

HOT CHECK MANUAL

PROCEDURE WHEN TAKING A CHECK

It is vital that you stress to your employees the importance of being thorough when accepting a check. If your establishment has set a policy for all customers, no one should have any reason to feel they are being treated unfairly. It is a good idea to have a "CHECKLIST" where a cashier can see it easily. It should include one or more of the following:

1. Is it dated today?

Checks must be dated the same day they are given. ***Post-dated and Hold checks are not prosecutable.***

2. Is the signature legible?

Do NOT accept checks previously signed. Have them signed in your presence and compared with a driver's license or other I.D.

3. Is the address complete?

Require a permanent street address, not a P.O. Box number unless you know the writer.

4. Can you confirm identity?

Every kind of I.D. can be forged. The most reliable are the ones with physical descriptions, photos, etc. If you are suspicious, ask the writer to hand you the license and while it's in your hand, ask for his address and/or birth date. If it is not his license, he may be caught off guard and give the wrong information.

5. Do written amounts and numbers correspond?

Bank will not honor check with discrepancies.

6. Is the I.D. used recorded?

Record on the check the type of I.D. and I.D. numbers as well as the clerk's initials who takes the check.

CHECKS TO AVOID

The following checks cannot be prosecuted as “HOT” checks:

A post-dated check;

A hold check;

A stop-payment check;

A check with no driver’s licenses number taken;

A check more than two years old;

A check not passed within this county;

A check marked REFER TO MAKER;

A check DRAWN AGAINST UNCOLLECTED FUNDS

As you can see, it is very important to get the information set out in the procedures above.

CLUES FOR DETECTING A BAD CHECK

Be careful of low series numbers on personal checks. About 85% of all uncollected “HOT CHECKS” are new account numbers between 101 and 150.

Check the finish on the black magnetic computer number on the bottom. Magnetic ink is very dull – never shiny.

Check the first four magnetic numbers to the left of the account number. Each state has its own bank routing number—learn yours.

Look for at least one perforated edge. All checks except government or computer-produced will be perforated.

Look for multi-colored checks from large corporations, but beware of Xerox “color”. Watch for shiny, tacky, raised letters. This should be and is the best sign of a Xeroxed check.

PROCEDURE WHEN A CHECK IS RETURNED

There are certain procedures you must follow before this office will accept a returned check for prosecution:

The check must be presented to the bank for payment *within 30 days from date written*, even if you know it will not be honored and stamped by the bank as to the reason for dishonorment.

You are not required to notify the writer on account closed checks. If you send notice it must be sent certified, return receipt requested. The following sample letter sets out the information that must be included.

EXAMPLE LETTER FOR MERCHANT

Dear Mr. Doe:

Your check #0000 dated June 20, 1980, in the amount of \$000.00 given for the stereo you purchased has been returned by the bank marked "INSUFFICIENT FUNDS" (or other reason marked on the check by the bank).

This is a demand for payment in full for a check or order not paid because of lack of funds or insufficient funds. If you fail to make payment in full within 10 days after the date of receipt of this notice, this failure to pay creates a presumption for committing an offense, and this matter may be referred for criminal prosecution.

You have ten (10) days from the date of this letter to bring payment in cash, cashier's check, or money order for the amount of the check plus a \$30.00 service charge for handling or this matter will be turned over to the prosecutor's office.

Sincerely,

Be sure to keep a copy of this letter. If after 10 days the check has not been paid, you may bring or mail the information in to this office and furnish the following:

- (1.) The original check with the bank flag or notation with the reason it was not honored;
- (2.) The signed receipt for the certified letter or the correspondence (unopened) marked refused for unclaimed;
- (3.) The name, address and phone number of the person who accepted the check and who can identify the maker;
- (4.) Specific identification of the maker such as driver's license number, date of birth, and physical description. (It will be necessary for you to supply this information on a form when you come in to this office).

PROCEDURE WHEN THE CHECK IS TURNED OVER THE PROSECUTOR'S OFFICE

When you bring in a check, the check must have been submitted to the bank within 30 days from the date the check was written. *If the check is submitted after the 30 days from when the check is written, it is not prosecutable.* The check will also need to be marked for the reason for which the check is being returned. It will be logged and a search made to see if the maker has any other hot check offenses pending. If there is, your check will be combined with the one previously filed to expedite your restitution.

If not, the office usually notifies the writer that a case is about to be filed against him or her. If he or she does not make restitution for the check, pay a service charge of \$30.00 for the merchant and the processing fee, prosecution procedures will be started. This office can not collect more than a \$30.00 merchant fee. Please include the amount of your service charge under the "CHECK" column along with amount of check(s). As of September 1, 2003 the merchant fee has changed to \$30.00.

The Hot Check Fee Act was passed by the Legislature to defray some of the prosecution expense and require the hot check writer to help bear the lost of his or her misdeed. Because of the hot check fee, it may cost him or her up to double the amount of the check. After filing, there could be additional expenses of a fine and court costs which could be several hundred dollars.

Hopefully, this pamphlet explains the importance of your role in getting the necessary information to enable this office to control the check problem and get you the restitution you deserve.

If you have any questions or problems, please contact my staff or myself. We will be glad to help in any way.

For additional information please contact Truett Steele- Hot Check Supervisor at (903)813-4361.

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Commercial Fraud Form – 179

Mr.

Maker of Check Mrs. _____
Miss _____

HomeAddress _____ () _____
Street City Zip Phone

BusinessAddress _____ () _____
Street City Zip Phone

DL# _____ DOB _____ SEX _____ RACE _____ HEIGHT _____
WEIGHT _____ HAIR _____ EYES _____

Did you contact Bank? _____ Remarks: _____

Have you contacted signer? _____ How? _____

Money collected should be sent to: _____

_____ () _____
Street City State Zip Phone

Check given for: Cash, Salary, Merchandise, Loan, Past Rent, Future Rent, Services, or _____

Person who took check from maker: _____

_____ () _____
Street City State Phone

CIRCLE ONE

Can he/she identify maker in Court? YES NO

Did he/she take check thinking it to be good: YES NO

Was check passed in Grayson County? YES NO

Was a partial payment taken on check? YES NO

Was this a Stop Payment Check? YES NO

Was this a post-dated or hold check? YES NO

Disbursements are done on paid check on the 1st of following month. _____ \$ _____

(Initial) \$ _____

Your Name: _____

Remarks: _____

TOTAL \$ _____

The District Attorney's office cannot legally prosecute checks taken outside Grayson County, payments on charge accounts; hold checks, and post-dated checks.

PLACE CHECK HERE