

Insufficient Fund Policy

Returned Checks

If a check is returned for insufficient funds, the issuer will have an opportunity to pay in cash. If the amount is repaid promptly, the issuer will be permitted to write checks to the PTO again. Repayment amount is defined as the sum of the check value plus the banks' returned check fee(s).

If payment isn't made, no checks will be accepted by NC PTO for 1 year from the date of the first returned check bank notice. A letter will be sent to that parent from the PTO Treasurer stating this policy.

If two checks are returned for insufficient funds within the same school year (including those for which repayment has been received) no checks will be accepted by the NC PTO. A letter will be sent to that parent from the PTO Treasurer stating this policy.

A bank fee (the charge assessed to the PTO by our Bank) will be charged for any checks returned due to insufficient funds.

First Attempt for Repayment

When the treasurer receives a returned check notice from the bank, he/she will notify the parent/guardian who wrote the check by either a phone call or insufficient fund letter. The Treasurer will document to ensure that all of the following information is covered during any contacts.

1. Write date/time of all attempted contacts.
2. Write name of person contacted. Retain a copy of the letter sent.
3. Ask for money order or cash for the amount of the check plus any bank fees to be sent within 10 days to the school office/treasurer. (Treasurer may use discretion for actual date of repayment based on situation.)
4. Remind the parent that a second bounced check will result in a suspension of check writing privileges to the NC PTO.
5. After 30 days without payment, the PTO executive board will decide whether or not to pursue legal recourse for payment. A certified letter will be sent to the check issuer stating that checks will no longer be accepted for any reason

*This policy will be posted on our website. Should any financial situation arise that is not specifically addressed in this policy, the PTO reserves the right to take appropriate action on a case-by-case basis.