



TEXAS TECH UNIVERSITY™

Operating Policy and Procedure

**OP 62.04: The Collection and Handling of Returned Checks**

**DATE:** February 21, 2020

**PURPOSE:** The purpose of this Operating Policy/Procedure (OP) is to establish guidelines for the acceptance of checks and handling of returned checks.

**REVIEW:** This OP will be reviewed in November of odd-numbered years by the Managing Director of Cash and Credit Management Services with substantive revisions forwarded to the Assistant Vice President for Financial & Business Services and the Vice President for Administration & Finance and Chief Financial Officer.

**POLICY/PROCEDURE**

**1. General Guidelines for the Acceptance of Checks by Departments**

- a. All checks accepted by university departments must be made payable to Texas Tech University or to the department by name, followed by TTU or Texas Tech University, to facilitate rapid and accurate check collection. Any exception (e.g., two party checks) requires department head approval and may not be taken for cash. Checks drawn on foreign country banks cannot be considered as payment until the funds are collected by the university's primary bank.
- b. Before a check is accepted, the department taking it is responsible for ensuring that the following information is verified or included on the check.
  - (1) It must be signed by the giver/maker.
  - (2) It must be dated with the current date (post-dated checks will not be taken).
  - (3) The numeric amount of the check must agree with the written amount.
  - (4) Complete driver's license information of the giver/maker must be written on the check.
  - (5) All checks must be imprinted with magnetic ink characters for account identification of the giver/maker.
  - (6) All checks must be pre-printed with the giver/maker's name, address, phone number, etc., on the check.
  - (7) All checks deposited by departments must be stamped with the official university endorsement stamp issued to the department. The stamp imprint must be clear and

readable. Consult [OP 62.18, The Endorsement of Checks to Texas Tech University](#), for procedures relating to obtaining and using official endorsement stamps.

- c. Checks must be deposited in accordance with [OP 62.07, Departmental Deposits and Completion of the Departmental Information Sheet \(DDIS\)](#).

## **2. Re-deposit of Insufficient Funds Checks**

Checks will not be re-deposited for collection a second time unless there was a bank error and the bank of the giver/maker sends a memo acknowledging a bank error with a request that the check be re-deposited.

## **3. Service Charge for Returned Checks**

A returned check charge of \$30 for each returned check may be assessed the giver/maker. All returned checks must be paid by cash, money order, or cashier's check. No other form of payment will be accepted.

## **4. Uncollectable Returned Checks**

- a. Unpaid returned checks from students may be sent to outside collection agencies contracted with the university or the district attorney's office for collection or prosecution.
- b. Unpaid returned checks received from other campus departments may be sent to a check collection service contracted by the university and may result in it being sent to the district attorney's office for prosecution.

## **5. Record Holds and Termination of Check Cashing Privileges**

- a. Returned checks given by students will result in a hold being placed on the student's records, and check-issuing privileges of the individual may be revoked.
- b. For any returned checks given by employees, failure to make restitution of the returned check within 10 days of notification will be considered a major violation of the university's discipline and discharge policy and will be subject to disciplinary action. Check issuing privileges may also be revoked.

## **6. A department may refuse checks as payment when it deems such action to be in the best interest of the university.**