3.9.12 Returned Check Fee and Collection of Funds

Last Revised: January 2011

Policy Statement: The Piedmont Community College Board of Trustees authorizes the charging of a fee for returned checks.

Purpose/Definitions: This policy outlines the procedure for charging returned check fees and the collecting of funds.

Approval Authority/Monitoring Authority: Piedmont Community College’s Board of Trustees has approval authority for this policy. The Vice President, Administrative Services has monitoring authority over this policy.

Procedure: North Carolina General Statute § 25-3-506 states in part that “[a] person who accepts a check in payment for goods or services or his assignee may charge and collect a processing fee, not to exceed twenty-five dollars ($25.00), for a check on which payment has been refused by the payor bank because of insufficient funds or because the drawer did not have an account at that bank.”

Piedmont Community College will charge a fee of $25.00 per check for any check returned to the College.

When the payor bank notifies the Business Office that a student check has been returned for insufficient funds, the cashier immediately makes a notation of this in the student's Datatel account with a comment detailing the reason for the return including the date and the amount.

The cashier then writes a letter to the student noting the amount owed and notifying the student that he/she has 30 days to respond. The letter also includes a warning that the student will not be able to get transcripts or register for classes until the debt is paid in full. If the student does not respond within the aforementioned time, the student is given an additional 30 days, based on North Carolina Department of Justice guidelines. The cashier also informs the student that the College "will pursue collection through the N.C. Attorney General's Office and the N.C. Department of Revenue pursuant to N.C.G.S. 105A, the Set-Off Debt Collection Act."

If the Business Office does not receive a satisfactory response (payment in full or a suitable payment arrangement), then the account is submitted to the Attorney General's Office, who will then write the debtor a letter giving them a "final and legal" demand for payment. The copy of the student's "college" letter, the supporting documentation, and the copy of the Attorney General's letter are placed in a file designated only for accounts that are currently with the Attorney General's Office for collection.

If the Business Office does not receive a satisfactory response by the due date of the Attorney General's letter, the account is then submitted to the NC Department of Revenue's Set-Off debt program for garnishment.

Note: (This policy does not apply to checks returned from non-students. The situation will be referred to the Controller.)