RETURNED CHECKS

Whenever a check is returned, the school must notify the person who issued the check in writing to bring cash to the school to cover the check. After ten (10) days, if no response has been received, a certified letter should be sent as per Mobile County District Attorney's office requirements. Do not charge the returned non-paid check off in the ledger. Write a new receipt for the cash received and mark it re-deposited with a notation of the earlier receipt number issued, a copy of the notice received from the bank and a copy of the returned check attached to the master receipt. The returned check may be returned to the person who wrote the check after cash has been received to cover the amount. The name on the returned check should be entered on the deposit ticket. Returned checks not promptly redeemed by cash must be collected by legal means. Assistance should be obtained from the District Attorney's office in the Mobile County Courthouse. The fee charged by the school for a returned check shall be $25.00 and a separate receipt shall be written for this amount. Once a check has been returned from an individual/company, the school will no longer be able to accept personal check from them. The school will require a money order or cashier's check in its place.

In the event a returned check is not collected by the school or the District Attorney, a school must request permission from the Superintendent of Education before writing off the check. A returned check should be written off by reducing the revenue and cash. A journal entry must be made to reduce (DEBIT) receipts for the appropriate ACTIVITY account and reduce (CREDIT) cash. All documentation, including District Attorney's statement and the written permission from the Superintendent of Education to write off the item must be retained with the school's accounting records for the period in which the item is written off the school's books.

The use of school funds for the personal use of any member of the school staff is prohibited. Personal checks of personnel that are returned for insufficient funds must be given immediate attention. If the matter is not promptly resolved, the Superintendent or the Chief School Financial Officer must be notified immediately.