



**Angelo State University  
Operating Policy and Procedure**

**OP 14.07: Returned Checks**

**DATE:** February 25, 2011

**PURPOSE:** This Operating Policy and Procedure (OP) establishes the guidelines for the processing of returned checks.

**REVIEW:** This Operating Policy (OP) will be reviewed in July of even-numbered years by the manager of student accounts/bursar in conjunction with the executive director and controller with recommended revisions forwarded through the vice presidents to the president by August 15 of the same year.

**POLICY/PROCEDURE**

**1. Responsibilities of Student Accounts/Bursar's Office**

The Student Accounts/Bursar's Office will be responsible for the establishment of guidelines for acceptance of checks by university departments and for the processing of returned checks for collection.

**2. General Guidelines for the Acceptance of Checks by Departments**

- a. All checks accepted by university departments must be made payable to Angelo State University or to the department by name, followed by ASU, to facilitate rapid and accurate check collection. Any check drawn on a foreign country bank must be transmitted to the Student Accounts/Bursar's Office to be sent to the bank for collection. Checks drawn on foreign country banks cannot be considered as payment until the funds are collected by the university's bank.
- b. Before a check is accepted, the department taking it is responsible for ensuring that the following information is verified or included on the check:
  - 1) It must be signed by the giver/maker.
  - 2) It must be dated with the current date (post-dated checks will not be taken.)
  - 3) The numeric amount of the check must agree with the written amount.
  - 4) Complete driver's license information of the giver/maker must be written on the check.
  - 5) All checks must be imprinted with magnetic ink characters for account identification of the giver/maker.

- 6) All checks must be pre-printed with the giver/maker's name, address, and phone number on the check.
- c. All checks deposited by departments must be stamped with the official university endorsement stamp.

### **3. Re-deposition of Insufficient Funds Checks**

Checks will not be deposited a second time for collection unless there was a bank error and the bank of the giver/maker sends a memo acknowledging a bank error with a request that the check be re-deposited.

### **4. Service Charge for Returned Checks**

A return check charge of \$30 for each check returned to the university by the drawee bank shall be assessed against the maker of the check (or the endorser to the university). In the event that maker of the check can show evidence that the check was returned due to a bank error, the charge will be waived. Payment of a returned check and the returned check fee shall be made in cash, money order, cashier's check, or traveler's check.

A student who gives the university a bad check, through no fault of the bank, and who does not make it good within ten (10) days after official notification, may be subject to appropriate legal action and/or withdrawal from the university. The university will not accept a check from a student who has twice given a bad check.

Insufficient funds checks will be returned to the Student Accounts/Bursar's Office by the depository bank. The Student Accounts/Bursar's Office personnel will take the appropriate action to record the return check and initiate the collection process.

### **5. Record Holds**

Checks given by students that are returned to the university as uncollectible will result in a hold being placed on the student's records. The Student Accounts/Bursar's Office will be responsible for placing and removing the holds on the student's records.