





## **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 bank 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 from the customer which includes proper 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 costs and protest 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. 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 protest 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 petition by the offender must be made to the Finance Department.

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.
- 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: \_\_\_\_\_

Adopted by the Merrimack Town Council on \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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 “Not Sufficient Funds”.

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 bank 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. If you pay by certified check, please have the check made payable to the **“Town of Merrimack”** and 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

1 Councilor Koenig asked if there was any upkeep needed for this project, such as regular maintenance  
2 (painting, etc.) for the rack, in which Mr. Johnson stated that there were no plans to have the rack painted,  
3 and the old canoe rack does not require any upkeep so he does not anticipate this new one would need any.  
4 Vice Chair Harrington asked if there is any town liability for those using the rack, in which Mr. Micali stated  
5 that they need to research this further with their insurance company as he is not sure if there is a disclaimer  
6 before renting can take place. Councilor Healey asked if Mr. Johnson will be using pressure treated wood, in  
7 which he stated that they will be using pressure treated wood as well as galvanized or stainless-steel bolts.  
8 Further, he stated that this new rack will not be replacing the old one, but rather be located next to it.  
9

10 **MOTION made by Councilor Hunter and seconded by Councilor Murphy to approve Boy Scout**  
11 **Andrew Johnson’s proposed Eagle Scout project to build a canoe/kayak storage rack next to the**  
12 **waterfront at Wasserman Park.**

13 **MOTION CARRIES 7-0-0**

14  
15 **2. Town of Merrimack Returned Check or Electronic Means Policy Update**

16 *Submitted by Town Treasurer Xenia Simpson*

17 The Town Council to consider the recommended changes to the Town of Merrimack Returned Check  
18 or Electronic Means Policy.

19  
20 Town Treasurer Xenia Simpson discussed formalizing a policy that has been around for many years but has  
21 yet to be officially adopted by the town. She shared that they have been using this policy, which categorizes  
22 which checks have been returned, and the goal of formalizing this is to have the policy be the same  
23 throughout all the departments. Mr. Micali shared that this request came to be when the town auditors  
24 recommended making this public, so the community is aware of the return check policy in the town. The  
25 Council spent some time reviewing and discussing the policy, deciding to table this discussion to the next  
26 meeting.  
27

28 **MOTION made by Vice Chair Harrington and seconded by Councilor Healey to table this agenda**  
29 **item to October 27, 2022.**

30 **MOTION CARRIES 7-0-0**

31  
32 **3. Recommendation for Town Council Acceptance of Town Roads, Open Space Parcel &**  
33 **Drainage Easements of Greenfield Farms XIV Subdivision Plan**

34 *Submitted by Deputy Public Works Director / Town Engineer Dawn Tuomala*

35 The Town Council to consider the recommendation to accept the Town roads, Open Space Parcel  
36 7C/040-2 and Drainage Easements of Greenfield Farms XIV Subdivision Plan.  
37

38 Deputy Public Works Director / Town Engineer Dawn Tuomala was present to discuss the above-named  
39 subdivision plan, sharing that this is known as “Greenfield Farms XIV” and is located up at the Bedford  
40 town line between Wire Rd and Pearson Rd. The overall parcel was 140 acres, with most of it going into  
41 conservation. Ms. Tuomala presented the Council with a map highlighting this specific area, along with  
42 another lot called “7C-40-2” off Pearson Rd as well. She then shared that this plan was signed in December  
43 2017, with construction beginning in 2018. She also pointed out an area on the map in which the drainage  
44 easements had to be redone and shared the bond amounts with the Council. She would like the Council to  
45 release the current bond and hold a maintenance bond for two more years for \$338,975. She stated that the  
46 Planning Board has accepted the changes as well as accepted the bonds to be changed out, so she just needs  
47 Council approval as well as to allow the Town Manager to sign the various deeds.  
48