

Sample Demand Letter

Victims of bad checks are required to make at least one attempt to notify a check writer to demand payment of a check that is returned because of insufficient funds. **This must be done by certified or registered mail so that the check writer's receipt of the letter can be proven in court. The check writer must then be given five (5) days from receipt of the notice to respond to the letter.** If, after that time, the matter has not been resolved, the check can be referred to the Check Enforcement Program. Checks marked "Account Closed" and "No Account" can be referred to the program without notifying the check writer..

The sample demand letter below is suitable to send the check writer. The language of the letter conforms to the requirements of the Virginia statutes.

Note: Victims of dishonored checks must not make any threats of prosecution (written or oral) to enforce or enhance the collection or honoring of the check.

1 Be sure to date the letter.

You can vary this text, but the text of a demand letter should "substantially conform to" this wording.

2 You may require your usual, posted fee amount. When you submit a check to the Check Enforcement Program, we enforce a victim's service fee in addition to the full amount of the check.

3 Keep a copy of the letter for your files.

If it is returned as undeliverable, you should enclose the undelivered letter or return receipt when you submit the check to the Check Enforcement Program.

Calling the Checkwriter

In the event you contact the check writer by phone, you should essentially give the same information as shown in this sample letter.

Of course you are free to discuss the matter with the check writer, but remember to avoid threats of prosecution.

(Company Letterhead)

1 Date

Check writer
Address
City, State Zip

Re: Notice of Dishonored Check

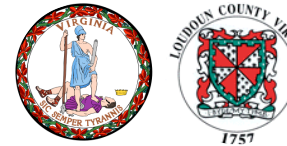
2 You are hereby notified that check number (ck #), issued by you on (date of check) drawn upon (name of bank), and payable to (name of your business), has been dishonored.

3 You have five (5) days from the date you receive this notice to tender payment to the full amount of the check plus a fee of (\$ _____) to the undersigned at (business mailing address).

You are further notified that in the event the above amount is timely paid in full, you will not be subject to legal proceedings, civil or criminal.

Sincerely,

(Signed)
(Phone number)



Commonwealth's Attorney's Office Check Enforcement Program

Contact the Check Enforcement Program at: 1-888-347-4285
or contact the website at: www.hotchecks.net/loudoun



Guidelines for Handling Checks

Dear Loudoun County Business Professional:

In an effort to lower the impact of bad check crime in our community, I created a Check Enforcement Program. There are several parts to this program, all working together to benefit our entire community.

This is a pre-complaint diversion program designed to provide strong incentives for check writers to make good on their dishonored check(s) while lowering the burden on our entire legal system. But the Check Enforcement Program goes beyond simple diversion.

- **We provide materials and resources that help merchants avoid accepting a dishonored check.**
- **We have implemented a powerful administrative engine to handle the restitution process quickly and efficiently.**
- **Finally, a new educational course helps check offenders gain control of their finances and avoid future dishonored checks.**

Because the Check Enforcement Program is funded entirely by the check offenders, it costs merchants nothing. My office and the entire Loudoun County law enforcement community have a strong commitment to making the Check Enforcement Program a win/win situation for everyone involved.

But we need your help to make the Program truly succeed.

Please take the time to read the enclosed information. There are some "rules" that apply to dishonored checks. Knowing exactly what steps to take and when to take them can make a big difference in how successful we will be in recovering your money.

Educate management and staff on their responsibilities. Post the materials. Use the Program to its fullest. It costs nothing and you will receive 100% of the value of every check we successfully recover – plus a victim fee to help offset any costs you have incurred as a result of the dishonored check.

Help us make a difference. We look forward to serving you.

Sincerely,

Buta Biberaj
Commonwealth's Attorney

Tips for Handling a Check What To Look For When You Accept a Check

If you want to protect yourself from losses due to dishonored checks, there are certain “rules” you should follow that can have a big impact on your success. Many of the most important rules apply at the moment you accept the check for payment. State statutes, local requirements and simple practicality also influence what can or cannot be done to recover a dishonored check loss.

There are some simple steps you should always take when accepting a check. We’ve developed a simple acronym – **SANDI** – to help people remember the steps.

Being able to actually identify a check writer can be critical in enforcing a dishonored check. In order to prosecute a check, the person who accepts the check must be able to identify the check writer.

This requires some measure of proof. Reasonable proof can be:

1. **The person who accepted the check verified identity using Photo ID – OR –**
2. **The person who accepted the check MUST be noted. He or she should put their initials or employee number on the check.**

Complete, verified identification can influence the path that a check takes within the Program. Full ID is not mandatory for checks submitted to the Program. We can attempt to enforce restitution – if all other aspects of the check are within the guidelines of the program.

HOWEVER, victims must be aware that without proper, verified identification, we may not be able to take the case to court. If a check reaches that point, it will be held in an inactive status or returned to the victim – at which point it can possibly be pursued as a civil matter.

1 S Double Check the Signature

Watch the person sign the check. Pre-signed checks are often trouble. Compare the signature against a photo ID that contains the person’s signature. A State-issued ID or Driver’s License is best - and record the ID or Driver’s License number on the check. Military ID’s are also good identifiers that you should get if possible.

