

**TOWN OF BOLTON, VERMONT  
RETURNED CHECK POLICY**

**I. Policy Objectives**

The primary objective of the Town of Bolton returned check policy is to ensure the taxpayers of the Town do not incur additional costs and expenditures due to the wrongful or accidental action of an individual taxpayer, resident, or other individual paying for services who issues an improper check or money draft.

**II. Definitions**

1. **“Returned check”** shall mean a check or similar sight order for the payment of money which is not honored by the drawee (bank or financial institution). The refusal to honor may be due to the issuer not having sufficient funds with the drawee at the time the check or order was issued or presented for payment, or payment was refused by the drawee for reasons other than seizure or attachment of the issuer's funds by order of a court or authorized governmental agency.

**III. Procedures**

1. Upon receipt of a returned check from a bank or financial institution, the Treasurer or his/her designee shall attempt to determine if the returned check can be re-deposited.
2. The City Treasurer shall call the bank or financial institution to determine if there are sufficient funds to redeposit the check. If the financial institution states that there are sufficient funds, the Treasurer or his/her designee shall redeposit the check into the Town's bank account. If the financial institution does not provide information on sufficient funds, the Treasurer or his/her designee shall attempt to redeposit the check into the Town's bank account.
3. If the returned check has already been redeposited to the bank two times and there still are insufficient funds, or payment was initially refused by the drawee for reasons other than seizure or attachment of the issuer's funds by order of a court or authorized governmental agency, then the Treasurer or his/her designee shall forward a letter, by both certified mail with return receipt requested and first class mail, telling the issuer to satisfy the debt by tendering cash, money order, or certified funds for the amount due. This letter shall include a requirement that the replacement payment shall be received at the Town Office no later than ten (10) days after the mailing date of the letter.
4. The letter shall include notification of an additional per check fee of Twenty-Five Dollars (\$25.00) due to the Town's for the costs of processing each returned check.
5. The returned check fee shall be deducted first from any payments received, and the remaining balance shall be applied to the original bill due.
6. Penalty and interest charges shall revert to the date on which the original returned check payment was received, and shall accrue at the proscribed rate(s) until such time as satisfactory and complete payment is made.
7. In cases where the issuer does not make restitution, or acceptable arrangements to make restitution within the ten (10) day period, and the value of the returned check is greater than Fifty Dollars (\$50.00) and does not represent payment of real estate taxes, the Treasurer or his/her designee shall have the discretion to initiate either civil or criminal actions, pursuant to V.S.A. 13 §2022 or V.S.A. 12

Chapter 187, to recover and satisfy the debt. Should such action become necessary, the Town shall petition to recover any additional costs that may be incurred. Payments of real estate taxes will be recovered through tax sale, pursuant to 24 V.S.A., Chapter 133, or placement of a lien on the property, pursuant to 32 V.S.A. § 5061.

- 8. Should two checks from a single issuer be returned for non-payment within a 12-month period of time, all future payments from the issuer must be in the form of cash, money order or certified funds. After a two-year period of timely payments from the issuer, the Town will again accept personal or bank checks on a probationary basis.

**IV. Inconsistent Policies Repealed**

This Policy shall amend and replace any provisions of any Policy of the Town of Bolton in effect at the time of enactment of this Policy governing any activity included in this Policy.

**V. Severability**




If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Policy, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Policy or any part thereof.

The Select Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional or ineffective.

**VI. Effect**

No section of this Policy shall be construed to supersede or replace any Vermont statute.

The foregoing Policy is hereby adopted by the Select Board of the Town of Bolton, Vermont, this 20th day of May, 2019 and is effective as of this date until amended or repealed.

  
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