

Banks, play straight with checks

How many workers have had difficulty cashing a payroll check? For identification, you present a drivers license, but then the bank requires a second form of identification, which you do not have — such as a credit card, employee ID card, student ID, etc., resulting in the bank not cashing your check. Then, if you do have what the bank considers proper identification, it charges non-account holders \$3 to \$8 to cash a check drawn on one of its customers' accounts.

A bank charges this fee to non-account holders to recoup costs involved in cashing the check. If the bank really wanted to reduce costs, it could eliminate checking accounts. The sole purpose behind a checking account is to authorize your bank to draw from your account the funds stated on the check when presented for payment. This is a service to the account holder and an inconvenience to the endorsee.

A bank that refuses to make payment when presented, without a fee, has dishonored a check. If a check is dishonored or returned unpaid for any reason, under IC 26-1-3.1-502.5 the holder may charge and collect from the issuer up to \$20 for the dishonored check. Employers beware. Does your bank charge non-account holders to cash a check you write them? If so, be honorable and change to a bank which honors your checks regardless of whether the payee has an account at your bank.

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