

24- SOP On Prohibition of Encashment of CHEQUE

- 1) No open cheque will be issued in any circumstances and it will be issued to **"Account payee only"**
- 2). Cheques Books are issued by the PEPCO designated Banks.
- 3). The currency of a cheque expires owing to its not being presented at the Bank within six (6) months after the date of its issue. There after it becomes a time-barred cheque.
- 4). No Cheque is issued for amount under ten rupees.
- 5). Before bringing the cheques in use, all the cheque Books are counted to verify it. If the same are intact and the certificate on fly leaf is filled in and signed by the Disbursing Officer.
- 6). Cheque Books are always remained in the personal custody of the Sr. Budget & Accounts Officer / B&AO or the Accounts Officer of the concerned DISCOs.
- 7). Before writing cheque its counterfoil is written first.
- 8). Progressive totals of cheques are worked out on the face of each counterfoil which are compared with the total of the Bank column on the credit side of the Imprest Cash Book.
- 9). Except the cheques issued for replenishing cash for chest all cheques are crossed and the word "Account payee" is entered in between the crossing lines.
- 10). No space is left blank in front of or between or after words the figures of the cheques.
- 11). If the currency of a cheque is expired owing to its not being presented at the bank for payment within six months after date of its issue, it is received back by the drawer who cancel it by first crossing out the signature and then draw two parallel lines across the cheque by writing cancelled in between the lines and then issue a new cheque in lieu of it. The fact of cancellation, the number and the date of the new cheque is noted on the counterfoil of the old cheque, and the cancelled cheque is pinned to the counterfoil of the new cheque. The fact of the cheque having been issued is entered on the date of issue in the particular column of the Cash Book, but the amount is not entered in the column for payment except in a case where a cheque is being issued on lieu of a cheque which had remained un paid for six months after its issue date and the amount has been written back. In such a case the amount of fresh cheque is entered in the column for payment and debited to the account which was credited at the time of cancellation of the original cheque.
- 12). When it is necessary to cancel cheque for any reason mentioned above the cancellation is recorded on the counterfoil and the cheque is cancelled in the manner as mentioned above. If the cheque is not in the possession of the person who has issued

the cheque he promptly requested the Bank to stop the payment of the cheque, on cancellation on ascertaining that payment has been stopped by the Bank, he passed an entry on the receipt side of the person by home payments remains to be paid, the amount of the cancelled cheque is re-debited to the account which was originally debited. A cheque remaining unpaid for any cause for six months after the month of its issue is cancelled and its amount written back.