

# TOWN OF HALIFAX, VERMONT

## RETURNED CHECK POLICY

### Policy Objectives

The primary objective of the Town of Halifax's returned check policy is to ensure the taxpayers of the Town of Halifax do not incur additional costs and expenditures due to the wrongful or accidental action of an individual taxpayer, resident, or other individual paying for services who issues an improper check or money draft.

### Definitions

"Returned Check" shall mean a check or similar item for the payment of money which is not honored by the drawee (bank or financial institution). The refusal to honor may be due to the issuer not having sufficient funds with the drawee at the time the check or item was presented for payment, or payment was refused by the drawee for reasons other than seizure or attachment of the issuer's funds by order of a court or authorized governmental agency.

### Procedures

1. Upon receipt of a returned check from a bank or financial institution, the Town Treasurer or his/her designee will mail a copy of the returned check, the Returned Check Policy and a letter notifying the issuer of the \$ 25.00 returned check fee payable in advance of re-depositing the original check. This letter shall include a requirement that the replacement payment shall be **received at the Town Offices** no later than fourteen (14) days after the mailing date of the letter.
2. The issuer will send the Returned Check Fee and either ensure the funds are now available to re-deposit the original check or include the amount of the original check along with the Returned Check Fee to the Town Treasurer in a new check.
3. Upon receipt of the returned check fee and acknowledgement that the original check may be re-deposited, the Town Treasurer or his/her designee will contact the bank or financial institution to determine if there are sufficient funds available. If funds are available the Town Treasurer or his/her designee will either deposit the check into the Town's Account or attempt to cash the check at the issuers bank.

Upon receipt of the returned check fee including the original amount of check in the form of a new check the Town Treasurer or his/her designee will deposit the new check into the Town's Account.

If there are not sufficient Funds available, the Town Treasurer will forward a certified letter with return receipt requested, telling the issuer to satisfy the debt by tendering cash, money order, or certified funds for the amount due plus the returned check fee. This letter shall include a requirement that the replacement payment shall be received at the Town Offices no later than fourteen (14) days after the mailing date of the letter.

- Should two checks from a single issuer be returned for non-payment within a 12 month period of time, all future payments from the issuer must be in the form of cash, money order or certified funds for a period of one year. After a one year period the Town will again accept personal or bank checks from the issuer.

**NSF CHECKS FROM DELINQUENT TAXES AND PERMITS:**

- If a Returned Check is for a Delinquent Tax Payment, the Town Treasurer or his/her designee can only accept a payment **in full** including the \$ 25.00 returned check fee. A partial payment will be turned over to the Delinquent Tax Collector for proper processing including penalties and interest reverting back to the date the original check was received, and shall accrue at the proscribed rates(s) until such time as satisfactory and complete payment is made. If payment is not satisfied with the Town Treasurer the Returned check information will be turned over to the Delinquent Tax Collector.
- If a Returned Check is for a Zoning Permit and the check is not able to be satisfied, then the Zoning Permit will be revoked effective immediately and the Zoning Administrator will be notified.

**Inconsistent Policies Repealed**

This Policy shall amend and replace any provisions of any Policy of the Town of Halifax in effect at the time of enactment of this Policy governing any activity included in this policy.

**Severability**

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Policy, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Policy or any part thereof.

The Town Select Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsection, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional or ineffective

**Effect**

No section of this Policy shall be construed to supersede or replace any Vermont statute.

The foregoing Policy is hereby adopted by the Select Board of the Town of Halifax, Vermont, this 16<sup>th</sup> day of August 2011, and is effective as of this date until amended or repealed.

John LaFlamme, Chair

  
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Lewis Sumner, Co-Chair

  
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