

TOWN OF CALEDONIA – BAD CHECK POLICY

Returned Check/Bank Draft. When a Customer's check or bank draft is returned to the Town or any department of the Town of Caledonia as unpayable for any reason, a \$40.00 service charge will be assessed to the Payer/Customer by the Town. The assessment and/or collection of such service charge shall not limit the rights of the Town or any of its departments to resort to other remedies provided by law or Town or departmental policy, including but not limited to, the right to disconnect service to the Customer, file criminal charges for the bad check, issue a warrant for failure to pay fines or to revoke a privilege license pursuant to the Town's or any departmental rules and policies.

After receiving two returned checks or denied bank drafts from a Customer's or Payer's bank as unpayable for any reason within a 12-month period, the Customer/Payer's account will be coded as "cash or money order payment only" and the Town/department will no longer accept a personal check or an e-check for payment of the Customer/Payer's account/debt. The Customer/Payer's account/debt will remain at "cash or money order only" payment status until the 12-month term of one or more of the returned checks (or denied bank draft) has expired thereby reducing the number of returned checks or denied drafts to less than two for the account and removing the "cash or money order payment only" status.

Adopted: May 3, 2022

Revised: