

### 3.9.12 Returned Check Fee and Collection of Funds

**Last Revised:** March 2024

**Policy:** The Piedmont Community College (PCC) Board of Trustees authorizes the charging of a fee for returned checks.

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#### **Purpose/Definitions:**

##### **Purpose**

The purpose of this policy is to outline the procedure for charging returned check fees and the collection of funds.

##### **Definitions**

N/A

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

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#### **Procedure:**

##### Section 1: Checks Returned from Students

- 1.1. North Carolina General Statute (N.C.G.S.) 25-3-506 states in part that "a person who accepts a check in payment for goods or services or [their] assignee may charge and collect a processing fee, not to exceed thirty-five dollars (\$35.00), 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."
  - 1.1.1. PCC will charge a fee of \$25.00 per check for any check returned to the College.
- 1.2. When the payor bank notifies the Business Office that a student check has been returned for insufficient funds, authorized Business Office personnel will immediately make a notation of this in the student's Colleague account with a comment detailing the reason for the return including the date and the amount.

- 1.3. An authorized Business Office personnel sends a letter to the student noting the amount owed and notifying the student that they have 30 days to respond.
  - 1.3.1. 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.
  - 1.3.2. 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.
  - 1.3.3. An authorized Business Office personnel informs the student that the College will pursue collection through the N.C. Department of Revenue pursuant to N.C.G.S. 105A-5.
- 1.4. If the Business Office does not receive a satisfactory response within 60 days, the account is then submitted to the NC Department of Revenue's Set-Off debt program for garnishment.

Section 2: Checks Returned from Non-Students

- 2.1. Checks returned from non-students will be referred to an authorized Business Office personnel for collection.
  - 2.1.1. The authorized Business Office personnel sends a letter to the payor noting the amount owed and notifying the payor that they have 30 days to respond.
  - 2.1.2. If the check was received through a PCC service (e.g., Child Care, Cosmetology), the service provider is notified of the outstanding debt.

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**Legal Citation:** [N.C.G.S. 25-3-506](#); [N.C.G.S. 105A-5](#)

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**History:** Effective July 1995; revised October 2001, reviewed October 2010, August 2021, March 2024