

3.3

BILLS OF EXCHANGE AMENDMENT ACT REGARDING THE CROSSING OF CHEQUES

Policy Number: 019A/06/04

Scope: The policy contains information obtained from the Bills of Exchange Amendment Act, which came into effect on 1 March 2001, and the consequences of the amendments regarding the University.

Policy:

Parliament amended the legislation relating to the handling of cheques. The new Act, the Bills of Exchange Amendment, came into effect on 1 March 2001. Financial institutions, such as banks, which must comply with the requirements of the Act, were granted a period of grace for its implementation.

The University's cheques should be crossed as "not transferable / not negotiable" to provide maximum protection in the case of theft, or if cheques are lost. In terms of the new Act, it is not illegal to scrap or cancel the "not transferable" crossing on a cheque. A "not transferable" cheque may only be deposited into a bank account in the name of the person to whom the cheque has been issued. A "not transferable" cheque may no longer, as has been the practice until now, be used to pay someone who does not have a bank account. The University's pre-printed cheques therefore may not be used as cash cheques or to pay someone who does not have a cheque account.

Taking into account the period of grace for banks, the University may no longer, as from 1 May 2001, cancel the crossing on cheques. Payments to students with regard to bursaries, for example, as well as credits on student loans, will therefore have to be paid into the relevant beneficiary's bank account. Students will have to ensure that they have a valid bank account. In the case of cheque, savings and transmission accounts, the payments may be paid directly into the relevant bank account if the Financial Services Division has been given the relevant banking details.

The new legislation has, however, also compelled the University to amend its handling of petty cash supplementations and the payment of wages. The current requisition form has been amended to make provision for cash to be paid out.

Authorisation for cash requests will be made available to the beneficiary indicated on the cheque requisition after approval from the office of the Head: Financial Services. As indicated, this cash request document can then be presented to one of the following cashiers for payment of the approved cash amount:

- The SU cashiers at the main campus
- The SU cashiers at the Tygerberg campus
- The SU cashiers at the Bellville Park campus
- The Standard Bank cashier on the main campus
- Standard Bank (Tygermanor branch)
- Standard Bank (Stellenbosch branch)

The relevant SU cashier or Standard Bank cashier will only pay the relevant cash amount to the beneficiary, as initially indicated on the cheque requisition, on presentation of proper identification. The only acceptable identification will be a valid RSA identity document or passport.

Contact Division:
Financial Services