



## Administrative Policies and Procedures

Procedure Number	Subject	Effective Date	Revised Date
BU-1.1.03	NSF Checks	10/12/2004	11/10/2007

### I. Overview

Checks returned to the college for non-sufficient funds will be handled in accordance with the following procedures depending upon the nature of the payment. Extenuating circumstances that require deviations from these procedures should be brought to the attention of the Controller.

### II. Checks Returned for Tuition and Fee Payments

Upon receipt of a check returned for a tuition payment, the cashier will take the following action:

1. Mail a letter to the student to advise him/her their term's registration has been canceled for nonpayment of fees; the returned check should accompany the letter. A notation should be made in the Returned Check Log that the check was returned to the student. A copy of the letter and check should be filed.
2. Give one copy of the letter to Accounts Receivable.
3. Appropriate documentation should be placed in the "debt" file.
4. If the student does repay the tuition and fees and returned check fine before the above steps are taken, the Cashier will redeposit the cash received for the tuition and fees and write a receipt for the returned check fine. If needed, the "HOLD" should be released on SOAHOLD, the documentation forwarded to Accounts Receivable with a note on it stating it was paid, the amount paid and the date paid.

Accounts Receivable will take the following action:

1. When a copy of a NSF letter is received, accounts receivable will put place a Business Office "HOLD" on the student's account until the returned check and fine has been satisfied.
2. The amount of the returned check will be placed on accounts receivable as a NSF check; the system will automatically place the \$15.00 returned check fee on the students account.

### III. Checks Returned For Revenue Other Than Tuition



Upon receipt of a check returned for payment of books, traffic fines, Continuing Education fees, etc., the following actions will be taken:

1. The Cashier will mail a certified notification to the individual to advise that legal action will be taken to recover the money owed to the college.
2. The Cashier will forward a copy of the letter to Accounts Receivable so that they can set up the receivable on the individuals account. The system will automatically place the \$25.00 NSF fee on the account.
3. Accounts Receivable will place a Business Office "HOLD" on the individuals account.
4. The Cashier will notify the appropriate divisions or departments of the outstanding check so no more checks are accepted, no additional services are rendered, and no transcripts, library books, etc. are issued until the debt is collected.
5. The Cashier will send the check and appropriate documentation to the magistrate's court to pursue collection of the outstanding check of not paid within two weeks of mailing the certified notice.
6. The Cashier should make a notification in the Returned Check Log to record that an accounts receivable has been established for the outstanding debt.

When collection is made on the returned check, the funds are receipted against the accounts receivable ledger that was established. The "HOLD" should be released on SOAHOLD and the documentation removed from the "debt" file.