



FLETCHER TECHNICAL COMMUNITY COLLEGE
Policy # FI 5.004

Non-Sufficient Funds (NSF) Checks Policy

Authority: LCTCS Policy # 5.010
FTCC Business Office

Effective Date: 03/01/2004
Last Revision: 11/16/2020

PURPOSE:

To provide assistance in processing NSF (Non-Sufficient Funds) checks. Checks that are written to L.E. Fletcher Technical Community College that are returned for non-sufficient funds or other reasons (i.e. stop payment, forgery, etc.) as noted by the appropriate bank shall cause the student or other entity to be liable for the unpaid amounts. This returned check policy is subject to the requirements of the LCTCS Policy # 5.010.

POLICY STATEMENT:

Any person that pays by check for services rendered by the L.E. Fletcher Technical Community College and whose check is returned by the bank will be subject to collection efforts by the college. A student will have a hold placed on his/her account and will be unable to register or receive transcripts until the balance is paid. Outside agencies whose check is returned will not receive any future services until the balance is paid in full. The college will be responsible for notifying the check issuer that cash or a money order payment is required to clear their outstanding balance. A returned check charge should be assessed upon collection of the outstanding balance. This charge is set at \$25.00 for L.E. Fletcher Technical Community College.

Each month, the Accountant will reconcile the NSF checks and post a journal to the general ledger.

POLICY/PROCEDURE:

Procedure for Recording a Returned Check:

1. The returned check notification is given to the accountant who will prepare the following journal entry in Banner to record the returned check:

CD3 Journal (Cash Balancing)

DR 1402GB – NSF Receivable	amount of check
DR 7810GB – Bank Charge Expense	bank charge amount

JE-15 Journal

DR 1402GB – Student Receivable	\$25 Ret'd check fee
CR 5110GB – NSF Fees	\$25 Ret'd check revenue

2. The accountant will forward the returned check to the Accounting Specialist who will establish an invoice in Banner for the student or organization from which the check was received. The Banner invoice will reflect a returned check item for the amount of the check and a returned check fee for the \$25 to be assessed to the maker of the check.
3. A Financial hold will be placed on the student's account.
4. The Accounting Specialist will make attempts to contact the student by email, phone or through the student's class schedule. If those attempts fail, a certified letter will be sent to the maker of the check which demands payment by cash or money order.
5. Upon payment of the returned check, the Accounting Specialist will post funds received in Banner and to be deposited. The NSF receivable account will be credited for the amount collected.

Reference:

Distribution: Distributed Electronically via College's Internet.

APPROVAL:

Reviewing Council/Entity	Approval Date
Other (if applicable)	00/00/0000
College Council	00/00/0000
Executive Cabinet	00/00/0000


Kristine Strickland (Apr 16, 2021 13:40 CDT)

Kristine Strickland, Ph.D.
Chancellor

Apr 16, 2021

Date