

# WHITE LAKE TOWNSHIP

## POLICY REGARDING NON-SUFFICIENT FUNDS (NSF) CHECKS FOR TAX PAYMENTS

### 1. Purpose

The purpose of this policy is to establish a uniform procedure for handling property tax payments made to White Lake Township that are returned by a financial institution due to non-sufficient funds (NSF), closed account, stop payment, or other bank-related return reasons.

This policy ensures the Township recovers all applicable fees and administrative costs associated with returned payments.

### 2. Applicability

This policy applies to all property tax payments submitted to White Lake Township, including but not limited to:

- Personal checks
- Business checks
- Money orders returned unpaid
- Electronic checks (ACH) returned for insufficient funds

### 3. NSF Fee Assessment

If a tax payment is returned unpaid by the financial institution for non-sufficient funds or any related reason:

1. The original tax payment shall be deemed unpaid.
2. The Township shall assess a **Non-Sufficient Funds (NSF) Fee** in the amount established by the Township Board through resolution.
3. The NSF fee shall be added directly to the taxpayer's property tax bill as an additional charge.

### 4. Posting of Fee to Tax Bill

- The NSF fee shall be posted to the same parcel for which the payment was submitted.

- The fee shall become part of the outstanding tax liability.
- The fee shall be subject to the same interest, penalties, and collection procedures as the underlying tax if not paid.

## **5. Notification to Taxpayer**

Upon receipt of notice that a payment has been returned:

1. The Township Treasurer's Office shall notify the taxpayer in writing.
2. The notice shall include:
  - The reason for the return payment
  - The amount of the original unpaid tax
  - The assessed NSF fee
  - The total amount now due
  - Instructions for remittance (cash, certified funds, money order, or other guaranteed payment method)

## **6. Payment Requirements After NSF**

After one (1) returned payment:

- The Township may require future tax payments from that taxpayer to be made by certified check, money order, cashier's check, cash, or other guaranteed funds.
- The Township reserves the right to refuse personal checks from individuals or entities with prior NSF history.

## **7. Interest and Penalties**

If the original tax payment becomes delinquent due to the returned check:

- All statutory interest and penalties shall continue to accrue as provided by Michigan law.
- The date of the original NSF check shall not be considered the date of payment.

## **8. Authority**

This policy is adopted pursuant to the authority granted to township treasurers under Michigan law, including but not limited to the Michigan General Property Tax Act, and the Township's authority to recover costs associated with the collection of public funds.

## **9. Effective Date**

This policy shall take effect upon approval by the White Lake Township Board and shall remain in effect until amended or repealed.