|  |  |  |
| --- | --- | --- |
| Title of Policy: | **Automatic Bank Draft Policy** | **Pg 1-2** |
| Section #: | Section 3 |  |
| Approval Date: | **February 9, 2021** |  |
| Revision Date: |  | Policy 3.1 |

**POLICY STATEMENT**

1. KWD will accept bank drafts at any participating banks
2. The customer must complete and sign a preauthorization form (see appendix) and attach a voided check on the bank that the draft will be drawn.
3. KWD will mail or email a bill to the customer with the message Paid by Bank Draft or other such wording printed on the bill on the date of its regular billing. This will give the customer time to examine the bill before it is deducted from their account.
4. The customer’s draft will be presented to the bank for payment on the 15th of each month. If the 15th falls on a weekend or holiday, KWD will present to the bank on the next following business day.
5. If funds are not available in the customer’s account at the time the draft is presented and the draft is returned unpaid, KWD will…
6. Attempt to Notify the customer that the draft was returned unpaid;
7. Upon return of the unpaid draft, an additional fee will be added to the customer’s account; the fee will be maximum fee set by TCA 47-29-102

*When any check, draft, or order is not paid by the drawee because the maker or drawer did not have an account with or sufficient funds on deposit with the financial institution, or the draft, check, or order has an incorrect or insufficient signature thereon, the payee of such check, draft, or order is authorized to assess a handling charge against such maker or drawer in an amount not to exceed thirty dollars ($30.00).*

1. The customer account will be subject to any penalties due and subject to KWD’s Discontinuance of Service (Cut-Offs) policy.
2. Any customer whose draft is returned unpaid two (2) consecutive billing cycles will be removed from the Automatic Payment Method.
3. Customers who wish to change back to the regular payment options may do so at any time by writing KWD and requesting to be removed from the Automatic Payment Method. Upon receipt of this request, the customer will be removed at the next available billing cycle.