



POLICY: NSF Fee Policy		COUNCIL RESOLUTION: Resolution # **
DEPARTMENT: Administration	POLICY NUMBER: # 2023-03	Effective Date: Effective: July 21, 2023

PURPOSE

To provide guidance to front line staff in the collection of fees on payments that are returned as an NSF (non-sufficient funds) item. Good collection techniques protect the Village of Lipton from encountering high rates of uncollectible accounts and allow for cost recovery on bounced payments.

PROCEDURE

1. An NSF fee of \$25 (or the amount actually charged to the Village by the returning institution, whichever is greater) per NSF cheque will be charged. Only a certified cheque, electronic payment or cash will be accepted to cover the full amount owed *and* NSF fee.
 - a. Only two (2) NSFs per payor will be allowed and then the Village may decline cheques as a payment from that individual or business.

2. An NSF fee of \$25 (or the amount actually charged to the Village by the returning institution, whichever is greater) per NSF pre-authorized debit (PAD) payment will be charged. Only a certified cheque, electronic payment or cash will be accepted to cover full amount owed *and* NSF fee.
 - a. Only two (2) NSFs per payor will be allowed and then the Town Office may decline PAD as a form of payment that individual or business.

Mayor

SEAL

Administrator

DATE