

NSF CHECKS

The principal is responsible for seeking reimbursement for any unpaid checks returned by the bank. A check can be declared uncollectible and written off the books only by action of the school board or designated officer. This action will be taken only after every legal and reasonable effort at collection by the principal has been exhausted. The principal may require payment for school obligations in cash, money order, or other form of guaranteed payment if it is deemed necessary.

Posting NSF Checks in Skyward

When the SFA receives a returned check from the bank, credit the checking account and debit the activity account for the amount of the returned check. A journal entry should be entered for all checks to accurately reflect account balances.

When payment is received, a separate deposit slip should be prepared and marked prominently on the face of the deposit slip. The initial journal entry documenting the receipt of the NSF check should be reversed to reflect receipt of the funds. A new teacher receipt and official receipt **should not** be issued upon payment of the NSF check.

Collection Efforts

The principal may opt to collect returned checks as follows:

1. utilize the District approved check collection agency (Payliance) or
2. collect the checks at the school level with the assistance of the SFA

Check Collection Utilizing Payliance

When utilizing Payliance no check collection activities are allowed by the school. If the remitter attempts to make a payment at the school site, they should be directed to Payliance. Payliance will remit payment to the school and pursue all necessary collection activities. Payliance guarantees the first returned check payable by an individual with a face value less than \$50, if the check included the name, address, and contact information of the check writer.

Check Collection at the School Site

The principal or SFA should contact the person from whom the check was received and inform him or her that the check has been returned and request payment of the check and applicable bank fees. Payment should be remitted by cash, cashier's check, or money order. Every effort must be exerted to obtain payment of NSF checks.

Notification

The SFA shall notify the teacher/sponsor of the activity or event of the returned check. The teacher/sponsor should no longer accept checks from the remitter of an NSF check.