

**SENATE BILL REPORT**

**HB 2069**

**AS REPORTED BY COMMITTEE ON HIGHER EDUCATION, MARCH 30, 1993**

**Brief Description:** Allowing institutions of higher education to cash student's and employee's checks.

**SPONSORS:** Representatives Mielke and Zellinsky

**HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**SENATE COMMITTEE ON HIGHER EDUCATION**

**Majority Report:** Do pass.

Signed by Senators Bauer, Chairman; Drew, Vice Chairman; Cantu, Jesernig, Prince, Quigley, Sheldon, von Reichbauer, and West.

**Staff:** Scott Huntley (786-7421)

**Hearing Dates:** March 26, 1993; March 30, 1993

**BACKGROUND:**

State colleges and universities have limited ability to cash student and employee checks. The State Auditor has informed at least one institution that it was not authorized to cash the checks of students or employees.

**SUMMARY:**

Any institution of higher education may, at its option and after the approval of the governing board, cash payroll checks, expense checks, financial aid checks, or personal checks for students and employees.

If a check is cashed and remains unpaid, the college or university may place a hold on a student's enrollment and transcripts until paid along with reasonable collection fees and costs. In the case of employees, a college or university may withhold from the next payroll or expense check of the employee, the amount of the unpaid check plus a collection fee.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

Colleges have been providing this service for years. However, some colleges have had internal auditors tell them that they don't have specific authorization, and therefore, should stop cashing checks. The State Auditor's Office has reviewed this bill and is satisfied that it solves the problem.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Terry Teale, C.O.P.(pro); George Durrie, EWU (pro)