

Topic: Acceptable Methods of Payment

Question by: Rebecca Morris

Jurisdiction: Alabama

Date: 29 November 2010

Jurisdiction	Question(s)
	Do you take personal checks for payment of filing fees and/or services (copies, certificates, etc.)? What payment method do you require?
Manitoba	Manitoba accepts personal checks, Visa, MasterCard & debit.
Corporations Canada	<p>Corporations Canada will accept payment by check, cash, credit card (American Express, Master Card or Visa) or debit card if the filing is made in paper form, including personal checks. Online filing requires payment by credit card.</p> <p>If the check is rejected for insufficient funds, the corporation is red flagged in our records and any payments it subsequently makes are applied against the outstanding fee. No further certificates will be issued to the corporation until the outstanding sum is cleared. Our statute permits us to dissolve the corporation if it is in default of sending a fee that it is required to pay by statute. Yes, we monitor payers to avoid accepting checks from individuals who have previously given us NSF cheques.</p>
Alabama	
Alaska	We accept personal checks, money orders, credit cards, and ACH. Our occasional NSF is not a big problem.
Arizona	
Arkansas	Arkansas accepts personal/business checks, money orders, credit cards and cash.
California	<p>California accepts all checks (personal, business and cashiers), money orders, cash, credit cards (Visa, MC, Discover) and prefunded accounts. We do get an occasional dishonored payment (check or credit card). Generally, customers are responsive when we notify them of this fact.</p> <p>For business entities, we do have the authority to cancel their corporate, limited partnership or limited liability company filing if they do not make good on a dishonored payment for filing fees after a certain period of time.</p>
Colorado	Credit cards (Visa, MasterCard, American Express), gift cards, debit cards, and prepaid accounts are accepted online. Checks (personal, business, etc), cash and prepaid accounts are accepted forms of payment for paper filings. (Information on prepaid accounts can be found here: http://www.sos.state.co.us/pubs/Info_Center/PrepaidAccountTerms.pdf .) We hope to add ACH as an option, but we do not currently offer it. If a check bounces, we send it to collections.
Connecticut	

Delaware	Delaware accepts personal/business checks, personal/business ACH, MasterCard, Visa, Discover, money orders, or cash.
District of Columbia	In the District of Columbia we accept personal checks. We use Bank of America for all mail-in filings with payments. Bank screens all checks and sends the list of "bad" checks to our Chief Financial Officer's Office. This office will send the letter to customer with additional penalties and request for submission of "good" check. As a result we rarely get bounced checks. Currently, we are seeking authority to reverse filed record if payment is rejected after the acceptance.
Florida	<p>Florida accepts personal checks. They are fewer and fewer because of online filings using credit cards but we still have returned checks. We give the entity 30 days to make the check good then it is cancelled for non-payment but left on our database for those that relied on it as being a filed entity.</p> <p>I have noticed that several states have mentioned that they will "flag" the record and not accept any more checks from that same entity. I want to know how they do that. Our checks are removed and validated and the documents are assigned tracking numbers before the documents are even received in the filing sections for processing. How do you watch for a check from a particular person or company? How many are you watching for at a time? I don't mean to be butting in on your question but I'm interested to know how these states screen for bad check writers. We may want to try screening in the same manner ourselves.</p>
Georgia	
Hawaii	
Idaho	Idaho takes personal checks, money orders, cashier's checks, all credit cards and cash.
Illinois	Illinois accepts personal checks, cashier's checks, credit card, and ACH accounts for our larger filing clients on all UCC types and copies. On occasion we receive a NSF, but not a large enough percent to call them a problem.
Indiana	Indiana accepts personal checks, money orders, credit cards and cash.
Iowa	
Kansas	Kansas still accepts personal checks.
Kentucky	
Louisiana	Louisiana accepts personal/business checks, money orders, credit cards and cash.
Maine	
Maryland	
Massachusetts	
Michigan	<p>Corporation Division does accept personal checks in payment for filing fees, franchise fees and services.</p> <p>Section 1060(7) of the Business Corporation Act http://legislature.mi.gov/doc.aspx?mcl-450-2060 and Section 1101(5) of the Michigan Limited Liability Company Act http://legislature.mi.gov/doc.aspx?mcl-450-5101 provide that if fees or penalties are paid by check and the check is dishonored the fee is considered unpaid and the filing of all related documents will be rescinded.</p> <p>In addition, if a check is dishonored the Corporation Division sends notice under MCL 600.2952 and collects the \$35 dishonored check fee. http://legislature.mi.gov/doc.aspx?mcl-600-2952</p>
Minnesota	

