

SALT LAKE COUNTY  
COUNTY-WIDE POLICY  
ON  
COLLECTION OF BAD CHECKS

**Purpose –**

To establish Salt Lake County Policy on collection of returned checks and set forth proper procedures with regard to collection of checks returned to any County agency. Nothing in this policy shall be construed as discouragement of preliminary collection efforts being made by departments/agencies.

**1.0 Definitions**

- 1.1 Returned checks - any check issued to a Salt Lake County agency for which payment has been refused by the financial institution upon which it was drawn.
- 1.2 Collection of bad checks - recovery of funds due Salt Lake County together with applicable fees and costs from the person or persons who issued the returned check.

**2.0 Policy**

Recovery of debts due Salt Lake County, including returned checks, is the responsibility of the Attorney (UCA 17-18-1.5 (6)(b)), who may, by mutual agreement delegate certain responsibilities to other offices, agencies, or contractors. The following procedures are hereby adopted as County policy.

- 2.1 Except as otherwise provided herein, the Salt Lake County Treasurer's office shall attempt collection of all returned checks for all County agencies. This policy does not apply to the Justice Courts, Division of Aging Services, Division of Community Resources and Development, and County Assessor.
- 2.2 Upon notification by a bank that a check is dishonored, the Treasurer will mail a Notice of Returned Check (Exhibit A) to the debtor.
  - 2.2.1 The maximum service charge permitted by law shall be assessed on each dishonored check and included in the total amount due reflected in the Notice of Returned Check.
- 2.3 If the debtor fails to respond within 15 days of mailing the Notice of Returned Check, the Treasurer will mail a Second Notice of Returned Check (Exhibit B) informing the debtor of legal follow-up.
  - 2.3.1 The maximum collection cost permitted by law shall be assessed on each dishonored check and included in the total amount due reflected in the Second Notice of Returned Check.

- 2.4 If there is no response within 15 days following the mailing of the Second Notice, the returned check, together with copies of the Notice of Returned Check and second Notice of Returned Check shall be turned over to the Attorney for legal action. This requirement does not apply to returned checks of county agencies and offices excluded under Section 2.1 or to returned checks accepted by the Treasurer in payment of property taxes, penalties or interest.
- 2.5 At the discretion of the Attorney, a Summons and Complaint shall be filed with the Clerk of the Court.
- 2.6 The Treasurer shall provide a monthly report to each agency having returned checks. The report shall indicate the status and disposition of each returned check processed by the Treasurer.
- 2.7 Service Charges and collection costs may be waived in circumstances beyond the payer's control, including bank error, stolen checks, forgeries, and similar circumstances if requested in writing by the payer, and supported by adequate evidential matter. Service charges, collection costs, court costs, attorney's fees, damages, and any other related costs may be written-off at the direction of the Attorney.
- 2.8 Entries to write-off uncollectible returned checks shall be prepared by the affected agency and submitted to the County Auditor upon notification of the returned check to the agency and not less frequently than monthly.
- 2.9 The Attorney may contract with a collection agency for the collection of bad checks in Accordance with State Law and County procurement ordinances.

APPROVED and PASSED this 11<sup>th</sup> day of December, 2007.

SALT LAKE COUNTY COUNCIL

David P. Witte  
Mark Crockett, Chair

ATTEST:

Sherrie Swensen  
Sherrie Swensen, County Clerk

APPROVED AS TO FORM:

J. S. R. 12/03/07  
District Attorney's Office Date