

Book	Policy Manual
Section	POLICIES FOR BOARD APPROVAL - VOL. 37, NO. 2 - APRIL 2025
Title	Copy of BAD CHECKS AND UNCOLLECTABLE DEBTS
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6151 - BAD CHECKS AND UNCOLLECTABLE DEBTS

When the **School** Corporation receives a check from a student or parent that, when deposited, is returned marked "insufficient funds", the Superintendent shall provide an opportunity for the payer to make proper payment or to arrange for a satisfactory payment schedule. If payment is not received within sixty (60) days, the payment schedule is not adhered to, or the monies do not appear to be collectable, the School Board authorizes the Superintendent to remove the fee or charge from the Corporation's Accounts Receivable and to take appropriate action against the student and/or the parents.

If efforts to collect an amount due the Corporation have not been successful and, in the opinion of the Superintendent and/or Assistant Superintendent (hereafter "the staff"), further efforts to collect the amount due are unlikely to be successful, the staff shall submit a recommendation that the Board find that the debt is uncollectable. This recommendation shall be supported by a brief statement that summarizes the efforts to collect the debt to date and the reason(s) why further efforts to collect the debt are not likely to be successful. The Board shall act upon this recommendation.

If the Board approves the staff recommendations that it find a debt to be uncollectable, the staff recommendation and any Board addition, deletion, or modification to the staff recommendation shall be included in the minutes of the Board meeting in which the staff recommendation is considered by the Board.

If the staff concludes that collection of the full amount due the Corporation is not possible, but that collection of a lesser amount is possible, the staff shall recommend that the Board authorize the staff to accept a reduced amount as payment in full of the amount due to the Corporation. This authorization shall contain a date by which payment in full of the reduced amount is due. If payment in full of the reduced amount is received by the due date established by the Board, the amount by which the original debt to the Corporation is reduced shall be processed pursuant to this policy as an uncollectable amount.

Outstanding (Stale Dated) Checks - Unclaimed Property Process

Checks that are outstanding, meaning they have not been cashed by the payee, after two (2) years after issuance shall be deemed to be a "stale" check. Any stale check shall be treated as unclaimed property consistent with the guidance provided by the Indiana's Unclaimed Property Division and its Reporting Guidelines for unclaimed property, including due diligence prior to remittance and annual reporting of unclaimed property.

Insufficient Funds Checks

When the Corporation receives a check that is not honored upon presentation to the respective bank or other depository institution, the Treasurer/CFO is authorized to take appropriate action. If payment is not received within fourteen (14) days, the payment schedule is not adhered to, or the monies do not appear to be collectable, the Board authorizes the Treasurer to remove the fee or charge from the Corporation's Accounts Receivable and to take appropriate action against the payer. The payer may be charged a fee for insufficient funds (NSF fee) not to exceed \$25.00 for a returned check. A check may be presented for payment not more than three (3) times. However, only one (1) NSF fee may be charged.