



DEPARTMENT OF BUILDINGS  
EXECUTIVE OFFICES  
60 HUDSON STREET, NEW YORK, N.Y. 10013  
RUDOLPH J. RINALDI, Commissioner

MARY G. CARR  
Assistant Commissioner  
Administration  
(212) 312-8055

Issuance #350

ADMINISTRATION  
POLICY AND PROCEDURE NOTICE #4/92

TO: Distribution  
FROM: Mary G. Carr  
DATE: May 27, 1992  
SUBJECT: Returned Check Procedure

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Supersedes: Administration Policy and Procedure Notice #3/90

Effective immediately, the procedures for accounting, follow-up and collection on returned checks are as follows:

Pursuant to Executive Order No. 125 a fee of \$15 shall be charged for any check returned by the bank for insufficient funds.

1. **Receipt**            The returned checks with ACRAF 400 receipts for all Boroughs are sent by the banks to 60 Hudson Street - Revenue Analyst. Simultaneously, the banks send a copy of all the returned checks and ACRAF 400 receipts to the Comptroller's Office.
2. **Back-out**            Returned checks processed through BIS are backed out of the system by the Revenue Analyst in the Central Accounting Office. A printout is generated for each transaction. The appropriate account reductions will be handled by the Comptroller's Office.
3. **Distribution/  
Return**            The checks are separated by borough and a Returned Check Report List (Exhibit I) is prepared by the Central Accounting Office showing check number, payer's name, address, cre #, date on the bank ACRAF, BIS invoice & job #, amount, reason returned, reporting category and revenue source. Each Borough must name a Returned Check Liaison. The returned checks, transaction printouts, and Returned Check Report List are forwarded to the appropriate Borough Liaison. BEC will also receive a Returned Check Report List, but must enter the reporting category, revenue source and the date the money was deducted from the licensee's account. This list must be sent back to the Central Accounting Office.

**4. "BOT LIST"  
No-Good  
Checks**

Because a number of companies/applicants have consistently submitted bad checks to DOB, the Revenue Analyst in the Central Revenue Division will compile and maintain a list of the twenty (20) most egregious violators. The list will be updated quarterly and will be distributed to the Borough Offices, BEC, Operations and the Central Cashier Office. Any company appearing on this list must pay for all future fees and/or permits with a certified check, money order or cash. In addition, applicants must be informed if prior fees and/or permits had been paid with "returned" checks.

**5. Record**

Each Borough must maintain a Return Check Ledger/Log Book which includes the following information (Exhibit II):

- (a) Date returned check was received by Borough Office;
- (b) Maker of the check;
- (c) Address of check maker;
- (d) BIS invoice # and job # where applicable, App #, license #, etc. for others;
- (e) Amount of returned check;
- (f) Reason check was returned (i.e., insufficient funds);
- (g) Show Cause #;
- (h) Date "Show Cause" letter was sent;
- (i) Follow-up date;
- (j) Resolution date: transaction number;
- (k) Any pertinent comments.

**6. Notify Payer**

The Borough shall follow up on the checks by sending the payer a "Show Cause" letter (Exhibit III). The letter shall be printed on Department stationery. The Show Cause letter shall reference the job #, application #, license #, etc. A copy of the returned check shall be attached to the "Show Cause" letter. Show Cause letters must be consecutively numbered. The Borough Liaison must keep copies of the Show Cause letters and the original returned checks on file. Original checks may be returned upon payment. BEC shall send a letter informing the licensee that the amount of the dishonored check plus the \$15.00 penalty fee have been deducted from their account, (Exhibit IV).

**7. Stop Action**

If the returned check was for an application, the BIS examiners will be notified by the system via a flag on the job screen. The Returned Check Liaison should pull the folder and place a yellow-card in the file indicating the folder's location.

8. **Follow-up** If payment has not been made within fourteen (14) days of mailing a "Show Cause" letter, a **Second Notice Letter** allowing an additional five (5) days to effect payment will be sent, (Exhibit V). If the check was for a permit, the permittee will be informed that five (5) days from the date of the letter, the permit may be revoked at the discretion of the Borough Commissioner.
9. **Replacement** Under no circumstance is the returned check to be re-deposited. The payer (applicant) shall provide two certified checks, money orders or cash. One certified check or money order shall be in the amount of the returned check. The other certified check or money order shall be in the amount of \$15. The replacement payment shall be entered through Express Cashier - ~~MENU/OPTION-ADJUSTMENT/REPLACEMENT ONLY~~. The \$15 penalty fee must be entered through Express Cashier - ~~MENU/OPTION-NO GOOD CHECK PROCESSING FEE~~. The \$15 fee will be deposited into budget code 5111, revenue source 00470, reporting category 000204 and transaction code 203. This transaction is to be handled by each Borough Liaison.
10. **Central Office** Will prepare another report showing the ACRAF number source, reporting category, dollar amount and date of the check. This report will be sent to the Comptroller's Office, (Exhibit VI). The Central Accounting Office will also conduct any further collection efforts on outstanding returned checks.
11. **Final Collection** Forwarding Claims to the Law Department. Any returned check in the amount of \$200.00 or more constitutes a claim for collection. The claims and supporting documentation will be sent to the Department's Liaison with the Law Department, (General Counsel's Office). The Revenue Analyst in the Central Accounting Office will submit the following information to the Department's Liaison:
- (1) Copy of check, (front & back);
  - (2) Receipt;
  - (3) Copy of application, if appropriate;
  - (4) Any available correspondence;
  - (5) Name & address of the responsible party.

