


POLICY

	Policy:	CORPORATE CHEQUE ACCEPTANCE		
	Department:	Corporate Services		
	Division:	Finance	By-Law No:	2016-28
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APPENDIX A – CHEQUE ACCEPTANCE CHECKLIST (SAMPLE)

1. POLICY STATEMENT

- 1.1. The Corporation of the Town of Amherstburg is committed to establishing controls and procedures for receiving payments by cheque.
- 1.2. It is the Town's preference to receive payment by cash, debit or credit where available at the point of sale.
- 1.3. The acceptance of cheques prior to clearing a financial institution is an extension of credit. To limit the potential risk if fraud or write-off, the Town will only accept cheques under strict conditions as provided under General Conditions. Exceptions include instrument providing guaranteed funds (certified cheques, bank draft, money orders, etc.).

2. PURPOSE

- 2.1. This policy is to outline the best practices for the acceptance of cheques by the Corporation of the Town of Amherstburg.

3. SCOPE

- 3.1. This policy applies to Town employees who receive payments on behalf of the Corporation of the Town of Amherstburg.

- 3.2. This policy also applies to all Town of Amherstburg employees, elected and appointed officials of the Town of Amherstburg, agencies, boards, commissions and committees funded by the Town of Amherstburg, in whole or in part, or whose governing body includes Town of Amherstburg representation and whose financial transactions are accounted for within the Town of Amherstburg.
- 3.3. Exclusions include:
 - 3.3.1. Property taxes or related charges, or application to any accounts receivable whereby the Town is fully secured either through title registration, offsetting earnings deductions or appropriate legislation.
 - 3.3.2. Cheques received by mail to pay existing invoiced accounts receivable. However, if payment is made in person, processes listed below should be followed.
- 3.4. This policy shall be reviewed every two years from the date it becomes effective, and/or sooner at the discretion of the Director of Corporate Services/Treasurer.

4. **DEFINITIONS**

- 4.1. **Cash** refers to paper currency, coins and cheques, however, where applicable, it also includes but is not limited to debit and credit card receipts, gift certificates, gift cards, tokens, passes, permits and money orders.
- 4.2. **Chief Administrative Officer (CAO)** is the Chief Administrative Officer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 229 of the *Municipal Act, 2001*.
- 4.3. **Council** refers to the current elected Council for the Corporation of the Town of Amherstburg. This includes, as an entirety, the Mayor, Deputy Mayor and Councillors.
- 4.4. **Director** is the person responsible for direction and operational control of a division as defined on the Town's organizational structure.
- 4.5. **Employee/Staff** is any person employed with the Town of Amherstburg, including any union or non-union, regular or temporary, full-time, part-time, seasonal or casual staff member, including but not limited to permanent staff, temporary staff, committee members, students, recreation staff, contract employees, and paid work placements.
- 4.6. **Manager** reports directly to a Director (or the CAO in some instances) and who is responsible for a department within a division of the Corporation, as defined on the Town's organizational structure.
- 4.7. **Non-Sufficient Funds (NSF)** refers to a cheque that was not honoured by the bank of the individual/company issuing the cheque, as a result of the bank account of the individual/company does not contain sufficient funds.
- 4.8. **Senior Management Team (SMT)** is comprised of the Chief Administrative Officer and the Directors. If a Director is unavailable, a delegate may be assigned.

- 4.9. **Town** is the Corporation of the Town of Amherstburg.
- 4.10. **Treasurer** is the Treasurer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 286 of the *Municipal Act, 2001*.

5. **INTERPRETATIONS**

- 5.1. Any reference in this Policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any references to a By-law or Town policy shall be deemed to be a reference to the most recent passed policy or By-law and any replacements thereto.

