

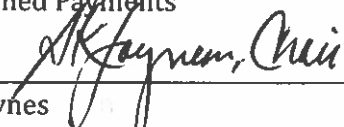
# Policy and Procedure

## Virginia Winery Distribution Company

Number:  
Adopted: 3/11/2025  
Revised:  
Effective:

Subject: Returned Payments

Approval: \_\_\_\_\_  
Chair: Stan Joyner



### I. PURPOSE

The purpose of this policy is to outline the procedures and consequences for handling returned checks, ACH payments, and Fintech transactions issued to the Virginia Winery Distribution Company (VWDC). This policy ensures compliance with Virginia law and maintains the financial integrity of the company.

### II. SCOPE

- A. **Issuance of Checks, ACH Payments, and Fintech Transactions** – All payments to VWDC should be made in a timely manner using valid checks, money orders, ACH, or through Fintech. Customers are advised to ensure sufficient funds in their accounts when issuing checks, authorizing ACH payments, or processing transactions through Fintech.
- B. **Returned Checks, ACH Payments, and Fintech Transactions** – A check, ACH payment, or Fintech transaction is considered returned if it is not honored by the bank or Fintech platform.
- C. **Additional Charges** – In accordance with § 2.2-4805 (B) of the Code of Virginia, the customer will be charged a handling fee of \$50 for each returned check, ACH payment, or Fintech transaction. This fee is non-negotiable and must be paid in addition to the amount of the returned check, ACH payment, or Fintech transaction.
- D. **Repayment Method** – The repayment must be made via certified funds (cashier's check or money order) excluding cash. Cash, business checks, personal checks, credit card, or debit card payments will not be accepted.
- E. **Repayment Deadline** – The customer must make the repayment within five (5) business days of notification. Failure to make the required repayment within this deadline may result in more aggressive collection methods.

### III. WHOLESALE REPORTING REQUIREMENTS

- A. Wholesalers shall report to the Virginia Alcoholic Beverage Control Authority (Virginia ABC) any invalid checks or incomplete electronic fund transfer reports received in payment of wine or beer when either:

- i. Any such invalid check or incomplete electronic fund transfer is not satisfied by the retailer within seven (7) calendar days after notice of the invalid check or a report of the incomplete electronic fund transfer is received by the wholesaler, or
- ii. The wholesaler has received, whether satisfied or not, either more than one such invalid check from any single retail licensee or more than one incomplete electronic fund transfer report from the bank of any single retail licensee, or any combination of the two, within a period of 180 days.

**B. Recordkeeping:**

- iii. All transactions involving returned checks, ACH payments, Fintech transactions, and related charges will be recorded and maintained as per the requirements outlined in 3VAC5-30-30. Proper documentation will ensure transparency and accountability in handling returned checks, ACH payments, and Fintech transactions.

**IV. COLLECTION METHODS**

**A. The following collection methods may be utilized for returned check, ACH, or Fintech payments:**

- **Notification** – The customer will be notified of the returned check, ACH payment, or Fintech transaction within five (5) business days of the bank notifying VWDC.
- **Account Suspension** – VWDC will suspend the customer's account until the debt is cleared.
- **Certified Letter** – If the customer fails to repay the returned check and the returned check fee within five business days, VWDC will send a letter to the customer via certified mail.
- **Notification to Virginia ABC** – VWDC will notify Virginia ABC of returned payments received for wine purchases according to 3VAC5-30-30 of the Virginia Administrative Code.
- **Notification to VDACS Finance** – For returns under \$3,000, VWDC will notify Virginia Department of Agriculture and Consumer Service's Finance unit of returned payments that are 60 days past due.
- **Notification to Division of Debt Collection** – For returns that exceed \$3,000 and are 60 days past due, VWDC will refer the collection to the Division of Debt Collection of the Office of the Attorney General pursuant to § 2.2-4806(C) of the Code of Virginia.

| Version History |           |                |
|-----------------|-----------|----------------|
| Version         | Date      | Change Summary |
| 1               | 3/11/2025 | Policy adopted |
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