

VILLAGE OF PALOS PARK

INSUFFICIENT FUNDS POLICY

ADOPTED FEBRUARY 28, 2011

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POLICY STATEMENT

This policy is to help guide the Village of Palos Park staff and the general public regarding the handling of insufficient funds for payment made by check or by any other means, whether electronic or otherwise, for any payment received by the village as a fee for issuance of any village license or permit, or as payment for a parking, traffic or other violation or for water, sewage, or garbage collection charges, or as payment for any other village services which is returned as uncollectible for insufficient funds, or for any reason that required additional processing by the village in order to render said payment collectible.

PROCEDURE

The following rules and procedures shall be used by staff when dealing with returned checks on all utility accounts.

1. First Returned Check

- Notice will be sent by first class U.S. Mail giving the customer five (5) business days from the date of the letter to pay the full NSF (non-sufficient funds) check amount, the NSF fee as established by ordinance, and any bank fees as may be assessed to the Village of Palos Park. If the customer fails to clear the NSF check with five (5) business days, the customer will automatically be placed on a permanent "***cash only***" basis.
- Only cash, cashier's check, or money order will be accepted for all payments and fees due to the Village of Palos Park to clear the NSF check.
- Checks will be accepted from the individual or business once the NSF check has been cleared.

2. Second Returned Check

- Notice will be sent by first class U.S. Mail giving the customer five (5) business days from the date of the letter to pay the full NSF (non-sufficient funds) check amount, the NSF fee as established by ordinance, and any bank fees as may be assessed to

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the Village of Palos Park. If the customer fails to clear the NSF check with five (5) business days, the customer will automatically be placed on a permanent **“cash only”** basis.

- The utility account will be subject to immediate disconnection without notice.
- The utility account will be placed on a **“cash only”** basis for 12 months.
- Any checks received during this twelve (12) month period will be returned without being processed, and the account will remain as unpaid until cash, cashier’s check, or money order is received.

3. Third Returned Check

- A notice will be sent by first class U.S. Mail directing the customer to pay the full NSF check amount, the NSF fee as established by ordinance, and any bank fees as may be assessed to the Village of Palos Park.
- The utility account will be subject to immediate disconnection without notice.
- The utility account will be placed on a permanent **“cash only”** basis.
- Any checks received will be returned without being processed and the account will remain as unpaid until cash, cashier’s check, or money order is received. Utilities are subject to disconnection procedure if cash payment is not received before disconnection reports are issued.

The following rules and procedures shall be used by staff when dealing with returned checks on service connection fees.

1. Returned Check

- Returned checks written for utility service connection fees will cause immediate disconnection of services without notice. A reconnection fee must be paid in addition to all amounts owed prior to the utility service(s) being reinstated. If the customer fails to clear the NSF check within five (5) business days, the customer will automatically be placed on a permanent **“cash only”** basis.

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- A notice will be sent by first class U.S. Mail requiring the customer to pay the full NSF check amount, the NSF fee as established by ordinance, and any bank fees as may be assessed to the Village of Palos Park prior to services being restored.
- Only cash, cashier's check, or money order will be accepted for all payments and fees due to the Village of Palos Park to clear the NSF check.

The following rules and procedures shall be used by staff when dealing with returned checks for all other Village related activities.

1. First Returned Check

- A notice will be sent by first class U.S. Mail giving the customer five (5) business days from the date of the letter to pay the full NSF check amount, the NSF fee as established by ordinance, and any bank fees as may be assessed to the Village of Palos Park. If the customer fails to clear the NSF check within five (5) business days, the customer will automatically be placed on a permanent "**cash only**" basis.
- Only cash, cashier's check, or money order will be accepted for all payments and fees due to the Village of Palos Park to clear the NSF check.
- Checks will be accepted from the individual or business only the NSF check has been clear.

2. Second Returned Check

- A notice will be sent by first class U.S. Mail directing the customer to pay the full NSF check amount, the NSF fee as established by ordinance, and any bank fees as may be assessed to the Village of Palos Park. If the customer fails to clear the NSF check within five (5) business days, the customer will automatically be placed on a permanent "**cash only**" basis.
- The individual and/or business will be placed on a "**cash only**" basis for 12 months.

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- Any checks received during this time will be returned without being processed, and the account will remain as unpaid until cash, cashier's check, or money order is received.

3. Third Returned Check

- A notice will be sent by first class U.S. Mail directing the customer to pay the full NSF check amount, the NSF fee as established by ordinance, and any bank fees as may be assessed to the Village of Palos Park.
- Any checks received will be returned without being processed and the account will remain as unpaid until cash, cashier's check, or money order is received. Utilities are subject to disconnection procedure if cash payment is not received before disconnection reports are issued.

The Village of Palos Park reserves the right to contact the customer's financial institute to verify that funds are available before accepting any checks. All returned check penalties are considered cumulative and not considered separately. The Village Administrator may reinstate a customer's ability to submit checks to the Village of Palos Park. The attached form should be used when notifying the customer of insufficient funds received by the Village.

ILLINOIS COMPILED STATUTES

The Illinois Compiled Statutes, Chapter 720, Section 5/17-1a, establishes a civil liability for non sufficient funds. The statute provides as follows:

“A person who issues a check or order to a payee in violation of Section 5/17-1 (B)(d) and who fails to pay the amount of a check or order to the payee within 30-days following written demand delivered by certified mail to the persons last known address shall be liable to the payee or person subrogated to the rights of the payee for, in addition to the amount owing upon such check or order, damages of treble the amount so owing but in no case less than \$100.00 nor more than \$1,500.00 plus attorney fees and court costs.”

“A cause of action under this Section may be brought in small claims court or in any other appropriate court. As part of the written demand required by this Section, the plaintiff shall provide written notice to the defendant of the fact that prior to the hearing of any action under this Section, the defendant may tender to the plaintiff and the plaintiff shall accept as satisfaction of the claim, an amount of money equal to the sum of the amount of the check and the incurred court costs, and service and attorney fees.”

REIMBURSEMENT FOR NON SUFFICIENT FUNDS

DATE: _____

NAME: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

The Village of Palos Park is in receipt of your check number _____, dated _____, in the amount of \$_____. This check has been presented to the bank for payment twice, and each time it has been returned unpaid due to non sufficient funds.

The Village of Palos Park advised you that the Illinois Compiled Statutes, Chapter 720, Section 5/17-1a, established a civil liability for non sufficient funds. The statue provides as follows:

“Any person who issues a check or order to a payee in violation of Section 5/17-1 (B)(d) and who fails to pay the amount of the check or order to the payee within 30 days following written demand delivered by certified mail to the persons last known address shall be liable to the payee or person subrogated to the rights of the payee for, in addition to the amount owing upon such check or order, damages of treble the amount so owing but in no case less than \$100.00 nor more than \$1,500.00 plus attorney fees and court cost.”

This letter shall serve as written demand for payment; therefore, you have five (5) days to contact me at the address and phone number listed below, and satisfy the amount owed on the non sufficient funds.

If you do not satisfy your debt within 30-days, I will file a cause of action in small claims court or other appropriate court. You should be further advised that once a cause of action is filed the statue further provides:

“Prior to the hearing of any action under this Section, the defendant may tender to the plaintiff and the plaintiff shall accept as satisfaction of the claim, an amount of money equal to the sum of the check and the incurred court cost, service fee, and attorney fees.”

I hope this matter can be resolved and settled within the 30-day period.

Sincerely,

Village of Palos Park
8999 W. 123rd Street
Palos Park, IL
708-671-3700