



Issuance 242

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

*File  
PPN  
ADMINISTRATION  
& Policy Book*

TERRY KEELY McCLAIN  
Assistant Commissioner  
Administration  
(212) 312-8055

ADMINISTRATION  
Policy and Procedure Notice # 3/90

TO: Distribution  
DATE: June 11, 1990  
SUBJECT: N. G. Check Procedure

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Effective immediately, pursuant to Executive Order No. 125 a fee of \$15 shall be charged for any check returned by the bank for insufficient funds. The procedures for accounting, follow-up and collection on no-good checks are as follows:

Central Office

1. Receipt - The bad checks with ACRAF 400 receipts for all boroughs are sent by the banks to the 60 Hudson Street Cashier (Exhibit I). Simultaneously, the banks send a copy of all the bad checks and ACRAF 400 receipts to the Comptroller's Office.
2. Back-out - Bad checks processed through BIS are backed out by the Revenue Analyst in the Central Revenue Division. A printout is generated for each transaction. This step applies only to BIS boroughs. For non-BIS boroughs, appropriate account reductions will be handled by the Comptroller's Office.
3. Distribution - The checks are separated by borough and a Bad Check Report List (Exhibit II) is prepared showing check number, payor's name, amount, date on the bank ACRAF and bank document number. Each borough must name a no-good check liaison. The returned checks are forwarded to the appropriate borough liaison with the applicable portion of the report. Copies of the printout of no-good check transactions are transmitted to the BIS Boroughs.

Borough Office

4. Record - Each borough enters the following information into a bad check ledger (or log) book (Exhibit III):  
**Note:** A sample form is attached for immediate use. A revised letter-size form will be distributed at a later date.
- a) Date returned check was received by Borough Office
  - b) Maker of the check
  - c) Address
  - d) Reason check was returned (l.e. insufficient funds).
  - e) Amount of returned check
  - f) BIS invoice # and job # for BIS Boroughs. App #, license #, etc. for others.
  - g) Show Cause #
  - h) Date "Show Cause" letter is sent
  - i) Follow-up date
  - j) Resolution date; transaction number
  - k) Any pertinent comments
5. Notify Payor - The borough shall follow up on the checks by sending the payor a "Show Cause" letter by certified mail, return receipt requested. (Exhibit IV). The Show Cause letter shall reference the job #, application #, license # etc. A copy of the no-good 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 no-good checks on file. You may return the original check upon payment.
6. Stop Action - If returned check was for an application, the Borough Manager notifies Plan Examiner (either Chief Plan Examiner or Deputy Borough Supt) and the Plan Desk so that no further work is done on application until payment is made. This step is only for boroughs not operating on BIS; BIS examiners will be notified by the system via a flag on the job screen. The no-good check liaison should pull the folder and place a yellow-card in the file indicating where the folder is.
7. Replacement Checks - Boroughs Operating on BIS:
- Under no circumstance is the no-good check to be re-deposited. The payor must first pay a penalty fee of \$15 at the Express Cashier (menu/option - No Good Check Processing Fee) by a separate certified check, money order or cash. The \$15 fee will be deposited into budget code 5111, revenue source 00470, reporting category 000204 and transaction code 203. The payor (applicant) shall then provide a certified check, money order or cash in the amount of the original check.

The replacement payment shall be entered by the express cashier through ADJUSTMENT/REPLACEMENT ONLY. The payments CANNOT be made with one certified check or money order. The express cashier must notify the no-good check liaison of the replacement via a photocopy of the replacement invoice for the payment received.

Boroughs Not on BIS:

- The \$15 no-good check fee shall be cashiered first on the miscellaneous key. The \$15 fee will be deposited into budget code 5111, revenue source 00470 and reporting category 000204. A separate receipt shall be issued for the \$15 fee. After payment of the penalty, the replacement payment will be cashiered in the same manner as the original payment.
  
- 8. Follow-up - If payment has not been made within ten (10) days of mailing "Show Cause" letter, a follow-up letter allowing for an additional five (5) days to effect payment is sent by certified mail, return receipt requested. If check was an application, the five (5) day letter reminds the applicant that no further action will be taken on the application until the fee is paid or if check was for a permit, permittee is advised that five (5) days from the date of the letter, the permit will be revoked.
  
