



State of North Carolina

Department of State Treasurer

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TREASURER

Financial Operations Division

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STALE DATE POLICY FOR STATE WARRANTS September 2, 2003

The State Controller, in his role of issuing warrants (himself or through delegation to agencies), and the State Treasurer, in his role of honoring/dishonoring presented warrants, desire to issue a policy regarding when a State warrant is considered stale. Therefore, a State warrant issued against an account maintained with the State Treasurer shall be subject to the following stale date provisions.

The stale date period shall be one year after the date of issuance, the same period applicable to US Treasury checks, and the same period for which State warrants are subject to being escheated, pursuant to G.S. 116-B(c)(12). For accounts containing federal funds for which there is a federal regulation regarding the stale date period, the federal regulation of 90 days shall apply.

The one-year stale date period does not prohibit a financial institution from electing to dishonor a State warrant that is older than six months, as provided for under the Uniform Commercial Code (G.S. 25-4-404).

In order to provide notification to a warrant recipient, or other "holder in due course," agencies shall print a statement on the face of all issued warrants that specify the stale date period for the particular warrant. The statement may be one of the following, depending upon the applicability: 'Void After One Year' or 'Void After 90 days.'

At or as soon as practicable after a warrant has reached the stale date period, the issuing agency should take the necessary actions to instruct the State Treasurer to not honor the warrant should it be presented for payment. The primary method to be utilized to instruct the State Treasurer is the positive pay program. Until an account begins to participate in the positive pay program, the stop payment method should be used. The action may be coordinated with the annual escheating process, in which case the warrant may actually be valid for a period of time beyond one year.

With the State Treasurer's Core Banking System now making all disbursing and STIF accounts eligible to participate in the positive pay program, all accounts are required to enroll in the program as soon as practicable. Any exemptions are to be granted by the State Controller's Office.

Robert L. Powell
State Controller

Richard H. Moore
State Treasurer