



POLICY: 6Hx28:6-11.2

Responsible Executive: Executive Vice President, Administrative Services

Policy Contacts:

Specific Authority: 1001.64, F.S.

Law Implemented: 1001.64, F.S.

Effective Date: 09-20-2005

Date of Last Policy Review:
09-20-2005

Collection of Returned Checks

Policy Statement:

The District Board of Trustees authorizes the President or designee to charge the maximum returned check fee (service charge) for dishonored checks allowed by Florida laws and rules. The person on whose behalf the dishonored payment was made, even if said person is not the drawer of the check, will be responsible for payment of any applicable collection agency fees, in addition to the face amount of check and service charge.

Procedures:

- I. Accounting Department
 - A. Bank of America sends a "Statement of Notice" for returned check items that includes a transmittal sheet listing the returned checks, as well as the original or a legal facsimile of the check, to Accounting Department. The student's Banner VID number, as well as the cashiering system it was generated from, is determined by looking at the endorsement on the back of the returned check. The VID and cashiering system is then written on the transmittal sheet. The cashiering source is noted on the transmittal sheet as follows:
 1. Fund 1 -- CashNet (primarily tuition payments)
 2. Fund 3 -- Nebraska Bookstore System (primarily book payments)
 3. C2K -- Continuity (Valencia Enterprises non-credit tuition payments)

If the VID number can't be determined, a search of the student's name is done in the Banner SPAIDEN form. A match is determined when the name and mailing address on the check agrees with the SPAIDEN record. If no match can be made, the check is sent back to the location it was originally processed (for example East Bookstore) for personnel to make collection attempts. A journal entry is done directly into Oracle (no Banner entry since there is no VID) for the returned check and returned check fee using the same effective date as the other items that were entered into Banner. If the location is able to obtain the funds, it is processed as a sale again with the check fee included.

A Continuity check is sent directly to Valencia Enterprises. Personnel at Valencia Enterprises enter the returned check and fee in the Continuity system, and contacts the student regarding the check.

B. Enter the returned check in the TSAAREV screen for applicable student VID after entering next block, so you are down in the AR detail. Enter F6 to insert a new row, use detail code RCK1 if cashiering source Fund 1, RCK3 if cashiering source Fund 3. The RCK1/RCK3 detail codes will default a description. Delete this description and type the return check number and the date check was returned from the bank (this date is found on the transmittal sheet). For example, "Return ck #123 (bank 9/15/05)." Enter the term in the Term field, which will need to match the term of the original payment for Fund 1. For Fund 3, use the current term.

C. After entering RCK1/RCK3, enter F6 again to insert another row, and type in NS1 (if used RCK1) or NSF3 (if used RCK3) for the returned check fee. The default description does not need to be changed; however, the default amount of \$25 may need to be changed depending on the face value of the check. Returned check fees based on the face value of check:

1. \$50.00 or less = \$25.00 NSF1/NSF3
2. \$50.01 through \$300.00 = \$30.00 NSF1/NSF3
3. \$300.01 or more = \$40.00 NSF1/NSF3

In the Term field, use the same term entered in the corresponding "RCK" entry. Save the entry after the RCK1/RCK3 and NSF1/NSF3 detail codes are entered.

D. After all the returned check amounts and applicable returned check fees have been entered into TSAAREV, exit this form, and type SOAHOLD at the main menu. Under SOAHOLD, enter next block, enter F6 to insert a record on this form. Once a new (blank) record appears, enter a "H3" hold for the VID number. (NOTE: Do not enter SOAHOLD if student has a remaining credit balance after the returned check and fee is assessed in TSAAREV). In the reason field enter "NSF ck #XXX & NSF Fee." In the amount enter the sum

of the NSF ck and NSF fee even if this is not the balance due shown on the TSAAREV screen. Put under the Originator field "ACCT" for Accounting Department. This step places student on hold, and prevents student from receiving grades, transcripts, registering, etc. until the debt is paid to the College. Repeat this step until all students entered in TSAAREV are also placed on SOAHOLD.

- E. Once everything is entered into Banner, place the "Banner mm/dd/yy" by the date on the bank transmittal sheet. (Note that this will never be the same date, since there is no way to change the effective date in Banner to match the bank date.)
- F. Enter in the cashbook (under the date checks were entered in Banner) NSF checks with description referencing transmittal (bank) date. For example, NSF cks (bank 9/15/05). The amount entered in the cash book should be a credit for the NSF check amount only (as listed on the bank transmittal sheet), and should not include the NSF fees. If a journal entry or Continuity entry was required to complete the transmittal sheet, add "part 1 of 2" in bold to the cash book line description.
- G. Make copies of the checks and bank transmittal notice. The original bank transmittal notice and copies of checks are filed in the Accounting Department. The original returned checks and copy of bank transmittal for Banner students (entered on TSAAREV) are sent to East Campus (P. Chang, MC 3-11) for student notification.

II. East Campus

- A. Once returned checks and bank transmittal are received, they are logged in to the "Returned Checks List" on the East Campus J: drive. The Returned Checks List includes information such as student name, student VID #, student address, check number, check amount, and date of bank return (listed on transmittal sheet).
- B. VID #s are verified from bank transmittal statement, check, and TSAAREV account in Banner to ensure the data was entered accurately.
- C. Addresses for the VID are cross referenced between the check and Banner (SPAIDEN) address to determine if they agree. If the addresses do not match, the SPAIDEN address is used for sending notification to student regarding the returned check, and the Returned Checks List address is updated accordingly.
- D. A letter is generated to the student using mail merge, by retrieving the data in the Returned Checks List, and is mailed that day. In the letter, students are notified of the check number, and the amount that was returned. In addition, they are informed that a returned check fee was assessed (based on the face

value of the check), and payment is due within 10 business days. It is also explained in the letter the College reserves the right to send any outstanding balance to a collection agency if account remains unpaid.

- E. The returned check is attached to a copy of the letter sent to the student, and filed by the name of the student for which payment was made (which may not be the person who issued the check). The bank transmittal is filed by date, and kept in a separate file.
- F. Original checks are kept by East Campus unless the student specifically requests the check to be returned after paying balance in full. If the student requests the original check, it is mailed to their address, and a copy of the check is retained with the returned check letter notification.

Policy History:

Adopted 12-15-82; Amended 11-18-92; Amended: 2-15-95; Amended 1-21-98; Amended 9-20-05; Formerly 6Hx28:06-20

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