- 9. Return - At the end of each month, the boroughs send back to Central Office Cashier: 1) their portion of the Bad Check Report List with the proper revenue source and reporting category indicated for each check that was cashiered on the sweda register (not BIS checks). 2) a photo copy of the Bad Check Ledger indicating the collection status.
  
- 10. Central Office - Prepares another report showing the ACRAF number revenue source, reporting category, dollar amount and date of check. This report is sent to the Comptroller's Office (Exhibit V). The Central Office will also conduct any further collection efforts on outstanding no-good checks.

  
Terry Keely McClain

THE CITY OF NEW YORK  
INTEGRATED FINANCIAL MANAGEMENT SYSTEM  
CASH RECEIPT

(EXHIBIT 1)

FD-502 (REV. 10-1-77)

3-5 FUND CODE CRE	7-9 DEPOSITING AGENCY CODE 409	11-17 INCIDENT NUMBER 8000055	18-24 DEPOSIT DATE 10/13/8	No / D / Y 28-28
30-31 BANK ACCOUNT CODE	BANK ACCOUNT NAME Citibank N.Y.	FIND		

*Murray Collection*  
*Citibank N.Y.*

LOCAL REVENUE OR REFUND			STATE OR FEDERAL REVENUE					EXPENSE			DESCRIPTION	AMOUNT
Agency Code	Budget Code	Reporting Category	Revenue Source	Trans Code	Orig Agency Code	Payment Number	Spec Code	Object	Sub Obj	Balance Sheet Acct		
4-6	7-10	20-25	13-17	28-30	32-34	35-41	56	4-6	7-8	11-13	16-45	48-80
810	5111		00845									
												30
												30
												30
												30
												30
												30
												45
												60
												75

*N.Y. Check For Agency "810"*

33-45  
TOTAL AMOUNT \$ *360.00*

I CERTIFY THAT THE COLLECTIONS MADE BY ME OR UNDER MY JURISDICTION ON THE ABOVE DATE FOR THE CORPORATION OF THE CITY OF NEW YORK ARE, AS SUMMARIZED ON THIS SHEET

Prepared by *[Signature]* Title \_\_\_\_\_ Date *11/1/87*

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

- NOTE -  
THIS FORM IS TO BE USED ONLY FOR DEPOSITS MADE INTO CITY TREASURY BANK ACCOUNTS.

BAD CHECK REPORT LIST

CK No.	Payor	Amount	Bank ACRAF Date	CRE #	Revenue Source	Revenue Category



No \_\_\_\_\_

Exhibit IV

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 DISHONORED CHECK # \_\_\_\_\_  
in the amount of \$ \_\_\_\_\_ returned by the bank because of  
\_\_\_\_\_. Prosecution under Section 190.5 of the Penal  
Code will be commenced unless payment is made by certified check,  
money order or cash within ten (10) days. An additional penalty  
charge of \$15 must also be paid by a separate certified check, money  
order or cash. No further action will be taken on this application  
or any 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.

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

\_\_\_\_\_  
Commissioner



DEPARTMENT OF BUILDINGS

EXECUTIVE OFFICES  
60 HUDSON STREET, NEW YORK, NY 10013

CHARLES M. SMITH, Jr., R.A., Commissioner  
312-8100

EXHIBIT V

January 29, 1990

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

Dear Mr. Martin:

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>
X000455	12-22-89	610.00	00470-00070/
11	11	60.00	00200-00060/
X000460	12-26-89	15.00	00470-00070/
X000465	12-27-89 <sup>2</sup> Check	1,188.50	00470-00070/
X000468	12-29-89	955.25	00470-00070/
X000469	1-2-90	60.00	00200-00060/
X000476	1-3-90 <sup>4</sup> Check	5,644.25	00470-00070/
X000481	1-4-90 <sup>2</sup> Check	6,074.25	00470-00070/
X000487	1-5-90 <sup>7</sup> Check	392.00	00470-00070/
X000491	1-8-90	1,258.75	00470-00070/
X000500	1-10-90 Check	4,716.25	00470-00070/

Very truly yours,

*Pat Ketterer*

Director of Revenue  
Operations