3-05/060.05 - Acceptance of Checks and Handling of Non-Sufficient Fund (NSF) Checks

As provided for in government code section 6157 and county code section 5.02.010, all county officers are authorized to accept negotiable, instruments (checks) in payment of any fee, license, permit, fine, or payment of any obligation owing to the county.

The following procedures are established concerning acceptance of checks:

- Bail/fine payments shall be made by cash, cashier's check, or surety bond only. Personal checks or money orders shall not be accepted;
- Trust deposits shall be made by cash, money order, or cashier's check. Personal checks shall be accepted; and
- All other obligations, fees, etc., can be paid by cash, money order, cashiers' check, or personal check.

The county has established the following guidelines for acceptance of checks:

- Checks can only be accepted for the amount owed to the county and only if the payer furnished satisfactory proof of residence in California and if the check is drawn on a banking institution in California. (Out-of-state checks received through the mail should be accepted);
- The makers' social security number and a valid California driver's license are required to accept a check. The social security number and the driver's license number and expiration date should be written on the face (preferably) of the check. DO NOT ACCEPT EXPIRED IDENTIFICATION;
- If a driver's license is not available, some other type of identification (not a credit card), preferably with a picture of the payer, indicating the name and address (DMV ID card, employer ID card, etc.) should be required. An identifying in-house number (e.g., case file number, parcel number, account number) and the initials of the cashier accepting the check should be written on the face of the check. This latter information will help facilitate follow-up if the check is subsequently returned due to non-sufficient funds;
- Check must be made payable to a county department or Los Angeles County. If the payer's name, address, and telephone number are not preprinted on the check, this information must be obtained from the payer; written on the back of the check; and the name and address substantiated by identification;
- If a check is made payable to an employee and the payer is available, have the check rewritten. If the payer is not available or refuses to rewrite the check, restrictively endorse the check;
- All checks should be restrictively endorsed as soon as accepted. DO NOT WAIT TO RESTRICTIVELY ENDORSE CHECKS UNTIL THE DEPOSIT IS MADE. Deposit checks and other types of collections daily;
- Two-party checks (i.e., the payee is other than a county department or Los Angeles County) cannot be accepted; and
- Postdated checks should not be accepted unless received in the mail. Those received in the mail should be deposited with daily collections.

The county code requires the county to impose a charge for all NSF checks that are paid within 30 days of written demand. Units which accept checks and are responsible for a bank account to which the check was deposited, or make deposits directly to the Treasurer-Tax Collector, shall be responsible to handle NSF checks as follows:

- Ensure that no additional services are rendered until the NSF check is made good;
- A charge shall be instituted for all returned checks. A sign shall be posted indicating that any checks returned by the bank will have a charge added to and become part of the total obligation due to the county;
- The unit receiving NSF checks from the bank shall immediately notify the payer by written demand, via Certified mail, to recover any funds connected with an NSF check. Contact Fiscal Administration for the letter format. Only accept cash, or cashier's check, for payment. Obtain a Certified Mail Receipt (PS Form 3800) from the Post Office; and
- If the 30-day repayment period expires without payment, immediately forward the NSF check and a copy of the demand letter and Certified Mail Receipt to Fiscal Administration.