



Title:	Returned Check Receivable Policy
Effective Date:	04/26/2010
Last Revision Date:	09/01/2010
Cancellation:	
Office:	Fiscal Affairs (FIN)

Returned Check Receivable Policy

POLICY STATEMENT

Checks that are written to the Northshore Technical College (NTC) and are returned for non-sufficient funds or other reasons 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 # II.2.010. Returned checks may include but are not limited to non-sufficient funds, stop payment on a check, forgery, etc. Any person that pays by check for services rendered by the NTC and whose check is returned by the bank will be subject to collection efforts by the NTC. A student will have a hold placed on his/her account and will be unable to register, receive transcripts, or receive a diploma until the student's account is paid in full. Outside entities whose check is returned will not receive any future services until the balance is paid in full. A returned check charge should be assessed upon collection of the outstanding balance. Unpaid balances will be forwarded to the Attorney General's Office if payment is not received within 55 days as illustrated in this policy.

LCTCS BOARD POLICY

LCTCS board policy # 5.010 requires each LCTCS institution to establish a non-sufficient funds (NSF) policy. In addition, the LCTCS board policy establishes minimum requirements of the NSF policy. These minimum requirements are addressed in this policy.

GENERAL PROCEDURE

1. Once a returned check is received, the Financial Analyst performs the following:
 - (a) Makes 1 copy of the NSF check and gives to the Accounts Receivable Accountant
 - (b) Records a journal entry for the NSF receivable in the financial system as follows:

Dr Acct 1298 [NSF Receivable] in the amount of the NSF check
Dr Acct 1298 – Amount: \$25 for the NSF Fee



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Cr Acct 1011 in the amount of the NSF check

Cr Acct 4145 [NSF Fee Revenue] – Amount: \$25 for the NSF Fee

- (c) Provides a copy of the journal entry to the Accounts Receivable Accountant
- 2. Upon receipt of the returned check, the Accounts Receivable Accountant performs the following:
 - (a) Enters an invoice in QuickBooks for the NSF receivable
 - (b) Starts the following collection process:
 - 1st billing – Student has 30 days to pay.
 - 2nd billing – Student has 15 days to pay.
 - 3rd billing – Student has 10 days to pay.
 - If payment is not received from student after the third billing, the account is turned over to the Attorney General's office along with the following:
 - 1. Student's name, address, social security number, phone number, date of birth
 - 2. Loan type
 - 3. Debt Origination Date
 - 4. Date of Default
 - 5. Original Principal Amount
 - 6. Current Principal Amount
 - 7. Current Interest
 - 8. Current Late/Other Charges
 - 9. Total Balance Owed
 - 10. Date for which Current Balance is Calculated
 - 11. Promissory Note
 - 12. Collection Cost/Attorney Fees in Promissory Note
 - 13. Co-Signer
- 3. Payment can only be made in the form of cash, money order, or cashier's check.
- 4. Once payment is received, it is recorded on a PIV as an NSF Receivable using the same coding that was used on the initial journal entry indicated in the financial system prepared by the Financial Analyst.

Policy Reference: [LCTCS Policy # 5.010](#)



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Review Process:

X	Reviewing Council/Entity	Review Date	Effective Date
X	Fiscal Affairs	04/07/2010	04/26/2010
X	Campus Deans	04/07/2010	04/26/2010
X	Regional Director	04/07/2010	04/26/2010
		04/07/2010	04/26/2010

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