

**CHILD NUTRITION PROGRAM  
(NEGOTIATING WORTHLESS NEGOTIABLE INSTRUMENT)**

The Board recognizes the need to practice sound financial management in all areas of fiscal responsibility including but not limited to checks returned for insufficient funds, uncollected charged meals and sale prices of Board employees' meals. The face value of a check returned for insufficient funds and nonpayment of legal charges for goods or services may not be absorbed as a cost by the state, federal or public funds. Therefore, the Board adopts the following policy to govern the collection of funds resulting from returned checks and charged meals.

Checks Returned for Insufficient Funds

The local principal or other school administrator shall exercise due diligence in the acceptance of checks and in the collection of NSF checks. A list of individuals who have submitted bad checks twice shall be maintained in order to prevent the receipt of any further checks from those individuals.

The fee of a NSF check is the amount charged by the bank plus amount of the check. The fee must be paid, in cash, a cashier's check or money order, within 10 days of receiving the notice.

Uncollected NSF checks remaining at the end of the fiscal year will be satisfied using non-public funds.

**Date Adopted:** November 10, 2005

**NEGOTIATING WORTHLESS NEGOTIABLE INSTRUMENT**

Negotiating a worthless negotiable instrument (worthless check) is a Class A misdemeanor, and in accordance with the law, the school district will prosecute violators to the fullest extent possible. An individual commits the crime of negotiating a worthless negotiable instrument if the person negotiates or delivers a negotiable instrument for a thing of value and with the intent, knowledge or expectation that it will not be honored by the drawee.

The Board shall prosecute violators of this crime to the fullest extent possible in accordance with the law.

**Ref:** Ala. Code 13A-9-13.1 and 13A-9-13.2

**Date Adopted:** May 3, 2004