Mississippi	
Missouri	Missouri takes personal checks, money orders and cashier's checks as well as exact amount in cash for document filing. If filing online, the options are ACH or credit card.
Montana	Montana accepts personal checks for payment. If the check is returned for non-sufficient funds, we issue a 10 day notice to replace the check. If the check is not replaced in that time period, a letter of revocation is issued.
Nebraska	
Nevada	<p>In Nevada, we accept personal checks. There are some issues with NSF checks, but no more than with any other business. We cancel the associated filing as that filing is non-compliant as it does not contain the statutory fee for filings. We also put the entity on administrative hold pending payment of the bank charges. The only exception is if the customer brings it to our attention and provides an alternative form of payment. There has not been any main filing associated with NSFs, however, we have seen an increase in invalid payments on new filings and copies orders as the customer receives their documents well before we are made aware of the NSF. Our databases and public searches reflect the cancellation of filings.</p> <p>The bigger issue has been with e-checks as there is no way to validate (other than contacting the banks for verification of funds) prior to filing. There is also no real paper trail as there is with a paper check or preauthorized credit card payment.</p>
New Hampshire	<p>New Hampshire does accept personal checks. That being said, if a check is returned for NSF we will not accept another payment from that payer until they "make good" on the bounced payment including all penalties with a certified bank check – and the payer and the status of the entity they were making a payment for are changed to indicate a payment has been returned.</p> <ul style="list-style-type: none"> • If the document being filed is a formation document the entity status is set to "CREATION INACTIVE", that the entity was never formed because it was never paid for. • If the document was an annual report the status is changed to "ACCEPTANCE INACTIVE", this status is reserved for NSF on an annual report. • If the document is for an amendment or even a certificate request by an entity the status is changed to "TRANSACTION INACTIVE". <p>No further filings or activity will be accepted until the NSF payment is made good.</p> <p>For individual payers – notes are added not to accept any further payment until NSF payments are made good.</p> <p>And just in case the question is out there unasked – yes we look at both "ACCEPTANCE INACTIVE" & "TRANSACTION INACTIVE" as well as "NOT IN GOOD STANDING" for administrative dissolution when all of the criteria for dissolution is met.</p>
New Jersey	
New Mexico	
New York	NY accepts personal checks up to \$500. We have a problem with returned checks for corporation filings. UCC is less of a problem. If a check is returned NSF we will send the filer a letter requesting payment. We currently do not have the authority to revoke a filing for non-payment.
North Carolina	North Carolina takes personal checks, money orders and cashier's checks as well as exact amount in cash for document filing. If filing online, the options are ACH or credit card.
North Dakota	We accept personal checks, money orders, credit cards, and ACH. Our occasional NSF is not a big problem.

Ohio	Ohio accepts personal checks, money orders or prepayment accounts for corporate filings. In addition to those methods of payment, when submitting UCC filings online, customers may pay with a credit/debit card or ACH account.
Oklahoma	Oklahoma takes personal checks for services. We do not take temporary checks. We do not have a problem with NSF.
Oregon	Oregon accepts personal checks. We have statutory authority to revoke a filing for nonpayment of the fee, whether the nonpayment is due to a check returned as NSF or declination of a credit card. Like other states, we also have more filings online than by mail, and those use credit cards.
Pennsylvania	<p>Pennsylvania accepts personal checks as payment for all filings and document requests. However, all checks must contain pre-printed name, address and account number. Other payment methods accepted are money orders, cashier's check or customer deposit accounts (similar to escrow accounts). Credit cards are only accepted if the filing is executed online.</p> <p>If checks are returned as NSF, a 30 day notice is sent to the payer to replenish the filing fee and pay a processing fee of \$25.00. Replenishment payment is only accepted in the form of money order or certified check. If payment is not received after 30 days from the first notice's expiration date, a revocation letter is issued to the payer and all parties involved in the filing process. The Attorney General's office is then notified of the indebtedness to the Corporation Bureau where the default party is subject to an additional \$500 penalty.</p>
Rhode Island	Rhode Island does accept personal checks for payment. If the check is returned as NSF, we issue a 60-day revocation notice. Those that do not comply with payment (in the form of cash, money order or certified check) a revocation certificate is issued.
South Carolina	
South Dakota	
Tennessee	
Texas	Texas accepts personal checks. We have statutory authority under the Government Code to revoke a filing for nonpayment of the fee, whether the nonpayment is due to a check returned as NSF or declination of a credit card.
Utah	<p>In Utah we do accept personal checks, however since we have online services, more people use those services and they require a credit card. When we receive NSF or some other reject of the check, we put a hold on the filing until certified funds are presented. If the funds are not provided, the filing is rejected. If a particular person goes through this process frequently, we flag them for "do not accept personal checks" but this rarely happens.</p> <p>Utah gets so few that fall in to the "flag" category, that the folks who run the money usually catch them....we have a spreadsheet where we keep track of them, and the same handful of people process the money, so they have access to the one or two a year who try to consistently run bad checks.</p>
Vermont	
Virginia	Virginia accepts personal checks, but we reverse the transaction if the check is dishonored, and assess a \$35 bad check penalty. We have also seen instances where a canceled entity reinstates and obtains a certificate of good standing with a check that is later dishonored. This seems particularly abusive because we do not have a way to retrieve the certificate once it is issued.
Washington	<p>Washington does accept personal checks, as well as credit cards and cash. We are in the process of setting up ACH.</p> <p>If a check is NSF, we send a letter requesting replacement in 30 days. If none is received, we send a second letter notifying them their corporation will be dissolved in another 30 days unless the funds are received. If it was for copies or certificates, it</p>

	is turned over to collections. Our situation here in the Washington State UCC Office is like Illinois. We accept personal checks, money orders, credit cards, and ACH. Our occasional NSF is not a big problem.
West Virginia	
Wisconsin	
Wyoming	

Additional comments:

Full text of email:

I am sure this has been discussed before, but do you take personal checks for payment of filing fees and/or services (copies, certificates, etc.)? We do not seem to have a problem with UCC Filings, but are getting a lot of Business Entity Filing fees back from the bank as NSFs. So the question is what payment method do you require?

Thanks for taking the time to respond and I hope everyone had a wonderful Thanksgiving.

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