

PEOPLE'S PLACE II, INC.

Personal Check Acceptance Policy

Approved By: Board of Directors

Review/Revision Date: 07/01/2008

I. PURPOSE

To establish a system by which the agency is protected from financial loss due to acceptance of personal checks.

II. POLICY STATEMENT

The agency will accept personal checks from individuals who have not previously presented a check that failed to clear his/her account. A fee, set at an amount that will cover any banking charges incurred plus the administrative charges for processing the replacement payment, will be charged to any individual whose check is returned for any reason.

III. APPLICATION

This policy applies to personal checks accepted for program fees, rent, fund raising events, COBRA payments, staff reimbursements to the agency and any other payment. It does not apply to checks received as donations.

IV. DEFINITIONS

Returned Check- bounced check – a check which fails to clear the account on which it is drawn.

Fraud – intentional deception or misrepresentation in order to obtain something of value.

Forgery – the crime of falsely or fraudulently making or altering a document.

Second party check – a check that is made out to a payee other than People's Place II.

V. STANDARDS

A. The agency may accept personal checks for payment until an individual presents a returned check for payment. Second party checks will be accepted only under special circumstances.

B. A check made out to People's Place, II but drawn on an account other than that of the person presenting the check for payment will be accepted with notation of the client name and/or identification number.

C. Check acceptance policy and the consequences of presenting a returned check or a forged or fraudulent check will be explained to clients at the start of services.

D. Receipt procedures will remain in effect when payment is made by personal check.

- E. Individuals will be charged a stated fee for the handling of a returned check and no additional checks will be accepted from the individual until the fee and the amount of the returned check are paid.
- F. An individual who presents a second returned check will be barred from paying by check in the future.
- G. An individual who makes payment with a forged or fraudulent check will be prosecuted under appropriate statutes.

VI. PROCEDURES

A. Returned checks and closed accounts

<i>Individual Responsible</i>	<i>Action</i>
Staff person accepting check.	<ol style="list-style-type: none"> 1. Verifies the identity of the presenter using photo ID. 2. Assures that the check is made out to People's Place II and is properly dated and signed. 3. Follows approved receipting procedure as established for type of fee.
Staff person recording payment information	<ol style="list-style-type: none"> 1. Records check number as part of the payment record and follows approved cash receipts procedures.
Finance	<ol style="list-style-type: none"> 1. Follows cash receipts procedures for deposit 2. If check is returned for NSF or account closed, makes copy of check and forwards original to program that accepted check 3. Records appropriate bookkeeping data to adjust deposit and income figures and bank charges 4. Maintains listing of individuals who have presented returned checks 5. Distributes list to programs when new names are added
Staff person accepting check or designee	<ol style="list-style-type: none"> 1. Contacts individual who presented returned check 2. Records fact of returned check for future reference 3. Arranges cash or money order repayment of amount of check and applicable fees including a specific date limit for repayment 4. Records repayment and indicates which part is repayment and which part is fee 5. Forwards repayment and fee to fiscal department
Fiscal staff	<ol style="list-style-type: none"> 1. Deposits repayment and makes appropriate bookkeeping entries
Director of Finance/ designee	<ol style="list-style-type: none"> 1. Verifies the amount of money against documentation provided. 2. Logs amount on daily cash receipts form. 3. Forwards copy of documentation to Public Relations office for acknowledgement. 4. Enters amounts as cash receipts in appropriate accounting software. 5. Forwards money with other items for deposit to Accounting Assistant.

B. No response to collection attempts

Individual Responsible

Action

Staff person accepting check or designee

1. If payment is not made by date set, informs fiscal department, in writing, of collection efforts to date

Fiscal staff

1. Makes second attempt to arrange repayment
2. If repayment is not made, initiates legal proceedings after consultation with the program that accepted the check.

C. Forgery or fraud

Individual Responsible

Action

Fiscal staff

1. If informed by bank that a check is drawn on a non-existent account or is a forgery, informs program staff in writing of details of incident
2. Cooperates with any legal procedures in progress or initiates appropriate legal action