



United States Naval Sea Cadet Corps

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6 July 1999

NSCC Action Letter 5-99

From: Executive Director, Naval Sea Cadet Corps

To: Distribution

Subj: OVERDRAFT CHECKS

Ref: (a) NSCC Regulations

1. **Purpose.** To advise units of new NHQ procedures concerning overdraft checks received in payment for enrollment, uniform or other fees assessed by NHQ.
2. **Background.** Practically all NSCC/NLCC units pay for various NHQ costs with unit or personal checks. For the substantial majority of cases, these checks are good and there is little problem in NHQ receiving money owed the NSCC organization. There are however, some checks that are returned to NHQ for having insufficient funds in the account where the check is drawn upon.
3. **Discussion.** Checks that are returned to NHQ for insufficient funds in the checking account are a substantial nuisance, and more importantly are a financial cost to NHQ. Each check that is **returned to NHQ from our bank**, costs the Naval Sea Cadets twenty-five dollars. This is to cover the costs of handling by our bank. At the present time, NHQ is charged over \$1400 a year in returned check charges. NHQ has been absorbing these charges. This ultimately results in higher operating costs to the program, in which all units/individuals share the costs. Several of the returned checks are from repeat offenders, which makes the matter even more unpalatable.
4. **Action.** To correct the situation of not having other units/NHQ pay for offenders of checks being "returned for insufficient funds" units/individuals will be charged the processing fee associated with returned checks. Effective 1 August 1999, units/individuals will be charged \$25 for each returned check. When the overdrawn check is for uniforms, no further uniform orders will processed until the check is cleared. When the check is for enrollment of individuals, the personnel covered will be disenrolled and no training orders will be issued until the check is cleared. The processing cost will be added to the fee for which the check is sent. The old check

will be returned and units will be expected to reissue the check with the returned check cost included in the reissued check.

5. **Cancellation.** This notice will remain in effect until incorporated in existing regulations.

A handwritten signature in black ink, appearing to read 'M. D. Ford', written in a cursive style.

M. D. FORD

Distribution:
NSCC/NLCC units
Regional/Associate Directors
Field Representatives
NSCC Board of Directors