

**Town of Georgia**  
**Returned Checks Policy**  
**April 28, 2005**

**Important Notice:**

The service charge for returned check collection by the Town of Georgia is \$25.00 per item—regardless of the amount of the check, or the reason that it was returned.

**Returned Checks – Fees & Charges:**

Checks returned unpaid by your bank are *automatically deposited a second time* by the Town of Georgia's bank in an effort to clear payments. The Town of Georgia has no control over this process and cannot predict when deposit attempts will happen. The best strategy is to ensure that funds sufficient to cover outstanding checks are available in your bank account when any attempts to deposit occur.

If your bank fails to honor your checks after the second attempt to deposit, the check(s) will be returned to the Town of Georgia. Returned checks, regardless of the reason, are subject to a \$25.00 service charge per item.

If your check is returned due to a bank error, we require a letter from your bank explaining the error. When we have a copy of the letter on file, the returned check service charge will be cancelled. Regardless of the bank's error, you are responsible for redeeming the returned check, by paying the original check amount. Do not wait to submit payment until the service charge has been cancelled, or you will be held responsible for any accrued late fees.

**Suspension of Check Writing Privileges:**

Citizens and other payers who have had one check returned are placed on a cash payment basis for six months. Payers who have had one check returned for zoning or planning purchases are placed on a cash payment basis indefinitely. This means that any payment received by the Town of Georgia will be requested in the form of certified funds (cashier's check, money order, or cash); we are unable to accept credit card payments.

Two or more returned checks result in the suspension of check writing privileges for two years. At the end of the suspension period, check writing privileges may be restored at the direction of the Town Treasurer. Nevertheless, any department at the Town of Georgia has the right to request payment in the form of a cashier's check, money order, or cash at any time.

**Notice for Returned Checks:**

Your bank will notify you when the payment has been returned to the Town of Georgia and may charge bank penalties for each failed attempt to deposit. Shortly thereafter, you will receive notification from the Town of Georgia either by phone or letter. Whether or not you receive notification from the Town of Georgia, you are responsible for the returned check and are subject to the resultant penalties. For example, if you make a tax payment on October 15<sup>th</sup> and your check is returned, the payment is now considered delinquent and a \$25.00 returned check fee is added. Therefore, the returned check should be paid immediately.