

Revised 10-2-87; 2-7-00, 10-13-08; Effective Date 11-01-08; Revised 03-18-13; 11-16-16; **03-15-17**

BOARD POLICY NO. 5-07 R-6

SUBJECT: Consumer Checks, Bank Drafts or Credit/Debit Cards Returned by Banks or Credit Institutions

POLICY:

The amounts of checks, bank drafts or credit/debit cards given by consumers to pay electric bills, fees or other debts to the Cooperative and subsequently returned by their banks or credit institutions to the Cooperative will be debited to their accounts. If any returned check, bank draft or credit/debit card was given to pay one account, a standard charge of \$25.00 for the returned check, bank draft or credit/debit card shall be added to the account. If any returned check, bank draft or credit/debit card was given to pay two or more accounts, the standard charge shall be added to one account and \$2.50 or 10 percent of the standard charge, whichever is greater, shall be added to each additional account. Any applicable penalty (ies) for late payment shall be added to each account. Only the amount of the returned check shall be debited to any account(s) for which unsigned checks sent to banks by Cooperative employees are returned by the banks.

Any consumer having a check, bank draft or credit/debit card returned as described in the preceding paragraph shall be given notice by a standard letter and shall be allowed five (5) UCEMC business days, not including the day the letter is mailed, to make satisfactory payment of the amount of the returned check, bank draft or credit/debit card and related charges. No additional charges shall be added during the period except any applicable late payment penalties. Such penalties, if not included in the letter, may be billed with the next cycle. If satisfactory payment is not made for any returned check, bank draft or credit/debit card and related charges during the five (5) days, collection shall proceed in accordance with Board Policy No. 5-02, Billing and Collection, without further notice and without regard to the original Due Date.

If any bank or credit institution acknowledges in writing that any check, bank draft or credit/debit card was returned due to an error by a bank or credit institution employee or a bank or credit institution agent or was returned due to an error by a Cooperative employee, any returned check, bank draft or credit/debit card charges and any penalties added due to the return of the check, bank draft or credit/debit card will be adjusted by the Cooperative. Any UCEMC member not having paid a Gross Amount due per member number during the most immediate preceding twenty-four (24) months as evidenced by UCEMC records, shall be granted exemption for the standard charge for any returned check, bank draft or credit/debit card given per member account due to oversight or other extenuating circumstance for each account assigned to the member number not to exceed one adjustment per account during any twenty-four (24) consecutive months.

Checks or bank drafts returned for any reason except lack of signature, banking error or UCEMC error shall not be re-deposited. Instead, they must be redeemed by currency cash, money order, cashier's check or other similar negotiable instrument.

The Cooperative will not accept any check or bank draft for payment for any service of product per member number and for each account assigned to the member number for a period of two (2) years from the date of either the second consecutive returned check or bank draft or third in total returned checks or bank drafts per member number and for each account assigned to the member number whichever occurs first during any twelve (12) consecutive months. Except, the Cooperative may accept payment for any service of product per member number and for each account assigned to the member number from a previously approved third-party charitable or other tax exempt organization.

RESPONSIBILITY: General Manager

PROCEDURE: As outlined above and give authority for billing and collection or delegation of such duties to the District Manager.