

<b>POLICY NO:</b>	FI 005
<b>POLICY TITLE:</b>	NON SUFFICIENT FUNDS CHEQUES
<b>DEPARTMENT:</b>	FINANCE
<b>APPROVAL DATE:</b>	19-11-96 (November 1996)
<b>REVISION DATE:</b>	
<b>REVIEW DATE:</b>	

**Policy Statement:**

The County of Vermilion River No. 24 shall charge any entity that issues a cheque(s) to the County, for municipal charges, that is returned by the Bank due to Non Sufficient Funds (NSF) to cover the amount of the cheque(s).

**Purpose:**

1. To deter entities from issuing a cheque they may have a reason to believe will be returned to the County due to Non Sufficient Funds (NSF).
2. To recover administrative costs associated with the return of a payment and the subsequent re-establishment of the account amount.

**Charge Guidelines:**

The County Council passed the following motion: **43-10-96**

**“Moved by Councillor Van Ee that, effective immediately, the County charge a \$20.00 fee for any cheques made payable to the County and that have been returned by the Bank due to Non Sufficient Funds.”**

**CARRIED**

**Procedure:**

1. The “Returned Cheque Procedure” shall be followed
2. The appropriate department shall apply the \$20.00 NSF charge to the subsidiary ledger that has been affected.
3. If the original transaction was not initially created in a subsidiary ledger, then a general accounts receivable form must be filled out providing information about the original charges and adding on the NSF charge.
4. Where possible, the subsidiary ledger systems shall be automated to handle the processing of the charge(s).
5. The NSF charge(s) shall be coded to **01-3-411-12.**