



City of Downs
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Return Check Policy

This policy is to help guide City staff and the general public regarding the handling of insufficient funds payments, including, but not limited to checks, debt or credit card charges, and automated clearing house (ACH) transactions.

The following rules and procedures shall be used by staff when dealing with insufficient funds returned payments on any city related payments, specifically, utility, licenses or Court payments.

PROCEDURE:

- 1) An insufficient funds return charge of \$30 will be added to the amount due. If payment is made after the payment deadline the late fee will also be due and owing.
- 2) When the city becomes aware of the insufficient funds transaction, they will attempt to call the party. If they cannot reach the party within 1 business day, they will mail, by certified mail, a notice of insufficient funds. This notice will state the date of return, reason for payment, the amount of payment, the addition of an insufficient funds fee of \$30, the possibility of late fees and that payment must be made **IN FULL AND BY CASH, MONEY ORDER OR CASHIERS CHECK**.
- 3) A second insufficient funds return within a twelve (12) month period will receive the same insufficient funds charge and notice, above, and in the same manner. In addition, the account will be placed on a **CASH, MONEY ORDER, OR CASHIERS CHECK** only for the next twelve (12) months (e.g. “CASH ONLY”).
- 4) Once a customer has been placed on a “CASH ONLY” status, they **WILL** be placed on a “CASH ONLY” basis for **ALL** amounts owed to the city.
- 5) During the “CASH ONLY” time frame, any attempted payment by check, either by mail or by night drop will be returned, unprocessed.
- 6) After the twelve (12) month “CASH ONLY” the customer will be removed from “CASH ONLY” payments and can sign up for ACH payments or make payment by check.