



5.6 Cash Management Returned Payments

Policy Statement

There is no formal policy statement for this topic however procedures and other information are provided below.

Reason for policy

The policy defines the University's course of action should a check be returned by a bank for any reason.

Procedures

The University of Georgia actively pursues a policy of collecting checks (electronic or paper checks) returned by the bank as non-negotiable (non-sufficient funds, endorsement missing, incorrectly entered or invalid routing numbers or account numbers, etc.). In accordance with Georgia Code (O.C.G.A. 13-6-15, 16-9-20) concerning civil damages for writing bad checks and the penalties that may be imposed, there will be a service charge collected for each returned check. The service charge will be \$30.00 or 5% of the check, whichever is higher. A one-time courtesy reduction of the service charge is honored upon request for each student who incurs a fee greater than \$30. Otherwise, this fee is nonnegotiable and payment in full is required.

Any employee or non-employee who has had three or more checks returned to the University may not be permitted to make a payment to any University unit by personal check. Redemption of returned checks must be made by any legal tender other than a personal check.

Students with unresolved returned checks will have their records flagged. A flag prevents future registration and blocks receipt of official University transcripts. The flag will not be removed until the returned check and applicable service charge are paid in full in an approved payment method.

Any student, who has not paid for a returned student account check and service charge prior to the established deadline, may have his registration irreversibly canceled for the applicable term. Under certain circumstances, UGA reserves the right to not only require that all past due balances be paid in full as described above, but to also require advance payment of future tuition & fee charges, in guaranteed funds, in order to be cleared to register for that semester.

The University of Georgia automatically submits all paper/physical checks twice for payment if the check was returned once for any reason. This is an automated process and the second submission cannot be stopped. ACH payments/E-checks are only submitted once. The customers' bank may charge one or more fees for having a returned item on their account, and this is independent of any service fees assessed by The University of Georgia.

Additional contacts

Karen Pitts

Phone Number: 706-542-6655

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Associate Vice President - Finance Division

Policy Owner: Bursar and Treasury Services

Policy Contact: Susan Caldwell

Phone Number: 706-542-2965

Record Retention

Retention: Returned Checks Records should be kept for 5 years. [BOR 0472-03-001](#)

Related information

Access to the Georgia Code is provided by LexisNexis from the Georgia General Assembly's website. To find one of the Code Sections noted above, go to the [Official Code of Georgia \(OCGA\)](#) and enter the Code Section you want to search for.

O.C.G.A. 13-6-15

O.C.G.A. 16-9-20

[‹ Deposits for Affiliates/Foundations | Credit/Debit Cards ›](#)

Policy Dates

Effective Date:

Date Last Updated: 06/01/2017

Date of Last Review:

Date of Approval:

Previous Version of Policy: