

TOWN OF VINALHAVEN BOUNCED CHECK POLICY

ACCEPTANCE OF CHECKS

Proof of identity must be presented if you do not know the customer. Make sure the customer's driver's license number is included on the check. If a phone number is not included on the check, please request the customer's phone number and add it to the check.

FOR ALL BOUNCED CHECKS:

- A \$25 bounced check fee will be charged for all checks returned by a financial institution.
- Repayment shall be required to be made by cash or by a bank cashier's check.
- Call the customer if the customer's phone number is:
 1. Preprinted on the customer's bounced check or
 2. Available in the phone book

If the customer is home:

- Notify the customer that he/she has 8 working hours to bring in "cash" and report that you will waive "bounced check fees" if paid during this period.

If the customer is NOT home:

- Leave a message with an answering machine, stating "contact the Vinalhaven Town Office as soon as possible to discuss the status of your account or payment that was received from them:
- If you leave a message with a child over 13 years of age (document the child's name and time) stating "have your dad or mom contact the Vinalhaven Town Office as soon as possible"

If there is no answering machine and no person available to answer:

- Call back a second time later in the day.

If a contacted customer does NOT pay during the 8 working hour period, or if a message can NOT be left after 2 attempts:

- Report to the customer, in writing by certified mail return receipt required, that their check has been returned. Demand that payment be received within five days and indicate to the customer all penalties and fees that will be assessed due to the "bad check" payment. Such as, the \$25 Bounced check fee. The bank may also charge bounced check "handling fees" which are not governed by this policy.

- When payment is received, ensure that payment is sufficient to cover the bounced check plus all penalties and fees. If the payment is sufficient then issue the customer a hand written receipt. DO NOT enter the payment into the computer.
- Prepare a separate deposit receipt for the bounced check payment received.
- Deposit the bounced check payment in the bank at the end of the night separate from the deposit for the daily receipts.
- Give the deposit receipt to the treasurer for entry into the General Ledger.

PAYMENT NOT RECEIVED AFTER 60 DAYS

- If payment is not received after 60 days, the Treasurer should fill out a Data Sheet for NSF/Account Closed Check form and submit it to the Knox County Sheriff's Department for prosecution by the District Attorney's Office.
- The Treasurer shall send a copy of the Data Sheet for NSF/Account Closed Check to the customer along with a letter indicating that you have turned the matter over to the District Attorney's office for prosecution. Indicate in the letter again that this matter can be taken care of by paying the amount of the returned check plus all penalties and fees. If payment is submitted after this point, follow the above mentioned procedures for processing a returned check and notify the Sheriff's Department that payment has been received in full.

Approved by the Vinalhaven Board of Selectmen at a duly called meeting on Monday, September 26, 2005.

James Moore, Chair
Board of Selectmen

Linda Oxtan, Town Clerk

I hereby state that I have read and understood the above Bounced/Returned Check policy.

Employee's Name

Date