



City of Pittsburgh

510 City-County Building
414 Grant Street
Pittsburgh, PA 15219

Text File

Introduced: 7/15/2014

Bill No: 2014-0638, **Version:** 2

Committee: Committee on Finance and Law

Status: Passed Finally

Ordinance amending the Pittsburgh Code at Title Two, Fiscal, Article I: Administration, Chapter 201: City Treasurer by adding a new section at §201.12 Collection of Fee for Nonsufficient Funds for Payments Made by Bank Check.

WHEREAS, the City of Pittsburgh accepts personal checks drawn on accounts of funds held by a bank as a form of payment for taxes, fees, permits, police reports and various other legally levied fees for services; and,

WHEREAS On July 3, 2014, the City Controller issued a report that noted that the city had incurred approximately Three Hundred Eighty-One Thousand Dollars (\$381,000.00) in fees assessed by banks when checks were returned due to insufficient funds on account; and,

WHEREAS, the City Controller noted in a letter to the Council and the Mayor, "As the volume of checks received by the City of Pittsburgh in the normal course of business has increased, so too has the number of returned checks. Over the past six years, check payments deposited into the City's General Fund that were returned by the bank have ranged from an annual low of \$30,391.79 in 2009 to \$91,619.47 in 2011. Actual checks returned in the six-year period examined, 2008 to 2013, totaled \$380,772.05, averaging over \$63,000 per year; and

WHEREAS, as a fiduciary of public funds, the Council of the City of Pittsburgh has a responsibility to insure that the taxpayer is held harmless in such transactions and as such, has a responsibility to recover such charges, levied by banks, from the person or persons who provided a check as payment to the City without sufficient funds on account.

The Council of the City of Pittsburgh hereby enacts as follows:

Section 1. The City Code is hereby amended at Title Two, Fiscal, Article I: Administration, Chapter 201: City Treasurer, by adding a new section §201.12 Collection of Fee for Nonsufficient Funds for Payments Made by Bank Check as follows:

§201.12 Collection of Fee for Non-Sufficient Funds for Payments Made by Bank Check

(a) The City Treasurer shall promulgate a policy for all departments for receipt of a check returned from the bank for nonsufficient funds (NSF), which shall include the following:

1. Upon determination that the check is NSF the Treasurer shall have a process of notification to

the applicable department or bureau at which time the department or bureau shall cease[, ~~revoke and~~] providing services, if applicable, and shall re-bill for payment of any service provided to the customer as well as any fees charged to the City and costs of processing in a manner prescribed by the Treasurer. **Subject to applicable law, the Director of Finance and City Treasurer shall also be authorized to promulgate regulations addressing the status of permits or licenses involving NSF payments.**

2. A notification process shall be established to notify the payer that a NSF has occurred
 3. A record retention policy shall be established to track NSF checks and payment status
- (b) The Treasurer shall establish a NSF fee that shall include any and all charges incurred by the City and shall also determine a processing recovery fee.
1. The Treasurer may change the NSF and processing recovery fee annually or at times when fees charged against the city increase.
- (c) All checks received by a department shall be remitted to the Treasurer by the close of each business day or at a time determined by the Treasurer.