

Bad Check -- Should You Take The Check? Acceptance Procedures

The best way to avoid a financial loss is to have a procedure which eliminates bad checks from the beginning. The following suggestions are designed to help you establish a procedure for accepting checks:

1. Institute a check acceptance policy. A clearly posted check acceptance policy for your employees and customers can be beneficial in reducing your losses. The policy should state which types of checks can and cannot be accepted, and include consequences to bad check writers. If you need assistance in creating this document, please let the Prosecutor's Office know.

2. Confirm the identity of the check writer. All identification can be forged. The most reliable form of identification is one which contains both a photo and a physical description. You should record information from the identification including the type of identification, any identification number, birth date, address and other data.

3. Whenever possible, avoid accepting checks written on new accounts. Approximately 85% of all bad checks are written on accounts only a few months old and bear check numbers between 101 and 150.

4. Signatures should be legible and signed in the presence of the individual accepting the check. Do not accept previously signed checks.

5. The complete address should be printed on the check. You should also require a street address in addition to a P.O. Box number. Obtaining a telephone number can be beneficial.

6. Accept only checks written with today's date. Pre- or post-dated checks can cause significant problems and typically cannot be prosecuted criminally. This will restrict any recourse you may have against the check writer if your collection attempts fail.

Remember, you are not required to accept a check and if you feel uncomfortable or suspicious, you should trust your feelings.