

HAMIOTA MUNICIPALITY

Policies and Procedures

Policy Number: 500.2

Section: Finance

Subject: NSF Cheques

Passed by Resolution of Council: #5 – April 20, 2016

BACKGROUND

From time to time a ratepayer will write a cheque that comes back to the Municipality from the bank NSF. Non-sufficient funds (NSF) is a term used in the banking industry to indicate that a demand for payment (a cheque) cannot be honored because insufficient **funds** are available in the account on which the instrument was drawn. The result is costs incurred by the Municipality i.e. man hours and Financial Institutions used to correct the accounts. A policy needs to be set to recover costs of the NSF cheques.

POLICY/PROCEDURE

1. A \$25.00 surcharge for each NSF Cheque will be charged to the offender's account and notification will be given by letter.
2. After the 2nd offence the Municipal Office will no longer accept cheques from this customer;
 - i. Other methods of payment accepted will be by Debit, Cash, Direct Deposit, Certified Cheque or Money Order.
3. A list of NSF Offenders will be posted on the *Sticky Note Program* on the desk top of the Counter Computer.
4. The NSF Offenders' List will be reviewed yearly to be updated.

