

## Amendment to the NSF Policy

General Accounting is first notified that a check is NSF. They will notify the department that accepted the check and the Revenue Department that the check was NSF. Ultimate responsibility for the collection of NSF checks and the \$50.00 collection penalty is the responsibility of the department that accepted the payment. NSF penalty fees can be waived only by the Director of Finance.

Steps Departments should take in response to a NSF check payment:

1. If possible withhold the delivery of services or items that were covered by the NSF check.
2. Contact the issuer of the check and apprise the appropriate parties of the situation.
3. Arrange for the repayment of the amount owed and inform the check issuer of the \$50.00 overdraft fee which should be added to the amount of the original payment. (This can be done over the phone or via a letter).
4. Contact the Revenue Department and provide them with details of the transaction.
5. Deliver collected funds to the Revenue Department. (No receipt needed) If payment is received and the \$50.00 overdraft charge is collected, request that only the \$50.00 should be receipted.

If an initial overdraft and the \$50.00 penalty is covered with a certified check or a cash payment within 10 business days of when the overdraft was discovered future payments can be made with a standard check. If there is a second occurrence of a party

paying the County with an NSF check that entity will be required to pay the \$50.00 overdraft fee and will be required to make all future payments to the County with a certified check or cash. The \$50.00 overdraft fees are not booked until they are received and are treated as revenue for the department that took the NSF check as payment. If the cash or certified check payment is not received within sixty calendar days of notification of the overdraft the unpaid charge should be written off as uncollectable.

Departments are urged to do what they can to collect the owed funds in full.

Duties of the Revenue Department when handling NSF checks:

1. Record the name and address of parties that have paid with an NSF check and the date notified of the NSF in a tickler log.
2. Via NSF log entries determine if the party with the NSF has made a previous NSF payment within the last calendar year.
3. Notify the department that received the check and General Accounting if there was a previous NSF payment within a preceding calendar year.
4. If payment and penalties are not received notify via E-mail the involved department and General Accounting when 30, 45 and 60 calendar days have passed since the occurrence of the initial overdraft.
5. If payment in the amount of the NSF and penalty is received within sixty days of the overdraft notification being sent the Revenue Department will advise General Accounting that the originating Department is in receipt of the payment and penalty for that particular NSF.