6. **GENERAL CONDITIONS**

- 6.1. Prior to accepting a personal cheque the following steps are required:
- 6.1.1. One piece of government photo identification must be provided (i.e. Driver's license, citizenship, health card, etc.).
 - 6.1.2. Identification number, from Section 6.1.1, must be written on the back of the cheque.
 - 6.1.3. Body (description) and figures of the cheque must match.
 - 6.1.4. Cheque must have current date unless complying with a post-dated cheque agreement.
 - 6.1.5. Signature must match that on the identification provided.
 - 6.1.6. Non pre-printed cheques, without specific details, are to be completed in full.
 - 6.1.7. The person signing the cheque must be the person detailed on the cheque.
 - 6.1.8. The person signing the cheque must initial any and all corrections.
 - 6.1.9. Third party cheques are unacceptable.
- 6.2. Upon meeting the requirements as stated above, the following must be applied to all accepted cheques:
- 6.2.1. Must be made payable to the Town of Amherstburg.
 - 6.2.2. The back of the cheque stamped, by the department accepting the cheque, "For Deposit Only" to the credit of "The Corporation of the Town of Amherstburg"

- 6.2.3. All cheques must be deposited consistent with the FINAN-RM-POL01 Cash Receipts Control Policy
- 6.3. If any of the information required as per Section 6.1 is unavailable, or the department is uncertain or unfamiliar with the entity being represented, the cheque should be certified by the customer at their respected banking authority.
- 6.4. The Town of Amherstburg and its employees reserve the right to reject any cheque for any reason
- 6.5. **Non-Sufficient Funds (NSF)**
 - 6.5.1. Non-Sufficient Funds (NSF), or returned cheques, that cannot be supported relative to services or products rendered, or NSF, or returned cheques, that have been accepted outside of the cheque acceptance policy requirements will be charged to an account with the originating department.
 - 6.5.2. At cashier's stations, where cheques are regularly accepted, a sign is to be clearly posted emphasizing the current NSF administration fee as approved by Town Council.
 - 6.5.3. Where departments have been advised that an individual or business entity has a chronic history of writing NSF cheques to the Town, the Director of Corporate Services will assess the cessation of acceptance of cheques from that individual or business entity. Before those privileges are re-instated, departments must verify the customer's delinquency payments status with the Accounts Receivable staff.

7. ROLES AND RESPONSIBILITIES

- 7.1. **Director of Corporate Services/Treasurer** has the authority and responsibility to:
 - 7.1.1. Approve department documented procedures or checklists ensuring compliance and reasonable controls are in place.
- 7.2. **Manager of Accounting and Supervisor of Revenue** have the authority and responsibility to:
 - 7.2.1. Develop department specific billing procedures or utilize recommended 'Cheque Acceptance Checklist' to facilitate compliance with this policy.
 - 7.2.2. Communicate this policy and train those accepting cheques.
 - 7.2.3. Provide support information for collections purposes to the Tax and Accounts Receivable Clerks upon request.
 - 7.2.4. Resolve disputes with the customer relative to cheques received including stop payment or service related issues.

7.3. **Tax and Accounts Receivable Clerks** have the authority and responsibility to:

7.3.1. Communicate and provide on-going support for this policy.

7.3.2. Develop, maintain, and communicate procedure relating to the Cheque Acceptance Policy violations and the use of departmental contra-revenue accounts.

8. REFERENCES AND RELATED DOCUMENTS

8.1. Appendix A – Cheque Acceptance Checklist

8.2. Cash Receipts Control Policy

Recommended Cheque Acceptance Checklist

As outlined in the Corporate Cheque Acceptance Policy, **PRIOR TO** accepting a personal cheque, please obtain and/or verify the following:

- One piece of government photo identification must be produced (i.e. Driver's license, citizenship, health card, etc.).
- Identification number, from above, **MUST BE** written on the back of the cheque.
- The person signing the cheque must be the person detailed on the cheque.
- Body (description) and figures of the cheque must match.
- Cheque must have current date unless complying with a post-dated cheque agreement.
- Signature must match that on the identification provided.
- Non pre-printed cheques, without specific details, must be completed in full.

Note 1: Third party cheques are **NOT** to be accepted.

Note 2: Certified cheques, bank drafts or money orders are exempt from the above scrutiny.

AFTER verifying of above, please ensure the following:

- Must be made payable to the Town of Amherstburg.
- The Back of the cheque stamped, by the department accepting the cheque, "For Deposit Only to the credit of the Corporation of the Town of Amherstburg".
- All cheques must be deposited consistent with the FINAN-RM-POL04 Cash Receipts Control Policy