

Chapter 14: Administration of Income Support

(viii) Replacement Cheques

Intent:	To note circumstances when an Income Support payment can be replaced.
Act: (if applicable)	N/A
Regulations:	N/A
Overview: (if applicable)	Staff will need to respond to requests from recipients or other payees when Income Support payments (cheque or direct deposit) were not received, stolen, lost or accidentally destroyed.
Policy:	<p>(a) General:</p> <ul style="list-style-type: none"> • An Income Support payment should only be replaced after every reasonable effort has been made to locate the original cheque or determine what happened with the direct deposit. The CSO should verify: <ul style="list-style-type: none"> ○ The cheque/direct deposit payment was issued (payment screen) ○ That the payment is not held (held cheque screen) ○ That the address and postal code or banking information is correct • As the bank requires 3-4 days to determine if a cheque has been cashed, there is a 5 day waiting period after the cheque date before replacing a cheque made out to a client or trustee. Where the fifth day falls on a weekend; the Client Services Manager’s approval is required to replace a cheque prior to the 5 day waiting period, and will be based on client circumstances. For a payment made to a third party payee (i.e. landlord, mortgage holder) the waiting period is 30 days. • If the CSO determines that the payment was issued to the correct address and has not been held, Client Payment Services (CPS) with the Finance Division should be contacted to determine if the cheque has been cashed. The process of replacing the payment will depend upon if the

cheque was cashed.

- Clients must be advised that if a cheque is replaced and the original cheque subsequently turns up, it must be returned to the department immediately. This cheque should be stamped “cancelled” on the face by district staff and returned to Client Payment Services.
- Replacement cheques for recurring pay cases are issued in CAPS through the supplementary benefits screens. As there is no ability to document income deducted from these benefits on these screens, pro-rated benefits for the covering period should be entered. Information on the exact amount of each pro-rated requirement previously issued can be found on the payment screen – in brackets after each requirement (i.e. a client who receives \$239 individual benefits + \$35.50 fuel supplement semi-monthly has an income of \$100 for the same period, reducing his overall entitlement to \$174.50).
- Payment by direct deposit should be set up for future payments of recurring pay cases. This will ensure the client’s benefits are not lost or stolen and will hopefully avoid future payment disruptions.

(b) Replacing Uncashed Payments

- The CSO contacts Client Payment Services (CPS) with the name, date of cheque, amount and cheque number. Client Payment Services checks with the bank to determine if the cheque has been cashed. If it is found that the cheque has not been cashed, CPS will ask the Department of Finance to place a ‘stop payment’ status`. Once in place, this cannot be reversed. As a result, if this cheque is subsequently cashed, government’s bank will not honour it, and the bank or store that cashed it will be out the value of the cheque. Once a cheque is replaced, the department cannot re-issue the original cheque to the store owner or other party who cashed the cheque
- Clients are to be advised that if the original cheque turns up cashed, the matter may be referred to the police for investigation.

- The client/payee will be required to complete a “Request for Payment by Direct Deposit” form to ensure future recurring payments are deposited into their bank account. Opting-out of direct deposit must be approved by a Client Services Manager.
- The payee will be required to sign a “Guarantee for Issue of a Duplicate Cheque” form.
 - Where distance permits, this form should be completed in the office and witnessed by the CSO.
 - When the client lives at a considerable distance from the office, the CSO can fax the form to the client directly or to a person/business with a fax machine that the client has identified. The client has to give permission to receive the form in this manner and provide the fax number to the CSO.
 - The form is to be completed by the CSO and provided to the client who then signs the form in the presence of a witness, (whose signature is also required) and returns it to the CSO. When the Guarantee for Issue of a Duplicate Cheque form is sent by fax, this action needs to occur prior to the 5th day to ensure that the client can receive his/her replacement cheque on the 5th day. The form with the client’s original signature must be returned to the office by regular mail.
 - When an error is made on the form by the client, witness or staff, whiteout or other corrections that erase the original entry cannot be used. As the error must still be legible, a strikeout should be used (e.g. ~~strikeout~~) and the error corrected.
- Where the payee is a client or trustee, payment should be made so that the cheque is received no later than the 5th day after the original payment date. The CSO must complete the request for a replacement cheque on the third day and confirm with the client that the cheque has not been received prior to forwarding the request to the Pay Authorization Unit (PAU). It is important that the replacement cheque request be verified by the PAU on the third day or else the client will not receive his/her cheque until after the fifth day.

