


POLICY

	Policy:	Corporate Cheque Acceptance		
	Department:	Corporate Services		
	Division:	Financial Services Division	By-Law No.:	N/A
	Administered By:	Treasurer	Approval Date:	Oct. 22, 2021
	Replaces:	Corporate Cheque Acceptance (February 29, 2016)		
	Attachment(s):	N/A		

1. POLICY STATEMENT

- 1.1. The Corporation of the Town of Amherstburg is committed to establishing controls and procedures for receiving payments by cheque.
- 1.2. It is the Town's preference to receive payment by cash, debit or credit where available at the point of sale.
- 1.3. The acceptance of cheques prior to clearing a financial institution is an extension of credit. To limit the potential risk of fraud or write-off, the Town will only accept cheques under strict conditions in accordance with this policy.
 - 1.3.1. Exceptions include instrument providing guaranteed funds (certified cheques, bank draft, money orders, etc.).

2. PURPOSE

- 2.1. This policy is to outline the best practices for the acceptance of cheques by the Corporation of the Town of Amherstburg.

3. SCOPE

- 3.1. This policy applies to all Town of Amherstburg staff.
- 3.2. Exclusions include:
 - 3.2.1. Property taxes or related charges, or application to any accounts receivable whereby the Town is fully secured either through title registration, offsetting earnings deductions or appropriate legislation.
 - 3.2.2. Cheques received by mail to pay existing invoiced accounts receivable. .
- 3.3. This policy shall be reviewed every five (5) years from the date it becomes effective, and/or sooner at the discretion of the CAO or designate.

4. DEFINITIONS

- 4.1. **Cash** refers to paper currency, coins and cheques, however, where applicable, it also includes but is not limited to debit and credit card receipts, gift certifications, gift cards, tokens, passes, permits and money orders.

- 4.2. **Non-Sufficient Funds (NSF)** refers to a cheque that was not honoured by the bank of the individual/company issuing the cheque, as a result of the bank account of the individual/company does not contain sufficient funds.

Common definitions, acronyms, and terms are available in the Glossary located on the Town's Policies webpage.

5. **INTERPRETATIONS**

Any reference in this policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any references to a by-law or Town policy shall be deemed to be a reference to the most recent passed policy or by-law and any replacements thereto.

6. **GENERAL CONDITIONS**

6.1. **Cheque Acceptance Requirements**

6.1.1. Prior to accepting a personal cheque the following steps are required:

6.1.1.1. Body (description) and figures of the cheque must match.

6.1.1.2. Cheque must have current date unless complying with a post-dated cheque agreement.

6.1.1.3. Non pre-printed cheques, without specific details, are to be completed in full.

6.1.1.4. The person signing the cheque must be the person detailed on the cheque.

6.1.1.5. The person signing the cheque must initial any and all corrections.

6.1.1.6. Third party cheques are unacceptable.

6.1.2. Upon meeting the requirements as stated above, the following must be applied to all accepted cheques:

6.1.2.1. Must be made payable to the Town of Amherstburg.

6.1.2.2. The back of the cheque be stamped, by the department accepting the cheque, "For Deposit Only" to the credit of "The Corporation of the Town of Amherstburg."

6.1.2.3. All cheques must be deposited consistent with the *Cash Receipts Control Policy*.

- 6.1.3. If any of the information required is unavailable, or the department is uncertain or unfamiliar with the entity being represented, the cheque should be certified by the customer at their respected banking authority.
- 6.1.4. The Town of Amherstburg and its employees reserve the right to reject any cheque for any reason.

6.2. **Non-Sufficient Funds (NSF)**

- 6.2.1. Non-Sufficient Funds (NSF), or returned cheques, that cannot be supported relative to services or products rendered, or NSF, or returned cheques, that have been accepted outside of the cheque acceptance policy requirements will be charged to an account with the originating department.
- 6.2.2. At cashier's stations, where cheques are regularly accepted, a sign is to be clearly posted emphasizing the current NSF administration fee as approved by Town Council.
- 6.2.3. Where departments have been advised that an individual or business entity has a chronic history of writing NSF cheques to the Town, the Director of Corporate Services will assess the cessation of acceptance of cheques from that individual or business entity. Before those privileges are re-instated, departments must verify the customer's delinquency payments status with the Accounts Receivable staff.

7. **RESPONSIBILITIES**

- 7.1. **Council** has the authority and responsibility to:
 - 7.1.1. Adopt the *Corporate Cheque Acceptance Policy*.
- 7.2. The **CAO** has the authority and responsibility to:
 - 7.2.1. Ensure compliance with the *Corporate Cheque Acceptance Policy*.
- 7.3. The **Treasurer** has the authority and responsibility to:
 - 7.3.1. Approve reasonable controls and/or practices for ensuring compliance.
- 7.4. The **Deputy Treasurer** has the authority and responsibility to:
 - 7.4.1. Develop appropriate billing procedures to facilitate compliance with this policy.
 - 7.4.2. Ensure communication and training on this policy for those accepting cheques.
 - 7.4.3. Resolve disputes with the customer relative to cheques received including stop payment or service related issues.
- 7.5. **Staff** have the responsibility to:
 - 7.5.1. Adhere to the *Corporate Cheque Acceptance Policy*.

8. **REFERENCES AND RELATED DOCUMENTS**

- 8.1. *Cash Receipts Control Policy*