



Driver and Vehicle Services

445 Minnesota Street • Saint Paul, Minnesota 55101

April 2018

NSF AGREEMENT

You may not use the NSF letter on the MV Resource Center until you complete the attached NSF agreement. Deputies, who already have an NSF agreement on file, must complete and submit this new agreement.

This package includes:

- NSF Agreement (pages 1 & 2)
- Model Policies and Procedures for Check Handling (Attachment A – page 3)
- Dishonored Check Procedures (Attachment B – page 4)

INSTRUCTIONS:

- 1.) Please read all attached documents before completing the agreement.
- 2.) Complete and return the NSF agreement (pages 1 & 2) to:
Driver and Vehicle Services
Deputy Registrar Section Suite 185
445 Minnesota Street, St. Paul, MN 55101-5185

Include a copy of your check handling procedure.
- 3.) You will receive approval within a week.
Upon approval you may start using the NSF letter found on the MV Resource Center on ESupport.

If you have any questions, please contact Nick Schroetter or Jason Ashby in Deputy Procedures.

Alcohol
and Gambling
Enforcement

ARMER/911
Program

Bureau of
Criminal
Apprehension

Driver
and Vehicle
Services

Homeland
Security and
Emergency
Management

Minnesota
State Patrol

Office of
Communications

Office of
Justice Programs

Office of
Traffic Safety

State Fire
Marshal and
Pipeline Safety

STATE OF MINNESOTA

Agreement between the Minnesota Department of Public Safety, Driver and Vehicle Services Division, hereinafter referred to as the "State", and _____, a Minnesota deputy registrar appointed by the Commissioner of the Department of Public Safety, hereinafter referred to as the "Deputy", for the suspension of registration on vehicles whose owner's present a dishonored check made payable to the Deputy. This agreement is entered into on this, the _____ day of _____, year of _____ and upon execution of this agreement, this agreement replaces any and all previous agreements between the State and the Deputy pertaining to dishonored checks and motor vehicle registration.

Whereas, the State and the Deputy have a mutual interest in assuring that fees for registration are paid and collected; and

Whereas, the State and Deputy work in partnership to ensure citizens have access to and have service provided so that motor vehicles are properly licensed and registered; and

Whereas, the issuance of dishonored checks for taxes and fees by the customer results in a loss of revenue to the state and the Deputy while allowing the customer to operate a vehicle with updated registration while avoiding the taxes and fees; and

Whereas, the State is authorized to appoint the Deputy under Minnesota Statute 168.33.

Whereas, Minnesota Statutes 168.17 subdivision b authorized the suspension of registration for a motor vehicle when the registration was purchased with a dishonored check; and,

Whereas, Deputies are not reimbursed by the State for amounts received from dishonored checks.

NOW, THEREFORE, BE IT RESOLVED that the parties mentioned above, agree to the terms and conditions set forth as follows:

1. **RESPONSIBILITIES OF THE DEPUTY:**

By participating in this program, the Deputy agrees to be responsible to:

- A. Adopt and adhere to a check acceptance policy that meets the minimum criteria as set forth in Attachment A of this agreement, and to ensure all staff follow this policy
- B. Use good faith efforts to collect on bad payment prior to notifying the State to flag a motor vehicle record for suspension of registration.
- C. Verify the owner/lessee of motor vehicle record prior to notifying the State to flag the motor vehicle record.
- D. Issue a letter, as an agent to the State on the format provided by the State, to the owner at the address listed on the motor vehicle record stating the registration will be suspended due to non-payment of fees as prescribed by Minnesota Statute. The notification shall further indicate the date by which the individual has to make payment and the deputy office where the payment is to be made along with a contact number. The date shall be thirty (30) days from the date the motor vehicle record is flagged.
- E. Notify the State immediately upon payment of the amount due to reinstate registration if the registration had been suspended.
- F. Accept all responsibility for any liability resulting from the Deputy's performance of the duties under this agreement and for said claims to hold the State and its employees harmless in any such claim, cause of action, or lawsuit provided that the damage or loss claimed therein is caused in whole by a negligent act or omission or willful misconduct of the Deputy, or his or her employee(s).

- G. Accept and respond to all inquiries from the customer regarding the letter issued by the State under Section 2, Paragraph B of this agreement regarding potential or actual suspension of registration.
- H. Maintain a motor vehicle record of vehicles to which flags have been added and to allow staff from the State to review the motor vehicle records in order to ensure compliance with this agreement. This may include review of check acceptance policy and good faith efforts to collect on bad payments. Motor vehicle records shall be maintained in accordance with data retention requirements of the State.
- I. Provide such information as may be requested by the State (see Attachment B).
- J. Keep all information pursuant to the Minnesota Government Data Practices Act, Chapter 13 and any other applicable laws.

2. RESPONSIBILITY OF THE STATE:

Upon notification to the State that the Deputy has issued a letter to the owner on record that the registration will be suspended in thirty days, the State shall:

- A. Flag the motor vehicle record of an individual or company who has provided a dishonored check as payment.
- B. Upon notification by the Deputy that the owner has failed to make payment in the prescribed time pursuant to Section 1, Paragraph D of this agreement, the State shall send a letter notifying the owner that registration on the vehicle has been suspended
- C. The State will be responsible for its own acts and behavior and the results thereof. The State’s liability is governed by Tort Claims Act.

