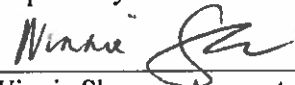

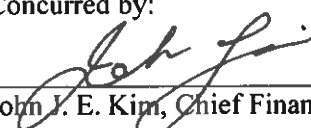
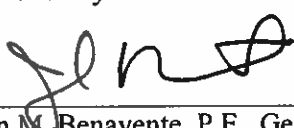


GUAM POWER AUTHORITY STANDARD OPERATING PROCEDURE	No.: SOP-071	
	Prepared by:   Winnie Sharma, Accountant III	
	Concurring by:  John J. E. Kim, Chief Financial Officer	
TITLE: Returned Check Procedure and Automated Clearing House Returns	Approved by:  2/2/21 John M. Benavente, P.E., General Manager /Dated	
Effective Date: 2/2/21 (Entirety) Supersedes No.: SOP No. 071 Page 1 of 5 6/23/92		

1.0 **PURPOSE:**

This procedure is set forth in an effort to establish guidelines and consistency in processing and accounting for returned items.

2.0 **SCOPE:**

This is applicable to all checks, Automated Clearing House (ACH) transactions and credit/debit card payments for GPA electric accounts and services. Cash Management, Finance Division is responsible for the implementation of this policy.

3.0 **DEFINITIONS:**

GPA accepts checks, ACH and Credit/Debit Card transactions as payments for customers' electric accounts or purchases.

3.1 **Returned Items** – Any check, bank draft, or ACH transaction that has been presented or made as payment for any services provided by GPA and has been returned by the issuing bank as unpaid. Returned checks are remitted back to GPA from various financial institutions should any of the following conditions are found:

- a) Non- Sufficient funds
- b) Endorsement missing

CODES: *REVISED #ADDED

- c) Cannot locate account
- d) Signature missing
- e) Post dated
- f) Two signatures required
- g) Account closed
- h) Refer to maker
- i) Payment stopped
- j) Stale dated
- k) Amounts differ
- l) Signature irregular
- m) Forgery
- n) Uncollected funds
- o) Frozen Account
- p) Other

3.2 **ACH** - Refers to the process of accepting payments through the Automated Clearing House, an electronic funds-transfer system run by the National Automated Clearing House Association (NACHA). ACH notices for non-sufficient funds are considered the same as a check. An ACH return is essentially a returned e-Check payment for the following reasons:

- a) Insufficient funds
- b) Account closed
- c) Invalid Account Number/Bank Routing Number

3.3 **Credit/Debit Card Chargebacks**- A chargeback is a bank-initiated refund for a credit card purchase. Rather than request a refund from the merchant (GPA) who facilitated the purchase, cardholders can contact their bank and request a chargeback by disputing a particular transaction.

3.4 **Guam Power Authority (GPA)**: A public corporation that generates, transmits and distributes power to consumers (Residential and Commercial).

3.5 **Financial Institution**: A banking institution handling and managing money transactions.

4.0 **PROCEDURES:**

- 4.1 The depository bank sends all returned check advices, dispute letters and ACH returns to GPA Cash Management (CM). CM verifies the account number, customer name, and amount paid.
- 4.2 Upon completion of the review, CM will forward all documents to the CM Supervisor to process the *Pay Segment Cancellation* in the Customer Care & Billing system (CC&B).
- 4.3 Upon payment reversal, a Non-sufficient fund (NSF) fee of \$30.00 will be automatically charged in CC&B. For card dispute(s), if a return is due, the CM Supervisor will manually charge the account with the NSF Fee.
- 4.4 Upon receipt by CM, the return checks will be summarized by the CM Supervisor in a numbered report completed in Excel format. The log includes the following information:
 - a. Account ID
 - b. Batch #
 - c. GL Date
 - d. Pay Description
 - e. Customer Name
 - f. Transaction Date
 - g. Tender Control ID
 - h. Deposit ID
 - i. Amount Paid
 - j. SA ID
 - k. Bank Advice Date

Guam Power Authority
Returned Check Listing
8/18/2021

Seq#	GL Account	Acct ID	Batch	GL Date	Pay Desc	Cust Name	Trans Date	Tender ID	Deposit ID	Amount Paid	SA ID	Advice Date
1	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
2	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
3	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
4	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
5	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
6	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
7	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
8	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
9	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
10	100-100000		100	8/18/2021	100-100000	100-100000	8/18/2021	100-100000	100-100000	100-100000	100-100000	8/18/2021
Returned Check Total										(4,156.00)		

Prepared by:

Date:

Received by:

Date:

Joelyn Pasqua, Accountant II

Customer Service (Collections)

Approved by:

Date:

Leonora M. Sanz, Controller

CODES: *REVISED # ADDED

- 4.4a After recordation, the report (4.4) and copies of the returned items (Returned checks, Credit Card Dispute Letters and ACH returned advice) are routed to Credit and Collection Customer Service Division.
- 4.5 Credit and Collections will review the report and update the “ALERTS” field by indicating “**NO CHECKS**” status on the customer’s account should the customer have a record of three (3) returned items within the last 12-month period.

The screenshot displays the GAA web portal interface. At the top, there are navigation tabs for GWA and GPA, and a status bar indicating the user is logged in as MENDIOLA, ERIN. The main content area is divided into two sections: "Account Information" and "Make Payment".

Account Information:

- Basic Account Information:**
 - Account ID: [Redacted]
 - Customer Name: [Redacted]
 - Current Balance: \$2217.83
 - Customer Class: Commercial
- Alerts:** (Indicated by an arrow)
 - NO CHECKS
 - Deposit Service Agreement Exists
 - Overpayment Exists
 - Collection Process Active
 - 3 Broken pay plans in the last 12 months
- Bill History:**

Bill Date	Bill Id	Amount	Remarks
04/18/2017	786035679399	\$2217.83	Due Date: 05/01/2017
- Payment History:**

Payment Id	Payment Date	Payment Amount
786031039108	02/27/2017	\$2406.41
786031072790	02/20/2017	\$1168.00

Make Payment:

- Account ID: [Redacted]
- Amount to be distributed: [Redacted]
- Payment Methods (Amount: 0.00):
 - Cash
 - Check
 - Credit Card
 - Payroll Check
 - Debit Card
 - Traveller Cheque
- Total Amount: 0.00

- 4.6 All Utility Cashiers shall adhere to the “ALERTS” field inclusive of any NSF \$30.00 fee (if shown) to be incorporated as part of the monies due to the Authority necessary to clear all outstanding charges on the customer’s account.
- 4.7 No check payments are accepted to pay a returned item (Returned checks, Credit card dispute and ACH returned). Payment must be in a form of cash or credit/debit card.

- 4.8 Upon resolution of the customer's outstanding account, Credit and Collection will forward a copy of the returned item/bank advice to the account holder. The Records, Customer Services Division maintains all customer files, which includes the copies of the returned items or bank advice regarding a returned item. Once Accounting makes the necessary adjustments on the customer's CC&B account, documentation is forwarded to Customer Services for their action and filing.