

Revised 10-2-87; 2-7-00, 10-13-08; **Effective Date 11/01/08**

BOARD POLICY NO. 5-07 R-3

SUBJECT: Consumer Checks Returned by Banks

POLICY:

The amounts of checks given by consumers to pay electric bills, fees or other debts to the Cooperative and subsequently returned by their banks to the Cooperative will be debited to their accounts. **If any returned check was given to pay one account, a standard charge of \$25.00 for the returned check shall be added to the account. If any returned check was given to pay two or more accounts, the standard charge shall be added to one account and \$2.50 or 10 percent of the standard charge, whichever is greater,** shall be added to each additional account. Any applicable penalty(ies) for late payment shall be added to each account. Only the amount of the returned check shall be debited to any account(s) for which unsigned checks sent to banks by Cooperative employees are returned by the banks.

Any consumer having a check returned as described in the preceding paragraph shall be given notice by a standard letter and shall be allowed five (5) UCEMC work days, not including the day the letter is mailed, to make satisfactory payment of the amount of the returned check and related charges. No additional charges shall be added during the period except any applicable late payment penalties. Such penalties, if not included in the letter, may be billed with the next cycle. If satisfactory payment is not made for any check and related charges during the five (5) days, collection shall proceed in accordance with Board Policy No. 5-02 without further notice and without regard to the original Due Date and the and any Past Due Notice.

If any bank acknowledges in writing that any check was returned due to an error by a bank employee or a bank agent, any returned check charges and any penalties added due to the return of the check will be adjusted by the Cooperative.

Checks returned for any reason except lack of signature and banking error shall not be re-deposited. Instead, they must be redeemed by currency cash, a money order, cashier's check or other similar negotiable instrument.

The Cooperative will not accept from any person any check for payment for any service of product for a period of three (3) years from the date of either the person's second consecutive check or third in total checks whichever occurs first, is returned by a bank (s.) for insufficient funds or no account during any twelve (12) consecutive months.

RESPONSIBILITY: Manager

PROCEDURE: As outlined above, and give authority for billing and collection to serviceman and clerk.