3. TERMINATION OF AGREEMENT:

Either party may terminate this agreement upon thirty (30) days written notice to the other party. Further, the State may terminate this agreement upon finding the Deputy in non-compliance with the terms of the agreement as set forth herein. Said termination shall be effective following a ten (10) day written notice to the Deputy describing the reasons for the termination. The termination can be avoided by the Deputy upon satisfactory proof to the State that the Deputy is in compliance with the terms of the agreement

Should the Deputy’s appointment be rescinded at any time by the Commissioner of Public Safety this agreement will be terminated on the effective date of the rescinded appointment.

In witness whereof, the parties hereby have executed this agreement on the date and year first written above.

SIGNATURES:

For the State

For the Deputy

 Dawn Olson
 Driver & Vehicle Services Director

 Appointee

ATTACHMENT A

MODEL POLICIES AND PROCEDURES FOR CHECK HANDLING

The following procedures must be adhered to whenever accepting a check from a customer, whether it is a personal or a business check. The reasons for these requirements are to reduce bad check expenses and to comply with Legislative requirements.

1. Identification is required when accepting checks. The State requires you to record the following information about the check writer (unless the information is printed on the face of the check):

Name
Home or work address
Home or work telephone number
Driver's license number or, if not available,
a MN State Identification card number
Clerk's initials
License Plate Number

2. Absolutely no second party checks accepted. Checks made out to an individual **and** the Deputy Registrar are acceptable. The individual must sign off on the back of the check.

3. Checks made out to the Deputy Registrar in excess of the fees being collected will not be cashed if the amount to be returned to the customer exceeds \$20.00. If change is returned you must write on the transaction the check amount, due amount, and the balance given back to the customer. If the amount of check exceeds this \$20.00 limit, the customer may submit a new check for the correct amount or request a refund be issued for the overage. If the check was written on an out of state bank, the refund application will be held for 10 days. In extenuating circumstances, giving change for an amount over \$20.00 must receive supervisory approval.

4. No cash area is authorized to cash checks for employees or customers unless it is in conjunction with a specific business transaction.

5. All checks received must be deposited in a state depository within 24 hours. There must be no instances of check holding.

6. Checks must have a current date on them. Do not accept checks that have a date older than 30 days ago. Also, do not accept checks that are dated ahead of the current date.

7. Checks received must be pre-printed encoded checks. Do not accept "counter checks" unless bank is contacted and it is verified that the individual submitting the check is the account holder, and there are sufficient funds in the account to cover the check. (These are checks where an individual hand writes in their account number **and/or** their name and address).

8. Deputy Registrar personnel **must** reference the plate number of the motor vehicle transaction purchased with the check (if none is available, reference the applicant's full name and date of birth). Do not accept a check from a party who is unrelated to the transaction without first obtaining supervisory approval.

9. Checks received that are over \$5.00 must tie back to the transaction that is being submitted (as stated in #8 above).

10. Checks remitted by Canadian companies or Canadian residents must be certified checks in U.S. funds.

11. If a customer calls asking about a check received by a Deputy Registrar for any reason, **do not** tell the individual to stop payment on their check. If fees were paid in excess or were unnecessary for some reason have them request a refund. Many times the check is being processed at the same time the customer is requesting a "stop payment", causing additional time and money to collect these funds.

**ANY EXCEPTIONS TO THE POLICIES LISTED ABOVE
MUST HAVE DEPUTY REGISTRAR'S SUPERVISORY APPROVAL.**

ATTACHMENT B

DISHONORED CHECK PROCEDURE

The following is the procedure for referring dishonored checks to the State for action.

Step One: You must have a signed agreement with the state on file,
Your office must have a procedure for accepting checks as payment.
A copy of your check handling procedure must be included when you submit the NSF agreement.

Step Two: If the customer does not respond to your initial collection attempts,
send the State letter (found on the MV Resource Center) to the customer and provide us with the
following information so we can flag the vehicle record.

- Verification that the dishonored check was sent through the bank twice and that your office has attempted to collect on the dishonored check.
- The check number, amount of the check, and the date the check was submitted to your office.
- A break down of the fees: registration, transfers fees, excise tax, etc.
- License plate number and vehicle description, including the vehicle identification number
- Name and address of the owner/lessee on record
- Name, address and contact person at the Deputy Registrar Office
- A copy of the state letter mailed from your office from the MN Driver and Vehicle Services Division (DVS) advising the vehicle owner that their registration will be suspended within 30 days if the dishonored check is not cleared at your office.

Submit the above items by fax 651-797-1152 or 651-797-1129, or by mail to:
DVS, Deputy Section Suite 185, 445 Minnesota St, St. Paul, MN 55101-5185

If the customer does not contact your office within 30 days to clear up the dishonored check, we will suspend the vehicle registration

Step Three: Contact our office immediately, when the customer clears the dishonored check so that we can clear the file on the vehicle record.

Transfer of Ownership: If the vehicle is transferred to a new owner before the dishonored check is cleared, we will clear all files and suspense letters and issue the new owner a title.

We cannot hold the new owner responsible for the previous owner's debt and DVS will no longer pursue the previous owner for payment. However, your office may continue to try to collect on the debt.