



## TOWN OF HAVANA

### Policy Manual

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**Policy Name:** Returned Payment Policy

**Unit / Area:** Finance / Utilities

**Effective Date:** 4/16/2026

**Prior Rev. Date:** 7/31/2007

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**Purpose:**

To provide a framework for the fees and processing of returned payments.

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**Policy:**

**The Town of Havana shall adopt and follow the procedures for collecting dishonored payments and the service fees prescribed according to the Florida Statute 166.251.**

The following service charge will apply to all Residential and Commercial customers, in accordance with Florida Statute 166.251:

- (a) \$25, if the face value does not exceed \$50.
- (b) \$30, if the face value is more than \$50 but does not exceed \$300.
- (c) \$40, if the face value is more than \$300. OR
- (d) Five percent (5%) of the face amount of the check, draft, or order, whichever is greater.

Upon receipt of the dishonored payment, the Town of Havana will disconnect services immediately and the customer will be required to pay a \$20.00 disconnect service fee, in addition to the NSF service fee listed above. Service will not be restored until the balance, including all fees, is paid in full.

If the check is not redeemed for cash within 30 days, the matter will be turned over to the State Attorney for criminal prosecution.

The Town will not be responsible for services disconnected due to bank error. After written verification from the bank, service will be reinstated at no charge to the customer and the disconnect fee will be reversed.

## If a customer has more three returned payments in a rolling 12-month period:

1. After the 3<sup>rd</sup> returned payment in a 12-month period, the customer will be sent a letter stating that the Town will accept cash or money orders only on their account. A copy of this letter will be placed on the customer's account. Customer access to remit payments electronically will be revoked.
2. If a check is placed in the night drop to pay an account that is "Cash Only", Town staff will attempt to contact the customer to bring in cash or money order, but staff's inability to contact the customer will not delay utility disconnection. The check will not be applied to the account. The account will be disconnected if the cash or money order is not received before the shut-off list is prepared.
3. After a period of twelve months with no cut-offs, a customer may pay by all methods again. If an additional payment is returned on an account that has previously been "Cash Only", the customer will be placed back on "**Cash Only Permanently**" without waiting for the 3<sup>rd</sup> returned check.

## Statutory References:

**166.251 Service fee for dishonored check.**—The governing body of a municipality may adopt a service fee not to exceed the service fees authorized under s. [832.08\(5\)](#) or 5 percent of the face amount of the check, draft, or order, whichever is greater, for the collection of a dishonored check, draft, or other order for the payment of money to a municipal official or agency. The service fee shall be in addition to all other penalties imposed by law. Proceeds from this fee, if imposed, shall be retained by the collector of the fee.

History.—s. 2, ch. 75-56; s. 31, ch. 79-164; s. 2, ch. 86-51; s. 4, ch. 89-303; s. 4, ch. 91-211; s. 2, ch. 98-297.

(5) To fund the diversion program, the state attorney may collect a fee on each check that is collected through the state attorney's office, whether it is collected through prosecution or through the diversion program. Funds collected under this subsection shall be deposited in the State Attorneys Revenue Trust Fund. However, the state attorney may not collect such a fee on any check collected through a diversion program which was in existence in another office prior to October 1, 1986. A fee may be collected by an office operating such a preexisting diversion program for the purpose of funding such program. The amount of the fee for each check shall not exceed:

- (a) Twenty-five dollars, if the face value does not exceed \$50.
- (b) Thirty dollars, if the face value is more than \$50 but does not exceed \$300.
- (c) Forty dollars, if the face value is more than \$300.

History.—s. 1, ch. 86-232; s. 6, ch. 91-211; s. 4, ch. 96-239; s. 1822, ch. 97-102; s. 30, ch. 2010-162.

Signature on file

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Kendrah Wilkerson, Town Manager      Date

(This policy combines and replaces Electronic Check Policy effective 03/28/2017 and Returned Check Policy effective 7/31/2007)

## ELECTRONIC RETURN CHECK POLICY

The Town of Havana shall adopt and follow the procedures for collecting dishonored electronic checks and the service fees prescribed according to the Florida Statute 166.251.

The following service charge will apply to all Residential and Commercial customers:

“\$30.00 or 5% of the face amount of the check, whichever is greater.”

Upon receipt of the dishonored check, the Town of Havana will disconnect services immediately and the customer will be required to pay an additional \$20.00 service fee.

**Town of Havana Electronic Check Policy effective March 28, 2017.**

## RETURNED CHECK POLICY

The Town of Havana shall adopt and follow the procedures for collecting dishonored checks and the service fees prescribed according to the Florida Statute 166.251.

The following service charge will apply to all Residential and Commercial customers:

“\$30.00 or 5% of the face amount of the check, whichever is greater.”

Upon receipt of the dishonored check, the Town of Havana will disconnect services immediately and the customer will be required to pay an additional \$20.00 service fee.

If the check is not redeemed for cash within 30 days, the matter will be turned over to the State Attorney for criminal prosecution.

The Town will not be responsible for services disconnected due to bank error. After verification from the bank, all charges will be dropped and service will be reinstated at no charge to the customer.

### Additional Procedures:

1. After the 3<sup>rd</sup> returned check in a 12 month period, the customer will be sent a letter stating that we will accept cash or money orders only on their account.
2. If a check is placed in the night drop to pay an account that is “Cash Only”, we will attempt to contact the customer to bring in cash or money order. The check will not be applied to the account. This could result in an account being disconnected if the cash or money order is not received before the shut-off list is prepared.
3. After a period of twelve months with no cut-offs, a customer may pay by check again. If an additional check is returned on an account that has previously been “Cash Only”, they may be placed back on “Cash Only Permanently” without waiting for the 3<sup>rd</sup> returned check.
4. If a utility account is paid with a check on a closed checking account, the account can be put on “Cash Only” basis.