

Policy Type:	Finance Policy
Policy No:	202
Title:	Checks Drawn on Insufficient Funds
Date Reviewed:	January 26, 2016
Date Revised:	January 21, 2020

SUBJECT: CHECKS DRAWN ON INSUFFICIENT FUNDS

I. OBJECTIVE: To establish control of checks drawn on insufficient funds, as such checks do not constitute payment of bills and act as a delay in discontinuing service.

II. POLICY:

- A. SMPA shall, after receiving the first insufficient funds check, notify the writer that the check plus a short check charge must be made good within five working days or service will be discontinued, in which case a reconnect fee will be required. The consumer will also be informed that upon receipt of the second insufficient funds check in a one year period, SMPA will refuse to accept personal checks for a period of one year.
- B. Following a second insufficient funds check, the consumer will be notified that SMPA will not accept personal checks from that consumer for a period of one year.
- C. In the case of a delinquent account, the consumer will be notified that the insufficient funds check plus a short check charge must be made good immediately or service will be discontinued, in which case a reconnect fee will be required.

III. RESPONSIBILITY: It shall be the responsibility of the General Manager/CEO to see that this policy is implemented and followed.