2 A Compare the Amounts

If the amount written in numbers and the amount written in words don’t match, the bank won’t accept it. Carefully read both versions of the amount. If they don’t match, don’t accept the check.

3 N Check Number

It is a fact that most dishonored checks are written on new accounts. Be especially attentive to checks that seem to be on a new account (i.e. Numbers in the “low 100’s” or “low 1000’s”).

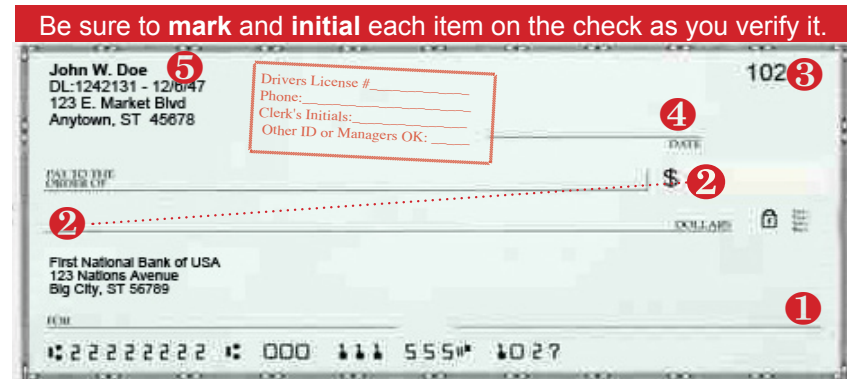
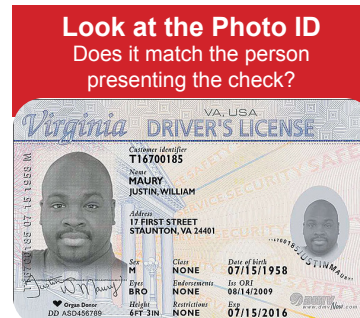
4 D Today’s Date

Post-dated checks do not qualify for the Program. Make sure the date on the check matches the date you accept it.

5 I Complete ID

It is important that you get as much identification as possible. The Social Security Number is preferred but, at a minimum you MUST get the following:

- ✓ Name
- ✓ Address (street address is best)
- ✓ City
- ✓ State
- ✓ Zip
- ✓ Phone Number
- ✓ ID: Driver’s License, Social Security, Military or State ID



Submitting a Dishonored Check to the Check Enforcement Program

Before You Refer a Check to This Program

Prior to referring a check to the Program, if the check was not honored because of Insufficient Funds, Victims are required to notify the check writer by **certified mail or registered mail** that a check has been dishonored and demand immediate payment of the check. If, after **5 days** from the time the check writer receives notice, the matter has not been satisfied, you may refer the check to our office. There is no requirement to notify the check writer by mail in the case of a check which is returned and marked Closed Account, or No Account.

A **Sample Notification Letter**, containing text that is appropriate for demanding payment of a dishonored check, is provided on the following page. Remember, victims can not make threats of prosecution - either written or oral - to enforce or enhance the collection or honoring of the check.

Preparing Checks for Referral

- **With the Check Complaint Form, enclose the original check or a bank-generated substitute check along with a copy of the notification letter sent to the check writer.** For your files, keep a photocopy of both sides of the checks you are referring.
- **Each check you refer to our office for enforcement must be accompanied by a Check Complaint form.** This form lists all the information needed to process the dishonored check. Provide any additional information such as recent phone numbers or addresses that might be helpful. **It is important that you fill out as much of the information as possible to assure effective enforcement.** You can still refer the check even though you may not be able to obtain all the suggested information.



Eligible Checks

Most dishonored checks are eligible for the Check Enforcement Program. These include checks returned for:

- “Insufficient ” or “Non-sufficient Funds”
- “Closed Account” or “No Account”

Some Ineligible Checks

Some checks are **not eligible** for the Check Enforcement Program. **Checks that do not qualify** include the following. You may still wish to pursue these checks with the help of an attorney, in a civil proceeding or collection agency.

- Checks passed outside Loudoun County
- Checks older than 120 days
- Post-dated, pre-dated or altered checks
- Checks passed when both parties knew there were insufficient funds at the time of the transaction
- Two-party checks
- Refer-to-maker checks
- Counterfeit or forged checks*

* **Forged or Counterfeit checks should be sent directly to law enforcement for investigation for possible prosecution.**

Follow-Up

You will either receive the money due to you or we’ll contact you with an explanation of why prosecution is not in process. If a check(s) is deemed prosecutable, you will be informed of what steps you must take as part of the prosecution process.

If we are unable to enforce restitution and the check does not qualify for prosecution, it will be placed in an inactive status and held at the Check Enforcement Program unless it is requested that the check be returned. If new information or additional checks are received, an inactive check case can be reopened and pursued further.

Commonwealth’s Attorney’s Check Enforcement Program

We will do our best to make sure your dishonored check(s) are handled promptly and efficiently. If you have questions about the Program or any of the dishonored checks you have referred, contact us at the phone number or internet address below.

20 East Market Street | Leesburg, VA 20176-2085 | toll-free 1-888-347-4285 | www.hotchecks.net/loudoun