

SECTION 4.03 – RETURNED CHECKS

Contact: Accounting @ Extension 4175

A. Overview

The bank sends all “NSF” (Non-Sufficient-Funds) checks or checks returned for any other reason directly to the accounting office. The accounting office charges the check back to the site that originally received credit for the check. This charge is accomplished through the accounting office’s use of the NSF function in the Point of Sale (POS) Receipting System, which then interfaces with the district’s financial software system, BusinessPlus. Sites will see these charges on their Transaction Recap detail reports on a weekly basis as the weekly receipt interface is posted. Accounting handles the collection efforts on obligations owed from returned checks. In collaboration with accounting, sites have a responsibility to track the status of payment on these obligations so that in the event of non-payment, other services or privileges can be withheld from the parent/student as applicable.

B. Returned Check Handling and Collection

- It is extremely important that sites accurately and consistently enter check serial numbers into the POS for each and every check received. When a check is returned as NSF, it is the serial check number that locates it in the POS and tracks it back to the account code which needs to be charged.
- The accounting office communicates returned checks to the originating site using a [Returned Check Notice](#).
- The [Returned Check Notice](#) details pertinent information about the check, the account code, and month that it is being charged back to the site.
- The charge will appear as a reduction in revenue to the site on their Transaction Recap reports in BusinessPlus.
- A fine is established in the POS if applicable to a student.
- A \$20.00 handling fee is assessed for each returned check.
- For returned checks less than ten dollars, a letter is sent to the check writer requesting payment, including the \$20.00 handling fee.
- Returned checks for more than ten dollars are forwarded to a 3rd party vendor (Transworld) that provides assistance with collection.
- Transworld sends a series of progressive letters requesting payment.
- Check writers should send payment directly to the accounting office. When payment is received, it is receipted against the fine in the POS. This clears the fine from the students account.
 - In the event repayments are received by the site, it is extremely important that the site: 1) receipt it against the student’s fine, and 2) notify the accounting office to stop Transworld collection letters.
- Returned checks from the food and nutrition services department are specially coordinated including adjustment of the parent/student meal balance in the kitchens’ automated Point of Sale Cash Register System.