§ 21. Cancellation of unpaid checks or drafts.

Checks or drafts of any municipal corporation, district corporation or school district which shall have been outstanding for more than one year from the respective dates thereof, shall be cancelled and the amount thereof returned to the fund which was originally charged. Prior to such cancellation, the bank or banks on which such checks or drafts were drawn shall be notified, by the fiscal officer or other officer having responsibility for issuance of such checks, not to pay the same. A complete and accurate record of all checks and drafts so cancelled shall be maintained. The amount of any such check or draft shall be paid without interest in the same manner as any other claim presented for payment within six years from the original date of issuance, from any moneys legally available, to the lawful holder thereof, or in the absence of such check or draft, to the person or entity lawfully entitled to payment upon submission of a voucher and a statement accounting for such absence. For purposes of such payment, the governing body of the municipal corporation, district corporation or school district may establish an appropriation containing moneys sufficient to pay the amounts of any outstanding checks or drafts which may be presented.