

Returned Check Processing Fee

Version 1 (Current Version)

 Print

Policy	REG07.35.01
Title	Returned Check Processing Fee
Category	Finance, Operations and Auxiliary Services
Sub-category	Accounting Services
Authority	Chancellor
History	Business Manual Cashier Statement #1 effective June 13 th 2003; revised January 2 nd 2009; approved to post as a PRR June 25, 2018. Non substantive revisions posted March 9, 2022.
Contact	University Cashier, (252) 737-6886, cashier@ecu.edu (mailto:cashier@ecu.edu)
Related Policies	State Controller Policy for Collecting and Depositing Processing Fees for Returned Checks (https://www.osc.nc.gov/11005-state-disbursing-policy-collection-and-depositing-processing-fees-returned-checks-except-those)
Additional References	N.C. G.S. § 147-86.11(a) Cash Management for the State (https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_147/GS_147-86.11.html) N.C. G.S. § 25-3-506 Collection of Processing Fee for Returned Checks (https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_25/GS_25-3-506.html)

1. Introduction

State Agencies are authorized to charge a processing fee for returned checks. The purpose is to ensure the State of North Carolina is reimbursed for costs associated with the collection of returned checks.

In accordance with North Carolina General Statute § 25-3-506, East Carolina University shall charge a processing fee of thirty-five dollars (\$35) for a paper or electronic check on which payment has been refused.

2. Applicability

This regulation applies to all check payments, both paper and electronic, received by the University. The designated bank of deposit returns check payments for numerous reasons, including, but not limited to:

- 2.1. Insufficient funds;
- 2.2. Closed account;

- 2.3. Invalid account numbers;
- 2.4. Frozen account;
- 2.5. Inability to locate account;
- 2.6. Non-transaction account;
- 2.7. Uncollected funds;
- 2.8. Other reasons as indicated by the bank when the check is returned.

3. Departmental Responsibilities

Upon notification and receipt of the copies of the returned items from the University Cashier's Office, departments are directed to attempt collection on the returned items, including the \$35 processing fee.

Departments must follow the University Cash Management Plan and Accounts Receivable Regulation when performing collection procedures.

East Carolina University

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