

Topic: eCheck Question
 Question by: Robert N. Lindsey
 Jurisdiction: Virginia
 Date: April 12, 2012

Jurisdiction	Question(s)
	Does your jurisdiction accept eChecks as a form of electronic payment? What has been your experience with returned eChecks on any type of filing? Specifically, how do you handle UCC filings when the eCheck is returned unpaid?
Manitoba	
Corporations Canada	
Alabama	
Alaska	
Arizona	Arizona Corporation Commission does not accept e-checks. Not sure if AZ Sec. of State does.
Arkansas	
California	
Colorado	
Connecticut	
Delaware	
District of Columbia	In the District of Columbia our online system will only accept Visa and Master card for the time being.
Florida	When we started electronic filing in 2000 we offered echeck as a payment type. In one of the last IACA Conferences I went to I brought up the issue of "insufficient funds" with echeck payments and everyone had the same reaction as Kathleen did. Everyone thought the money was a sure thing. We cancelled the ability to file by echeck and haven't even considered adding it back again.
Georgia	Georgia doesn't accept eChecks
Hawaii	See additional comments below

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Idaho	Idaho does not accept echecks.
Illinois	
Indiana	
Iowa	
Kansas	
Kentucky	
Louisiana	Louisiana does not accept eChecks
Maine	<p>Maine accepts eCheck payments for electronic annual reports only. We have experienced many issues with these. If we are unable to collect the bounced eCheck, we remove the annual report filing from our records. We also charge the customer the bank fees associated with the returned eCheck transaction.</p> <p>In regard to UCC filings, we don't accept eCheck payments. However, if a paper check is returned for insufficient funds or a closed account, we give them 10 days to pay for the filing. If payment is not received, we would remove the filing. We have never encountered one that we actually had to remove the UCC filing. The Secured Parties are typically very fast in reimbursing our office. We charge the customers these bank fees as well.</p>
Maryland	
Massachusetts	Massachusetts currently accepts eChecks for payment on electronic and fax filings for both Corporations and UCC filings. In the instance of a bounced or electronic funds transfer return, the customer is billed for the filing fee. The document associated with this fee is not removed
Michigan	
Minnesota	Nor does Minnesota.
Mississippi	

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Missouri	<p>Missouri does accept eChecks for payment, internally and externally. We have also had instances of NSF's or return checks to our office. We normally find out within 3 business days if the payment by eCheck is honored. If the payment is not honored then we will remove the filing from our production or remove the filing from being viewable online, send a letter that asks for another form of payment such as: cash, money order, cashier's check, etc. and that is must be paid within 30 days.</p> <p>If we have repeat offenders of NSF for eChecks we will remove that payment option from their account. This will then give the customer the option to pay by credit card only.</p>
Montana	Montana accepts e-checks and have experienced difficulties in the past as you described below. We work with our contractors on obtaining the funds and will un-file their document if they do not satisfy what they owe. There are very few cases where we don't end up receiving the funds.
Nebraska	Nebraska accepts e-checks only for biennial /occupational taxes. It can be a problem, contacting the entity who bounces the check and getting them to take care of the bad check or bad check routing numbers etc.
Nevada	Nevada suspended use of eChecks over a year ago due to similar issues. Due to limitations in verifying any information by systems, we were finding that most of the information on the bad e checks was bogus. Most were for copies and certificates on expedited basis. We decided until the systems could validate e-checks like credit cards, usage was not worth the hassle.
New Hampshire	New Hampshire does not accept eChecks at this time. But if a check is returned as dishonored, the filing(s) associated with that payment are pulled from the system as they are not paid for.
New Jersey	
New Mexico	
New York	
North Carolina	
North Dakota	North Dakota does not accept eChecks.
Ohio	Ohio does not accept eChecks.

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Oklahoma	Oklahoma does not accept eChecks.
Oregon	
Pennsylvania	Pennsylvania does not accept echecks.
Rhode Island	Rhode Island does not accept eChecks.
South Carolina	
South Dakota	
Tennessee	
Texas	No eCheck payments for Texas.
Utah	<p>Utah, too, had too many returned checks using eChecks so we stopped using them. It credit card only online.</p> <p>Having said that.....the services provided by our private partner do sometimes use echecks, but they have to reconcile it, not us.</p> <p>When we did have them, we used the same process as paper checks - write a letter for cash or certified funds replacement, wait 15 days, send another letter, wait 45 days, but rescind the filing associated, after 60 days send to state collections. They are REALLY mean about collecting the money.</p>
Vermont	
Virginia	
Washington	<p>Washington SOS does not accept e-checks at this time but we are working on it, as our partner agencies do accept them. We assume that we will handle a rejected e-check the same way we do paper, which is to back out the filing until the fee is paid. However, after reading some of the answers on this question, I think we will reconsider it ☺</p>
West Virginia	
Wisconsin	Wisconsin doesn't accept eChecks at this time.
Wyoming	

Additional comments:

HAWAII:

In Hawaii, we accept eChecks only for online annual report filings. If the eCheck bounces we flag the file, see our "Business Name Search" result. We do not accept any other filings for a file with a bounced check status, until the bounced check is cleared. We will involuntarily dissolve/cancel/terminate an entity if they are 2 or more years delinquent in filing annual reports.

The screenshot shows the Hawaii.gov website interface. At the top, there is a blue and green banner with the Hawaii.gov logo and the Department of Commerce & Consumer Affairs Business Registration logo. Below the banner, the page title is "JUCA MEXICAN RESTAURANT INC." and the entity type is "TEMPORARY NAME". A navigation menu on the left lists various services like "Annual Business Filing", "Search for a Business Entity", and "Purchase Documents Online". The main content area displays "General Information" for the entity, with the following details:

TEMPORARY NAME	JUCA MEXICAN RESTAURANT INC.
FILE NUMBER	220650 D1
STATUS	Bounced Chk
DATE	Oct 1, 2009
DESCRIPTION	Annual Filing for 2009

Aloha,

Kristyne Tanaka
Documents Registration Supervisor
Dept. of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street
Honolulu HI 96813
ph. (808) 586-2727

CALIFORNIA:

I'm curious - I thought one of the advantages of accepting e-checks is that the funds covering the check are taken from the customer's account right away - eliminating or reducing the risk of a dishonored check. Does it not work that way?

Kathleen Vasquez – California

It does not work that way.....you still have the delay and there is no one validating the info or having an alert if it's a bad offender.

Kathy Berg - Utah

The system we have seen do not work that way. They basically work the same as a regular check except non paper or time delays. You may not know for several days that the e-check was dishonored and the customer has already benefitted from the services provided.

Scott Anderson - Nevada

Full text of email:

Good Morning everyone! I know that there has been a lot of questions circulating via Listserve, here of late, but VA has some particular questions concerning eChecks and would really appreciate input from our good friends that participate on IACA's Listserves.

Virginia currently accepts eChecks as part of our eFile system. We have had a few instances of return checks and one particular customer has filed a number of financing statements using a closed checking account.

Does your jurisdiction accept eChecks as a form of electronic payment? What has been your experience with returned eChecks on any type of filing? Specifically, how do you handle UCC filings when the eCheck is returned unpaid?

Thanks in advance for your valuable input.

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