(c) Replacing Cashed Payments

- Where it has been determined that a cheque has been cashed, the CSO will request that CPS fax or email a copy of the cheque to the office immediately. The CSO should compare the signature or other identifying information on the cheque endorsement to that found in the client file/TRIM. The CSO may also contact the business where the cheque was cashed to determine the identity of the person who presented the cheque.
- Where the CSO, in consultation with the Client Services Manager, is satisfied that the two signatures are the same; a replacement cheque will not be issued. The client should be advised of this decision and their right to appeal.
- Where it appears that the signatures are different or the identification used for the cheque does not match the client's information, the client should be shown the cheque and asked if they cashed the cheque or benefited from the proceeds.
- If the client indicates that the signature is not theirs, they will be required to sign a "Statutory Declaration of Forgery" form in addition to the Guarantee Issue of a Duplicate Cheque. In situations where the client lives at a considerable distance from the office, the CSO can fax both forms to the client. The client will sign the forms and then fax the forms back to the CSO. The form with the original signature must be returned by regular mail. The "Statutory Declaration of Forgery" form requires that the client signature be witnessed.
 - When an error is made on the form by the client, witness or staff, whiteout or other corrections that erase the original entry cannot be used. As the error must still be legible, a ~~strikeout~~ should be used (e.g. ~~strikeout~~) and the error corrected.
- Upon receipt of the faxed forms, the CSO in consultation with the Client Services Manager, will make a determination as to whether a replacement cheque will be issued. Where a decision is made to replace the cheque, copies of both forms are to be immediately sent to Client Payment Services who

record the information and forward the original copies to the Department of Finance.

- The client/payee will be required to complete a “Request for Payment by Direct Deposit” form to ensure future recurring payments are deposited into their bank account. Opting out of direct deposit must be approved by a Client Services Manager.
- In such cases where a cashed payment has been replaced, the CSO should consult with their supervisor with a view to making a referral to police for an investigation.

(d) Replacement Cheques for Direct Deposit Payments

- In addition to replacing cheques, staff may also be required to replace direct deposit payments which were not credited correctly. The same policy as above will guide the worker. However, before replacing this payment, it is critical that the worker determine exactly what happened to the original payment. As the recurring pay runs are completed and the payments are placed in the client’s bank accounts, the Department of Finance identifies to Client Payment Services any rejections or errors they encounter. If the payment was rejected by the bank for whatever reason and this is verified by the CSO, a replacement payment can be issued.
- In some instances, while the bank may indicate that a payment is not in a particular bank account, this in itself is not sufficient grounds to replace a payment. The bank may have placed the payment in another bank account of the client (in which case we would not replace) or the payment may have been placed in an account belonging to another person. The latter occurs when either the bank ID, the account number or the transit/branch number is incorrect for a specific client, but may in fact be a valid combination belonging to someone else. In these cases, CSO’s must work with Client Payment Services and the bank to rectify the matter before replacing the payment. Steps must also be taken to ensure that the error is corrected before the next pay cycle.
- Opting out of direct deposit must not occur without the approval of a Client Services Manager.

(e) Damaged Cheques

- Uncashed cheques which are damaged and returned to the department can be quickly replaced where the CSO can ascertain enough information on the cheque to identify the cheque number and can link the cheque to the client file.
- Where the CSO is not able to verify the cheque information (i.e. cheque was washed out and is in pieces), this will require the completion of the Guarantee for Issue of a Duplicate Cheque form and a check with Client Payment Services to determine if the cheque was cashed, before being replaced.
- The original cheque will be stamped "replaced" and the replacement cheque should indicate the original cheque number in the comments section. The original cheque along with a covering letter should be submitted to Client Payment Services.

Procedure: N/A

Authority Level: Client Services Officer

Client Services Manager –

- to approve the replacement of a cheque earlier than a 5 day waiting period
- to approve a replacement cheque where the original cheque has been cashed
- to approve opting out of direct deposit

Date revised: April 11, 2024