

**CITY OF BARRE, VERMONT
RETURNED CHECK POLICY**

I. Policy Objectives

The primary objective of the City of Barre's returned check policy is to ensure the taxpayers of the City do not incur additional costs and expenditures due to the wrongful or accidental action of an individual taxpayer, resident, or other individual paying for services who issues an improper check or money draft.

II. Definitions

1. **"Returned check"** shall mean a check or similar sight order for the payment of money which is not honored by the drawee (bank or financial institution). The refusal to honor may be due to the issuer not having sufficient funds with the drawee at the time the check or order was issued or presented for payment, or payment was refused by the drawee for reasons other than seizure or attachment of the issuer's funds by order of a court or authorized governmental agency.

III. Procedures

1. The financial institution(s) which holds Barre City's accounts will make two attempts to collect the funds through deposit and redeposit.
2. Upon receipt of a returned check from a bank or financial institution, the City Treasurer or their designee shall determine if the returned check can be re-deposited.
3. The City Treasurer or their designee shall call the bank or financial institution to determine if there are sufficient funds to redeposit the check. If there are sufficient funds, the City Treasurer or their designee shall redeposit the check into the City's bank account or take the check to the bank or financial institution of issuance, if it is a local institution, to collect the funds directly, and deposit the cash or bank check into the City's bank account.
4. If the returned check has already been redeposited to the bank two times and there still are insufficient funds, then the City Treasurer or their designee shall forward a letter by first class mail, telling the issuer to satisfy the debt by tendering cash, money order, or certified funds for the amount due. This letter shall include a requirement that the replacement payment shall be received at the City's offices no later than ten (10) days after the mailing date of the letter.
5. The letter shall include notification of an additional per check fee of Twenty-Five Dollars (\$25.00) due to the City for the costs of processing each returned check.
6. The returned check fee shall be deducted first from any payments received, and the remaining balance shall be applied to the original bill due.
7. Penalty and interest charges shall revert to the date on which the original returned check payment was received and shall accrue at the proscribed rate(s) until such time as satisfactory and complete payment is made.
8. In cases where the issuer does not make restitution, or acceptable arrangements to make restitution within the ten (10) day period, and the value of the returned check is greater than Fifty Dollars (\$50.00) and does not represent payment of real estate taxes or water & sewer charges, the City Treasurer or their designee shall have the discretion to initiate either civil or criminal actions, pursuant to V.S.A. 13 §2022 or V.S.A. 12 Chapter 187, to recover and satisfy the debt. Should such action become necessary,

the City shall petition to recover any additional costs that may be incurred. Payments of real estate taxes and/or water & sewer charges will be recovered through tax sale, pursuant to 24 V.S.A., Chapter 133, or placement of a lien on the property, pursuant to 32 V.S.A. § 5061.

9. Should two checks from a single issuer be returned for non-payment within a 12-month period of time, all future payments from the issuer must be in the form of cash, money order or certified funds. After a two-year period of timely payments from the issuer, the City will again accept personal or bank checks on a probationary basis.

IV. Inconsistent Policies Repealed

This Policy shall amend and replace any provisions of any Policy of the City of Barre in effect at the time of enactment of this Policy governing any activity included in this Policy

V. Severability

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Policy, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Policy or any part thereof.

The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional or ineffective.

VI. Effect

No section of this Policy shall be construed to supersede or replace any Vermont statute.

The foregoing Policy is hereby adopted by the City Council of Barre City, Vermont, this 7th day of January, 2020, and is effective as of this date until amended or repealed.