

**BEREA COLLEGE**  
**RETURNED CHECK POLICIES AND PROCEDURES**  
**FOR STUDENTS, EMPLOYEES AND NON-STUDENT PARTIES**  
**EFFECTIVE FEBRUARY 1, 2004**

If a check accepted by Berea College is returned from the bank for insufficient funds the following procedures will be followed:

1. The person receiving the benefit from the returned check is responsible for repayment if the check is returned to the College unpaid.
2. A returned-check fee of \$10.00 is charged to the issuer, regardless of the amount of the check or the reason that it was returned.
3. Accounts Receivable will contact the bank where the check was issued and determine if funds are available to resubmit the check for deposit.
4. If funds are available the check will be resubmitted for deposit. The individual or organization issuing the check will be responsible for the returned-check fee that will be applied to an Accounts Receivable if the check clears for redeposit.
5. If funds are not available, the check will be charged to an Accounts Receivable. Invoices for returned checks and associated return-check fees will be mailed monthly and are due within thirty (30) days. Charges not paid within thirty days are assessed additional delinquent fees for late penalties.
6. If the check was written by a student and presented to an area other than the Student Service Center, the check will be charged back to the department originally credited.
7. If the individual or organization does not have funds available to cover the check, thus the College cannot resubmit the check for deposit, the check is sent to TransWorld Systems for collection. TransWorld will notify the individual or organization that the check was returned to the College.
8. Should collection efforts by TransWorld Systems fail to collect the funds, the check will be charged back to the department originally credited.
9. If preliminary collection procedures are unsuccessful the account will be referred to a credit-reporting collection agency.
10. After the second occurrence of a returned check, the issuer's College check-cashing privileges are suspended for six (6) months. After the third occurrence of a returned check, the issuer's check-cashing privileges are permanently canceled.
11. College departments that accept checks in the normal course of business will be notified no less frequently than once each month of the individuals whose check writing privileges have been suspended. In the event that any of these departments should accept a check from any such individual, and the check is subsequently returned unpaid by the drawer bank, the full amount of the check shall be immediately charged against the account to which the payment was credited upon its original receipt. The returned check shall then be forwarded to the responsible department for collection.

12. Provided sufficient evidence, the Assistant Vice President for Finance/Controller and/or the Associate Controller shall have the right to reinstate check cashing privileges to individuals who have had this privilege suspended as a result of a bona fide bank error.
13. Stop payments are considered returned checks and are subject to fees. Any questions concerning this matter may be addressed to the Office of Financial Affairs staff at (859) 985-3086.

**EXCEPTIONS:**

- A. Any checks written to Utilities that are returned by the bank will be charged a \$10.00 returned-check fee. The Utility department is responsible for the collection of returned checks.
- B. All student checks originally processed through the Student Service Center will be returned to the Center and will adhere to the Academic Services/Student Service Centers' Policy for Returned Checks.