

CHECKS RETURNED BY FINANCIAL INSTITUTIONS TO THE DISTRICT FOR NON-SUFFICIENT FUNDS, CLOSED ACCOUNTS OR FUNDS-NOT-AVAILABLE FOR PAYMENT

POLICY STATEMENT

- A. As stewards of the public trust, it is incumbent upon the School District of New London to establish sound business practices related to the collection of funds owed to the district. It is good public policy to attempt to recover losses resulting from checks returned by financial institutions to the district for non-sufficient funds, closed accounts or funds-not-available for payment.
- B. Attempts will be made to work with individuals or organizations to resolve the matter internal to the district without incurring additional expense to the district.
- C. When it becomes apparent that internal efforts are not effective, the district will consider all reasonable actions, up to and including legal action to recover funds owed.

POLICY PROCEDURE

- A. When a personal or business check is returned to the school district after a financial institution attempts to deposit the check or the check is unable to be deposited for any other reason, the school's principal or designee will contract the party, via letter, for payment within one month to cover the amount of the returned check and any related charges or fees.
- B. This letter will also include a statement that, if two returned checks are received from the same party within the same school year, all future transactions with the school district will be on a cash only basis.
- C. If payment is not received within one month, the district's business manager or designee will inform the party, via certified mail, that one additional month will be granted for payment. If payment is not received in that time, collection will be turned over to the authorities.
- D. Any exceptions to this policy, due to extenuating circumstances, will be dealt with on an individual basis, but only with approval of the District Administrator or designee.

LEGAL REFERENCE:

CROSS-REFERENCE: Exhibit 1, Sample Letter Accepting Only Cash
Exhibit 2, Sample Letter Turning Over to Collection