



**Policy #**  
**1910**

**Subject: Dishonored Payment Policy**

**Responsible Department: Department of Finance**

**Effective Date: 07/2013**

**Revision Date: 01/2022**

A handwritten signature in blue ink, appearing to read "Ann Edwards".

**Ann Edwards**  
**County Executive**

A handwritten signature in blue ink, appearing to read "David Villanueva".

**David Villanueva**  
**Deputy County Executive**

A handwritten signature in blue ink, appearing to read "Ben Lamera".

**Ben Lamera**  
**Director of Finance**

### **Purpose**

To enable the Department of Finance, Revenue Recovery, at no cost to referring departments, to make efficient, reasonable and systematic efforts to recover County revenue lost from all forms of Dishonored Payments, such as checks, money orders, credit/debit card and electronic payments.

### **Authority**

Board of Supervisor Resolution #99-0158

[Sacramento County Code §2.01.030 & 2.01.035](#)

[Government Code §6157](#)

[Civil Code §1719](#)

### **Scope**

This policy applies to all referring Sacramento County Departments.

### **Procedures**

It is the policy of the County of Sacramento for the Department of Finance, Revenue Recovery to act on behalf of referring departments in the matter of collection of dishonored payments, returned payment fees, or damages. When collected, Revenue Recovery will send the amount of the dishonored payment to the referring department and keep the returned payment fee or damages to offset the Revenue Recovery's program collection cost.

## Dishonored Payment Policy #1910

Exceptions to this policy are allowed upon approval from the County Executive or his/her designee.

In order for Revenue Recovery to efficiently and effectively pursue collection of dishonored payments, County Departments shall refer dishonored payments over 10 days old to Revenue Recovery for processing, regardless of how small the amount, and record the dishonored payment in the departments' system (COMPASS, Accela, etc.).

Revenue Recovery will implement Countywide procedures to prevent and discourage individuals and entities from issuing dishonored payments to the County. County departments will implement operational remedies to assist in the collection of the dishonored payment, such as withholding, suspending, or revoking a service or the issuance or approval of a service (for example, application, license, or permit), as appropriate and/or legally authorized.

Departments shall maintain internal procedures consistent with this County policy.

### Definition:

The term "Dishonored Payment," as used in this policy, means a paper or electronic check or note, debit or credit card draft, duly presented for payment to the payer bank or third party payment processor, that is rejected, returned, or otherwise unpaid due to insufficient funds, account closure, invalid bank account or routing number, stop payment, or other reasons.

### **Review**

This policy is to be reviewed annually.