The Revenue Analyst in the Central Accounting Office will maintain a follow-up tracking record of all returned checks referred to the Law Department for collection, (Exhibit VII). A copy of this list will be sent to the Borough Offices, Operations and the Central Cashier's Office. If an applicant submits payment

for a returned check and their name is on the list of accounts referred to the Law Department, payment can be accepted, but the Central Accounting Office must be notified immediately. In addition, for payments received by the Central Cashier's Office, the Central Cashier's Office and Operations must submit a copy of the validated show cause letter as proof that payment was received. The Central Accounting Office will generate a receipt via the BIS system for all Borough Offices. The Department's Liaison will notify the Law Department to cease collection proceedings.

#### 12. Write Off

Currently, a returned check list is sent to the Comptroller's Office. The total dollar value to each list is deducted from the agency's collected revenue, and in effect, the amount is "written off".





EXHIBIT III

No. \_\_\_\_\_

DEPARTMENT OF BUILDINGS

BOROUGH OF \_\_\_\_\_, THE CITY OF NEW YORK

Addressee \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: \_\_\_\_\_

YOU ARE HEREBY DIRECTED to appear at: \_\_\_\_\_

\_\_\_\_\_ Borough of \_\_\_\_\_

in the City of New York, on the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_,

at \_\_\_\_\_, to remit payment for a DISHONORED CHECK

# \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ returned by the bank because of

\_\_\_\_\_. Prosecution under Section 190.5 of

Penal code will be commenced unless payment is made by certified check, money

order or cash within fourteen (14) days. In addition, a penalty charge of

\$15.00 must also be paid by a separate certified check, money order or cash.

No further action will be taken on this application or any other pending

application until payment is made.

If you do not respond as indicated, this matter will be referred to

the New York City Law Department for commencement of legal action. This

notice must be returned with your remittance.

Dated at the City of New York, on \_\_\_\_\_

\_\_\_\_\_  
Commissioner

No. \_\_\_\_\_

DEPARTMENT OF BUILDINGS  
BUREAU OF ELECTRICAL CONTROL

Addressee \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: \_\_\_\_\_

Account # \_\_\_\_\_

YOU ARE HEREBY INFORMED that your check # \_\_\_\_\_ in the amount of  
\$ \_\_\_\_\_ has been returned by the bank because of \_\_\_\_\_  
\_\_\_\_\_. THEREFORE, WE HAVE DEDUCTED  
\$ \_\_\_\_\_ FROM YOUR ACCOUNT AS PAYMENT FOR THE DISHONORED CHECK AND THE \$15.00  
PENALTY CHARGE.

Dated at the City of New York, on \_\_\_\_\_

\_\_\_\_\_  
Commissioner



EXHIBIT V

SECOND NOTICE

No. \_\_\_\_\_

DEPARTMENT OF BUILDINGS

BOROUGH OF \_\_\_\_\_, THE CITY OF NEW YORK

Addressee \_\_\_\_\_ Re: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

YOU ARE HEREBY DIRECTED to appear at: \_\_\_\_\_

\_\_\_\_\_ Borough of \_\_\_\_\_,

in the City of New York, on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,

at \_\_\_\_\_, to remit payment for a DISHONORED CHECK

# \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ returned by the bank because

of \_\_\_\_\_. Prosecution under Section 190.5

of Penal Code will be commenced unless payment is made by certified check,

money order or cash within five (5) days. In addition, a penalty charge of

\$15.00 must also be paid by a separate certified check, money order or cash.

If payment was for a permit, be advised that five (5) days from the date of

this letter, the permit may be revoked.

If you do not respond as indicated, this matter will be referred to the New York City Law Department for commencement of legal action. This notice must be returned with your remittance.

Dated at the City of New York, on \_\_\_\_\_

\_\_\_\_\_  
Commissioner



DEPARTMENT OF BUILDINGS

EXECUTIVE OFFICES  
60 HUDSON STREET, NEW YORK, N.Y. 10013

RUDOLPH J. RINALDI, Commissioner

312-8100

Office of the Comptroller  
Revenue Monitoring Unit  
Room 822 - Municipal Building  
1 Centre Street  
New York, NY 10007

Dear Mr. Friedman:

The following no good checks should be charged back to the revenue source/reporting category indicated, for the Department of Buildings 810-5111.

<u>CRE</u>	<u>Date</u>	<u>Amount</u>	<u>Rev. Source/Rept. Cat.</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Very truly yours,

Director of Fiscal Affairs

**EXHIBIT VII**

=====

= RETURNED CHECKS REFERRED TO THE LAW DEPARTMENT =

=====

DATE \_\_\_\_\_

NAME \_\_\_\_\_

BOROUGH/OFFICE \_\_\_\_\_

	CHECK NUMBER	PAYER OR MAKER	ADDRESS	BIS INVOICE & JOB #'S	AMOUNT OF CHECK	# OF MONTHS OUTSTANDING	RESOLUTION
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							