



# CIRCULAR

## STATE OF NEW JERSEY

### DEPARTMENT OF THE TREASURY

NO: 22-07-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 2
EFFECTIVE DATE: 12-15-21	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 94-17-OMB
SUBJECT: HOLD CHECKS		
ATTENTION: DIRECTORS OF ADMINISTRATION, FISCAL OFFICERS, AND PAYROLL OFFICERS		
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This Circular establishes general guidelines for the processing of hold checks.

#### I. PROCEDURES

The hold check feature within NJCFS provides the ability to interrupt the automatic mailing of checks. To create a hold check when a payment voucher is entered, the appropriate check category, located in the CCAT table, must be entered in the check category field of the payment voucher. Checks should not be requested to be held as a normal course of business.

The following are valid reasons for requesting that checks be held:

##### Check

##### Category   Description

- |    |  |
|----|--|
| 02 | Payroll deductions, salary advances, and payrolls that require special handling.   |
| 03 | Travel advance for a State employee.   |
| 04 | Closing paperwork must be signed with the presentation of the check (e.g. right of way, construction).                                     |
| 05 | The payee is a foreign vendor. Extra postage required.   |
| 06 | A letter or order form must accompany the check.   |
| 08 | To save a cash discount.   |
| 09 | Mailing the check would cause hardship to the vendor.  |
| 10 | The payee must receive the check at the completion of performance in accordance with the contract (e.g. entertainers, athletic officials). |
| 13 | Recoupment of overpayments.  |
| 99 | Miscellaneous - Other special circumstances.   |

#### II. PROHIBITED PROCEDURES

Under no circumstances should fiscal officers use a State check as a means of coercing vendors to complete or improve their services. If a fiscal officer is dissatisfied with the performance of a vendor, the processing of the State invoice at the agency should be delayed until the problem is resolved.

### III. DISPOSITION OF HOLD CHECKS

Hold checks can be picked up by agency personnel at OMB two business days after processing. Checks that are valid holds should be held for the fiscal officer or business manager of the agency requesting the hold check. It is the fiscal officer's responsibility to make certain that appropriate internal controls are maintained within an agency concerning the disposition of hold checks.

### IV. EXCESSIVE HOLD CHECKS

Fiscal officers are directed to examine their reasons for requesting hold checks and to eliminate all unnecessary hold check requests. Agencies, which in the opinion of OMB, request an excessive number of hold checks, may be subject to a more detailed review. OMB and the Office of the State Auditor review the use of hold checks because the hold check process adds manual handling to the disbursement process and, therefore, increases cost and internal control risks.



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Acting Director