total value of all checks does not exceed the system limit on daily overall value of submitted items. If any of these limits are exceeded, deposits can be modified.   To resolve these conditions, deposits with status of "Submitted" may be returned to "Waiting for Submission" status and then modified, or by changing check details or removing checks from the deposit and scanned again at a later time

- Data and Image Retrieval and Reporting is accessed from the "Funds Management Menu", select "Remote Deposit" and click the "Reports" tab. Check batch information is displayed for all deposits that have been created. Click the "Export" button to export the report in ASCII format, then it can be imported into excel for retention beyond the sixty-three (63) days that Remote Deposit retains historical data. Create excel file folders in your campus network district shared drive I, E, G, H, etc. for Remote Image Deposit files which will be backed up daily in the district server

- Storage, handling and retention of scanned checks - Store original checks in a secured area in bags labeled "DO NOT DEPOSIT'. This is to prevent improper handling and errors in sending these same checks for deposit to the bank. Scanned original checks should be filed by batch, by date sequence, and will be retained for three (3) months. These original checks will be shredded and disposed at the end of the three-month period by designated campus accounting staff using a diamond cut shredder as recommended

Reference: BP 6300

Approved by Chancellor:

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         Date

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 Constance M. Carroll, Ph.D.

Reviewed by Cabinet on 9-22-09 and approved by concurrence.