



Town of North Yarmouth
RETURNED CHECK POLICY

In the event that a personal check is returned to the Town of North Yarmouth by a financial institution the following action will take place:

Schedule A

- 1) The staff administrator assigned shall resubmit the check once for collection. If the check clears and is deposited, no further action is necessary.
- 2) If the same check is returned a second time for insufficient funds or a closed account the customer will be issued a **First Notice** by regular mail which provides a detailed account of the returned check, the fee for insufficient funds along with a copy of the Returned Check Policy for the town.
- 3) If payment of the returned check, plus fees, is not received by the Town within fifteen (15) business days, the customer will be issued a **Five (5) Day Notice**, detailed account received by the Town. This letter will be sent to the customer via certified mail. Only cash, money order or a cashier's check are acceptable forms of payment.
- 4) If within five (5) business days the town has not received the customer's payment the matter will be turned over to the local sheriff's department for collection.

Schedule B

- 1) A check returned for insufficient funds that required the issuance of a **Five (5) Day Notice**, shall call for the customer's name(s) are to be added to the **Credit Risk List (CRL)**.
- 2) No new personal checks will be accepted from the customer or other account holders until all returned check(s) and fee(s) are paid. Once paid, the name(s) are removed from the list in accordance with the date of the last "bad check" was issued for six (6) months.
- 3) If a second **Five (5) Day Notice** is issued within a twelve (12) month period, beginning the date of the second **Five (5) Day Notice** the customer and any other account holders will be added to the "**Credit Risk List**" and shall remain thereon for twelve (12) months. If no other checks have been returned the name(s) will be removed from the CRL. **Removal from the list assumes all past debts have been paid in full.**

It is the policy of the Town of North Yarmouth to maintain a "Credit Risk List." Any customer or other account holders from this account are not eligible to utilize personal checks while on this list. The Town shall maintain this list with periodic updates distributed to staff that handles town funds. A clearly posted notice announcing the Town's authority to deny personal checks based on past credit issues shall be clearly posted at each location where town funds are collected.