

CHAPTER 11. UNCOLLECTIBLE CHECKS

- 11-1. GENERAL. If checks deposited in a local depository for credit to HUD-FHA's account at the U. S. Treasury, prove to be uncollectible, the depository may defer charging HUD-FHA's Treasury account under an arrangement with the Field Office whereby uncollectible checks are: (1) automatically reprocessed for collection or (2) returned to the Field Office to be presented again or replaced with new checks.

Under such an arrangement, debit vouchers would not be prepared to charge the account unless the checks are not collected the second time they are presented or replaced within the agreed period of time.

- 11-2. DEBIT VOUCHER. If a Debit Voucher, Standard Form 5515, (Appendix 12) is prepared by the depository, the Field Office will receive the memorandum and confirmed copies together with the uncollectible check.
- a. Debit voucher without Check. If the unpaid check is not recovered by a depository, notification to that effect, will be furnished, citing the reason the check was not returned.
 - a. Verification of Debit Voucher. Upon receipt of the debit voucher, the Field Office shall verify that the total of the items returned agrees with the amount shown in block (4). The related schedule number and date shall be entered in block (6) of the confirmed copy with the check amount also shown. If the totals do not agree, the debit voucher and all items with it shall be returned to the depository for reconciliation.
- 11-3. SCHEDULE OF UNCOLLECTIBLE CHECKS. The Schedule of Collections, Form HUD-2022 is also used to report uncollectible checks (see page 3 of Appendix 9). After the amount shown in the debit voucher has been verified, the checks shall be listed on the schedule in case number order. Include the name and address of remitter, check number, money order number, receipt number and amount on the schedule.

- a. A certification shall be placed in the lower part of the schedule as follows: "I hereby certify that the foregoing is correct, per attached debit voucher dated _____" followed by the signature and title of the depositor. Under "date received" (at top of form), enter the date schedule was prepared and forwarded to

the Financial Control and Accounting Division. The prompt submission of the above type schedule is imperative for each case on which a debit voucher is received.

- b. A separate schedule shall be prepared for each check, or group of checks, contained in a single deposit ticket. (One debit voucher may involve more than one deposit ticket.)
 - c. The original schedule shall be forwarded within one business day, together with the memorandum and confirmed copies of the debit voucher to the Financial Control and Accounting Division, OFA, Attention: Financial Control Branch, PO Box 23299, Washington, DC 20026-3299.
 - d. A copy of the confirmed copy of the debit voucher and the duplicate of the schedule of uncollectible checks shall be retained for the Field Office files.
- 11-4. UNCOLLECTIBLE LOCKBOX CHECKS. Payments deposited in one of our lockboxes and returned due to insufficient funds will be forwarded to the operating unit in Headquarters which processes the collection data for that individual lockbox.
- 11-5. EXHIBIT OF DEBIT VOUCHER. A copy of the Debit Voucher, SF-5515 is illustrated in Appendix 12.
- 11-6. EXHIBIT OF SCHEDULE OF UNCOLLECTIBLE CHECKS. Appendix 9, page 3 illustrates the preparation of a schedule of uncollectible checks. This format must be followed exactly as shown.