



# University of Central Florida

## Finance & Accounting

### Procedures Document

Purpose of Procedure:	To ensure that checks returned as unpaid are recorded timely and applicable charges assessed
How Often:	Daily
What is Processed:	Returned checks
Where are the results distributed:	Accounts Receivable and General Ledger
Date:	April 1, 2016
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**Procedure Description:** This procedure establishes guidelines for recording returned checks.

## Procedure

The Student Accounts- Payment Processing Office (SA- Payment Processing Office) is responsible for researching and recording all returned items to the general ledger, in a timely manner and assessing all applicable service charges and late fees.

On a daily basis Student Accounts staff will research and record all bank debits relating to returned checks to Accounts Receivable. The Returned Check charge will be posted to the student's account under Miscellaneous item and a service indicator preventing registration and release of transcripts will be automatically assigned to the account.

Students using the Electronic Check payment option and whose check is returned due to the reasons identified below will be notified immediately and will be given seven days from the date of the notice to resubmit the payment before additional service charges and/or late fees are assessed.

### Returned Check Reasons:

Invalid Account Number (IAN)  
No Account (NA)  
Authorization not Recognized (ANR)  
Non – Transaction Account (NTA)

Unable to Locate (UTL)  
Signature Irregular (SI) {Non-Electronic Payments}  
Unauthorized Corporate Debit (UCD)

Students submitting three or more returned checks within any given semester will be prevented from making further electronic payments until the entire outstanding balance is paid and /or until the end of the semester.

### **Waiving Applicable Service Charges and Late Fees**

Applicable service charges and late fees may be waived upon request, under the following conditions:

- Errors by banks or other financial institutions – Such a request must be made on the company's letterhead and addressed to the Assistant Director, SA- Payment Processing.
- Claims for lost or stolen checkbooks accompanied by an official police report or supporting letter from the bank - Documents should be addressed to the Assistant Director, SA- Payment Processing.
- Request from university departments due to administrative error – The requesting department will be assessed a nominal fee of \$25.00, to be charged to the department's expenditure account.
- Death of the student/customer or check payer.

Checks returned as unpaid due to Non- Sufficient Funds, Closed Account, Frozen Account and due to Stop Payment request by the payer that does not meet the conditions outlined above will be assessed a mandatory service charge of \$25.00.

The Senior Associate Controller or Assistant Director of SA- Payment Processing may, in extenuating circumstances, exercise discretion on all related matters.

### **Reconciliation**

Returned items must be reconciled to the bank statement and the general ledger monthly.

## **Safety and Security**

The safety and security of all personal and banking information are paramount and every effort must be made to ensure that adequate safety measures are in place to achieve this objective. Discussions or correspondence sent to customers regarding returned checks must be diplomatic and in accordance with the directions noted in Florida Statutes 832.07 and 823.08 available at: <http://www.leg.state.fl.us/Statutes/index.cfm>.

## **Summary**

These guidelines are established for the processing of unpaid returned checks; however, they are not intended to be all inclusive. These guidelines must be adhered to in conjunction with any other related guidelines established by the Finance and Accounting department.