

SECTION: 4.0 ADMINISTRATIVE  
SUBJECT: RETURNED CHECKS

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**Background:** This policy is provided to summarize the accounting policies and practices followed at LC State relative to checks returned - for any reason.

**Point of Contact:** Controller's Office, Student Accounts

**Other LC State offices directly involved with implementation of this policy, or significantly affected by the policy:** Student Affairs

**Date of approval by LC State authority:** July 1981

**Date of State Board Approval:** N/A

**Date of Most Recent Review:** June 2025

**Summary of Major Changes incorporated in this revision to the policy:** Updated for current procedures and handling of returned checks.

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**Policy:**

- A. A returned check fee may be levied for a paper check or electronic check (e-check) that is issued to LC State and returned for any reason, including insufficient funds and incorrect bank account information.
1. Checks or e-check payments received from a student, or third-party payer, for student account charges that are subsequently returned by the issuing bank, will be charged to the student's account, and the student will be responsible for payment of that check and any associated returned check fee. The returned check fee will be applied to the student's account by the Student Accounts office.
  2. Consequences of not paying a returned check or e-check may include the withholding of registration privileges or the immediate cancellation of the students' classes. Student accounts paid by a returned checks or e-check, are subject to late fees, returned check fees and cancellation of classes as if the payment had not been made. Payment plan contracts may be voided if the down payment was made using an invalid payment. A hold will be placed on the student account preventing future registration until the check has been paid.
  3. Returned checks will be reversed by the Controller's Office and forwarded to the depositing department for collection.
  4. Payments to cover a returned check, or e-check, and associated returned check fee may be made at the Student Accounts Cashiers Window with cash, cashier's checks or credit/debit cards. Payments made with a credit/debit card may incur an additional service fee.