Draft Returned Check Processing Fee

PRR Classification # (List POL, REG RULE and leave #blank. To be done by Legal)

PRR General Subject Matter (Leave blank. To be done by Legal)

Authority: Chancellor

History: Business Manual Cashier Statement #1 effective 06-13-2003, last updated 01-02-2009

Related Policies: State Controller Policy for Collecting and Depositing Processing Fees for Returned Checks

Draft Cash Management Plan and Accounts Receivable PRR

Additional References:

G.S. 147-86.11(a) Cash Management for the State

G.S. 25-3-506 Collection of Processing Fee for Returned Checks

Contact for Info: University Cashier, 252-737-6886, cashier@ecu.edu

1. Introduction

State Agencies are authorized to charge a processing fee for returned checks. The purpose is to ensure the State of North Carolina is reimbursed for costs associated with the collection of returned checks.

In accordance with North Carolina General Statute 25-3-506, East Carolina University charges a processing fee of Twenty-Five dollars ($25.00) for a paper or electronic check on which payment has been refused.

2. Applicability

This regulation applies to all check payments - both paper and electronic - received by the University. The designated bank of deposit returns check payments for numerous reasons including but not limited to:

2.1. Insufficient funds;
2.2. Closed account;
2.3. Invalid account numbers;
2.4. Frozen account;
2.5. Inability to locate account;
2.6. Non transaction account;
2.7. Uncollected funds;
2.8. Other reasons as indicated by the bank when the item is returned.

3. Departmental Responsibilities
Upon notification and receipt of the copies of the returned items, departments are directed to attempt collection on the returned items, including the $25.00 processing fee.

Departments must follow the University Cash Management Plan and Accounts Receivable PRR when performing collection procedures.