Message from the University Treasurer
Post-Dated Cheques Deposited to the Bank will be Dishonoured and Returned
July 2010

We request that managers and staff in Finance and units of the University that prepare bank deposits, using the Canadian Deposit Form, take **special care to ensure post-dated items are NOT included in bank deposits.**

The Bank of Montreal *(see notice from BMO below)* has advised that effective June 2010 dishonoured post-dated items that have been returned (by the bank to York University) can no longer be certified and then re-cleared *(per amended Rule A4 subsection 12(d) of the Canadian Payments Association rules)*.

Any cheque/item that is inadvertently processed in advance of the cheque date will be stamped 'Item Dishonoured' and the original or an image printout of the cheque will be returned (to York University). If this situation arises, the depositing unit will need to make arrangements directly with the cheque drawer to obtain a replacement cheque and then re-deposit that replacement cheque.

This service change is part of the system-wide move by Canadian banks to imaging technology for processing, verification and storage of items. The Bank of Montreal notice of the rule change is below.

**In summary**, bank deposits should only include cheques that are dated on or earlier than the date the item is dropped with Bank of Montreal for deposit to York University's account. Please ensure your deposit preparation process incorporates verification of the date found at the top-right corner of the cheque.

Any questions on this matter can be directed to Treasury Department.

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**BMO Capital Markets**

Changes to the noted Canadian Payments Association (CPA) rules take effect June 1<sup>st</sup>, 2010.

To make better use of the cheque image archives, the CPA has introduced a new rule, A10 Images of Cheques. With the introduction of this rule, amendments were also made to Rule A4 subsection 1(a), to accommodate the use of Image Printouts for the purpose of return pursuant to Rule A10. This will allow financial institutions, at their option, to use an image printout for items that are returned, in the extended time frame, such as a forged endorsement; materially altered; and posted dated cheques. Copies of the front and back of a cheque can be placed in the carrier envelope and returned in the normal clearing channels.

In addition, Rule A4 subsection 12(d) has been amended to clarify that certification of dishonoured post-dated items that have been returned **can no longer be certified and then re-cleared**. This means that items which have been inadvertently processed in advance of the cheque date, will be stamped 'Item Dishonoured' and the original or an image printout of the cheque will be returned to you. If this situation arises, you will need to make arrangements with your client to obtain a new cheque and re-deposit the new cheque.

For more information about the CPA Rule A10 and A4, please consult the CPA website at [www.cdnpay.ca](http://www.cdnpay.ca).

Sincerely,
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BMO Capital Markets