



Returned Payment Policy

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1. **Purpose**

North Carolina General Statutes grant authority to entities who receive checks as payment for goods or services to also collect a processing fee in the event that such payment is refused by a bank due to insufficient funds or other reasons. Buncombe County recognizes the intent of the State to allow recovery of costs for processing of returned payments. This policy sets standards for handling of payments of any type that have been made to the County and are returned or refused by a bank, this includes but is not limited to NSF (non-sufficient funds), stop payment, account closed, missing signature or not authorized.

2. **Applicability**

This policy applies to returned payments received in any Buncombe County department and applies to all Buncombe County departments and employees unless there is a conflict with GS 153A-103 related to hiring, discharging, and supervising employees. Such an exclusion is noted at the end of this policy. Otherwise, departments may adopt and enforce policies that are more restrictive than County Policy.

3. **Policy**

Buncombe County will charge a fee for any returned payments to the County as outlined in Buncombe County's Consolidated Fee Schedule. North Carolina General Statutes allow a maximum of \$35.00.

3.1. The customer will be notified of the returned payment via the most efficient method based on available contact information. The customer will also be made aware of the County's Returned Payment policy.

3.2. All returned payments must be paid via cash, money order, or certified check. For retiree payments related to post-employment benefits only, a second ACH payment can be submitted within 5 business days of the failed payment, however, the customer is still responsible for the returned payment fee.

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- 3.3. If a customer has two returned payments during a rolling one-year period, they will be required to pay for County services via cash, money order, or certified check for the period of one year from the most recent returned item.
- 3.4. In addition to the returned payment charge, the customer will be responsible for additional fees or charges incurred by the County related to returned payments, and will be subject to regular collection policies for delinquent accounts.

4. Policy Non-Compliance

Employees willfully violating the terms and conditions of this policy may be subject to appropriate disciplinary action, up to and including dismissal.

5. Audit

All policies for Buncombe County may be subject to audit or review as outlined in the [Internal Auditor's Statement](#).

6. Definitions

- 6.1. *Payment* – Any remittance made to the County in the form of cash, check, credit or debit card, or via ACH/electronic processing for purposes including, but not limited to, payment for services provided, or as a penalty or fee.

7. Approval and Revision History

Policy Origination Date:	Original approval date unknown
Requires Board Approval:	No
Board Approval Date:	n/a
Policy Exclusions:	None
Revision History	Specific Date Unknown – Original document 06/02/2006 – First record of BOCC approval as part of Health Center Billing Guide 07/14/2021 – Reformatted; scope expanded to all returned payments (previously, only checks); separate procedure document created

8. Background

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