

# Town of Strafford, New Hampshire

INCORPORATED 1820

P. O. Box 23, Ctr. Strafford, NH 03815

## Policy Concerning Uncollectible Payments to the Town of Strafford RSA 638:IV and RSA 80:56

The Board of Selectmen of the Town of Strafford is responsible for establishing and maintaining an internal control structure to ensure that the assets of the town are protected from; loss, theft, or misuse. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely derived, and (2) the valuation of cost and benefits requires estimates and judgments by management.

A non-sufficient funds (NSF) is a demand for payment (a check or On-line payment) which cannot be honored because insufficient funds are available in the account on which the instrument was drawn. In simplified terms, a check or on-line payment has been presented for clearance, but the amount of the check or on-line payment exceeds the available balance in the account. Reasons that the check or on-line payment may not be honored may include:

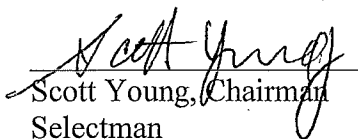
1. Account holder canceling the payment i.e. deliberately dishonoring the payment.
2. Account is closed. In such a case a fraudulent action might have been taken.
3. No authority to debit. The party owning said account might be under curatorship.
4. Account under investigation. Issuing-party may have been involved in previous fraudulent action.
5. Account holder deceased. Party issuing check might have passed-on before payment is honored.
6. Account or effects frozen. Usually happens in divorce when estate is evaluated.
7. Authorization cancelled. The issuing-bank took action.
8. No such account. Party issuing payment gave a false instrument or committed a fraudulent act.

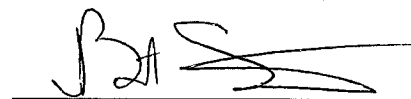
The Town of Strafford, by and through the Office of the Town Clerk, Tax Collector, Building Inspector or any other Strafford Town Office shall address the NSF payment with a "Certified Letter with return receipt requested" informing the owner of the NSF and demanding reparations within two weeks of said letter.

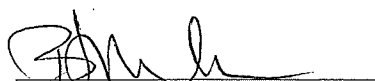
Effective Date:

The policy shall take effect on March 1, 2021

Adopted by the Board of Selectmen on the 2<sup>nd</sup> day of February 2021.

  
Scott Young, Chairman  
Selectman

  
Bryant Scott  
Selectman

  
Brian Monahan  
Selectman