

SECTION: 4.0 Administrative

SUBJECT: Returned Checks

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**Background:** This policy is provided to summarize the accounting policies and practices followed at Lewis-Clark State College relative to checks returned due to insufficient funds.

**Point of Contact:** Controller's Office

**Other LCSC offices directly involved with implementation of this policy, or significantly affected by the policy:**

**Date of approval by LCSC authority:** 10/26/10

**Date of State Board Approval:** N/A

**Date of Most Recent Review:** 7/2014

**Summary of Major Changes incorporated in this revision to the policy:** Last revision in October 2010 included the addition of e-checks and service charge exceptions.

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**Policy:**

A returned check service charge will be levied for a paper check or electronic check (e-check) that is issued to Lewis-Clark State College and returned due to insufficient funds, or for any other reason.

1. If the returned check was initially presented by a student, the amount of the check will be charged to the student's account and the student will be responsible for payment of that check and the associated returned check service charge. Consequences of not paying a returned check or e-check may include the withholding of registration privileges, transcripts and/or the immediate cancellation of the student's classes. Checks or e-checks issued by former students or non-students are subject to the same policy.
2. A department of Lewis-Clark State College that accepts a check that is subsequently returned unpaid will be charged the amount that remains uncollected after collection efforts have proven unsuccessful.
3. Returned checks or e-checks for amounts of \$30.00 or more that are not paid promptly may be referred to a collection agency for further action and reported to a nationwide credit reporting agency. Returned items for amounts less than \$30.00 will be considered for further action on a case by case basis.
4. Payments to cover a check returned for insufficient funds may be made at the Controller's Office Cashier's Window.
5. Exceptions to the returned check service charge will be considered if the check was returned due to an error by a bank or credit union. Waiver of the service charge must be documented by correspondence from the financial institution on official letterhead.