

TOWN OF HOLDEN  
RETURNED CHECK POLICY

Policy for the disposition of personal or corporate checks returned to the Town for non-sufficient funds (NSF).

ACCEPTANCE OF CHECKS

- Current telephone number and mailing address must be noted on all checks.
- The Town specifically reserves the right to refuse to accept any personal checks from individuals or corporate entities who, in the opinion of the Town Council, habitually tender checks drawn on accounts with non-sufficient funds.

NON-SUFFICIENT FUND (NSF) CHECK RETURN PROCEDURES

For Motor Vehicle Transactions that include State fees the following process shall be followed:

- a) The Treasurer or their designee shall send a registered letter to the check bearer of the NSF check informing that the check has been returned and that the total amount due - the original transaction amount, registered letter costs, plus an added NSF fee in the amount of the greater of \$25.00 or the fee charged the Town by the bank - is due within 10 calendar days. Payment cannot be made using a personal check.
- b) If there is no response by the 10<sup>th</sup> calendar day, a second registered letter shall be sent warning the bearer that if payment is not received within five (5) calendar days from receipt of notice the matter will be turned over to the Bureau of Motor Vehicles.
- c) If the individual fails to respond to the second notice, the Treasurer or their designee shall write to Secretary of State, Bureau of Motor Vehicles, Attn: Court Records Section, 29 State House Station, Augusta, ME 04333, enclosing copies of their prior correspondence, a copy of the check (with name, date of birth, plate number indicated), and a copy of the registration(s) for which the check was written. This information may also be faxed to (207) 624-9154. The individual's current address shall be included in the correspondence.

For Real Estate or Personal Property Tax Payments the following process shall be followed:

- a) The Treasurer or their designee shall send a registered letter to the check bearer of the NSF check informing the bearer that the check has been returned and that the total amount due – the original transaction amount, registered letter costs, plus an added NSF fee in the amount of the greater of \$25.00 or the fee charged the Town by the bank – is due within 10 calendar days. Payment cannot be made using a personal check.
- b) The registered letter shall also indicate that the transaction that was paid for using an NSF check has been reversed in the system and that interest continues to accrue on the tax account.

For all Other Transactions the following process shall be followed:

- a) The Treasurer or their designee shall send a registered letter to the check bearer of the NSF check informing that the check has been returned and that the total amount due – the original transaction amount, registered letter costs, plus an added NSF fee in the amount of the greater of \$25.00 or the fee charged the Town by the bank – is due within 10 calendar days. Payment cannot be made using a personal check.
- b) The registered letter shall also indicate that the transaction that was paid for using a NSF check has been reversed in the system and interest, if applicable, continues to accrue.

If legal action is necessary to collect funds owed to the Town of Holden on a non-negotiable check, the check bearer shall be liable for all expenses incurred by the Town for said collection action, including reasonable attorneys' fees.

The Town reserves the right to turn over the name and address of any bearer of a check returned for non-sufficient funds to the Holden Police Department.

The Treasurer or their designee will prepare a separate deposit receipt and deposit the NSF check payment in the bank separate from the deposit for the daily receipts.

This policy may be waived by the Town Council in the event that written notification is received from the bank acknowledging that the error was theirs.

This policy shall be effective immediately.

Adopted the 14th day of May, 2018