

## Worthless Check Policy

The face value of a check returned for insufficient funds (NSF) may not be absorbed as a cost by state, federal or public local funds. An uncollected check is considered a bad debt; therefore, it is not an allowable expenditure for any state, federal or local fund. Troy City Board of Education will adhere to the following guidelines to address worthless checks.

1. Local school principals and system administrators must exercise due diligence in the acceptance of checks and in the collection of NSF checks.
2. Insufficient funds and closed account checks may not be absorbed as a cost of state, federal or local funds.
3. A notice that writers of bad checks will be prosecuted will be posted in all schools and the central office. A similar notice will be distributed to the parents by the schools on a yearly basis.
4. A service fee per returned check will be charged by the school system.
5. Fees collected may be used to cover expenses incurred in collecting NSF checks. If the NSF check is determined to be uncollectible, it may not be **simply written off**. Money collected from fees may be used to reimburse the state, federal or local funds.
6. A list of individuals presenting NSF checks to the school system will be maintained in a system-wide bad check log. Checks will not be accepted from those individuals for the remainder of the school year.
7. If the school or school system is not reimbursed for the face value of the check plus the service fee, the case will be turned over to the District Attorney's office.