



## **TOWN OF MERRIMACK**

### **RETURNED CHECK OR ELECTRONIC MEANS POLICY**

#### **I. PURPOSE:**

This policy serves to protect the Town from the administrative and financial burden of processing returned checks or electronic means remittances (ACH).

#### **II. APPLICATION:**

This policy applies to all payees and payors of the Town of Merrimack.

#### **III. GUIDELINES FOR RETURNED CHECKS AND ELECTRONIC MEANS REMITTANCES:**

##### **a) Notification Schedule:**

- i. First Returned Check/ACH: The customer will be notified in writing by the Finance Department or the Town Clerk/Tax Collector with a notification advising the person of the returned check/ACH plus the fees due to the Town. They will have 14 days from the date of the Town's notice to make full payment. This notification will also indicate that a returned check/ACH cannot be covered with another check. A sample form letter for non-sufficient funds is attached to this policy.
- ii. Second Returned Check/ACH: The customer will be notified in writing that they may now only make payments with cash, money order, or bank certified check within any town department until further notice.

##### **b) Fees and Collection:**

- i. It is the responsibility of the customer to cover all associated fees regarding returned checks and electronic means remittances. Per RSA 80:56, the Town of Merrimack shall charge for all returned checks and electronic means remittances a fee of \$25.00. The Town Manager may waive said fee upon consideration of a formal written request which includes sufficient justification.
- ii. For payment to be received, it must be a bank check, money order or cash.
- iii. Per RSA 638:4, if within fourteen days after providing notice that the bank refused to pay the check/ACH the Town does not receive the amount of the check plus all fees, the Town will contact law enforcement for further action.

iv. If the returned check was for a motor vehicle registration, the Merrimack Town Clerk shall also process an Administrative Complaint with the State of NH-DMV unless full payment including fees is paid by cash, money order or bank check within 14 days. Pursuant to RSA 261:156 the State of NH will suspend the registration certificate and number plates of such person until the Town of Merrimack has been reimbursed the full amount of the returned check plus any fees.

c) Authority to Reinstate:

i. With the consultation of the applicable Department Head, the Finance Director has the authority to reinstate a repeat offender due to unusual or extenuating circumstances. A written request by the offender must be made to the Finance Director.

d) Tracking/Notification Responsibility:

- i. Each Department Head shall track returned check/ACH offenders separately and share an updated list with the Treasurer monthly by the 15<sup>th</sup> of the month for the prior month's activity.
- ii. The Treasurer will create a compiled list of offenders and make it available to Department Heads monthly. Department Heads will use this list to determine the appropriate payment method pursuant to Section III.a.ii above.
- iii. The Treasurer will track returned checks and compare records with the Finance Director on a regular basis.

#### IV. AMENDMENTS:


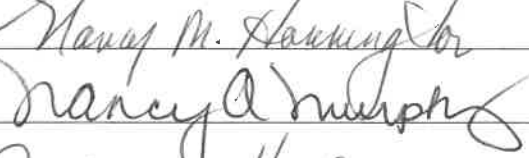
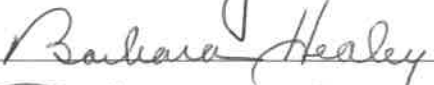

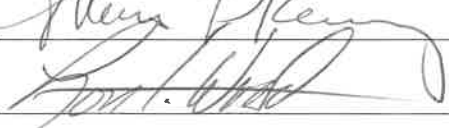
This Policy may, from time to time as needed, be amended by a majority vote of the Town Council at a regularly scheduled Council meeting.

#### V. EFFECTIVE DATE:

This policy shall be effective upon a vote of the Merrimack Town Council and shall replace any and all Returned/Bad Check Policies previously enacted by the Town.

Effective: October 27, 2022

Adopted by the Merrimack Town Council on October 27, 2022

  
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Nancy M. Harrington  
  
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Nancy A. Murphy  
  
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Barbara Healey  
  
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Joseph J. [unclear]  
  
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## SAMPLE FORM LETTER

[DATE]

To Whom It May Concern,

It has come to our attention that your check/ACH transaction # \_\_\_\_\_ issued to the Town of Merrimack in the amount of \_\_\_\_\_ dated \_\_\_\_\_ for \_\_\_\_\_, has been returned by your bank due to “\_\_\_\_\_.”

Therefore, it is required that you provide a **certified check, money order, or cash** in the amount of \$\_\_\_\_\_ to replace the returned check and to reimburse the Town for the related service charge of \$25.00. These funds must be received by the Town within 14 days of the date of this letter or we will forward this matter to law enforcement for further action.

Payment may be made at the Town of Merrimack Finance Office during office hours or, if you pay by certified check or money order made payable to “Town of Merrimack,” you may mail it to the following address:

Town of Merrimack  
Finance Department  
6 Baboosic Lake Rd  
Merrimack, NH 03054

Please contact the Finance Department at (603) 424-7075 if you have any questions concerning this matter.

Sincerely,

Finance Director