

Disputed Credit Card Payments

Resources:

- 03-04.03 Forms and Instructions for the [district court eFiler dispute letter](#)
- [Legal Opinions](#)

Purpose:

This section was created to help minimize loss as credit card payments can be disputed up to 120 days.

Policy:

1. When a credit card is disputed, the individual is no longer able to pay by credit card at the court or through the court web payment system.
2. Attorneys paying online for efilings are excluded. (Refer to the “10 day” Letter. The Clerk of Court may grant a waiver if payment is made in person and trust/restitution isn't due.
3. A refund should never be performed in the Heartland system, only a reversal is required in court computer systems.
4. Upon notice of the potential dispute, the court will delay at least another 45 days before the releasing of funds (i.e. District-case warning/trust note; Juvenile –flag order account) to allow for the potential of Pre-arbitration. See legal Opinion dated 2/2/2012 “Victim Restitution – when credit card payment is disputed.”

Procedure:

Responsibility Action

AOC Finance

1. An alert of the pending dispute will be reported through InfoCentral (Heartland product).

2. Contact the individual court location for additional documentation if necessary.
3. Alert the court site when a disputed payment has been made on a trust receivable which has not been issued, to ensure the court refrains from writing a trust check.

Appellate/District/Juvenile Courts Accountant

4. Upon notification from AOC Finance that the charge is being disputed, the charge will stand contested and the following procedures shall be followed:
 - a. The accountant (clerk) enters the equivalent to an “NSF reversal” for the amount of the disputed charge. Based on the level of court, a reversal reason is selected.
 - i. Juvenile court reason: 'Disputed Credit Card.' A case warning is added and cashiers are not able to receipt another credit card to the case unless waived by the clerk of court. To clear the block notify the clerk of court.
 - ii. District court reason: 'Disputed Credit Card'. A case warning is added and the individual is prevented from paying by credit card on the internet website (not to be confused with eFiler payments as credit cards are still allowed through that process). Only by clerk of court waiver can future credit card payments (if no trust receivable) be allowed **in person**.
 - iii. Appellate court: Non-sufficient fund reversal.
 - b. No reversal of the payment through Heartland is required as this is done by the bank.
 - c. CARE and CORIS will generate a disputed payment letter which is sent to the defendant (not the name on the card) informing them the payment has been reversed.
 - d. For disputed **eFiler** payments, the CORIS generated letter should not be used as the card holder can still make future payments by card. Refer to the “10 day” letter.
 - e. Based on local policy, the accountant shall provide a copy of the bank charge document (including case number, payer's name, disputed amount, etc.) to the judge's clerk (district) or probation officer (juvenile) or clerk (appellate), in case the court desires to have an Order to Show cause hearing scheduled to determine if collection costs should be assessed (currently no additional fee is added). If the Judge determines to assess the cost incurred for the disputed credit card charge, an accounts receivable/order account for Court Costs (CC revenue code) needs to be set up on the case. See [Allowable Fees and Costs Legal Opinion 7/20/2004](#).

5. Disputed credit card reversals will not affect the *daily balancing* of the journal.
6. Disputed credit card reversals will cause the *weekly revenue reconciliation* to be out of balance as the shortage is reflected in the Revenue Distribution Report. On the appropriate line reflect the name and case number to offset the discrepancy. A copy of the dispute notice should be included with the scanned reconciliation documentation. See Section 03-06.00 Revenue Reporting.
7. Disputed credit cards affecting the *trust account* will appear as a transfer on a bank statement.
8. Contact the AOC Finance department if unable to do a dispute reversal (i.e. trust check has been issued) to account for the shortage. See also Section 03-05.00 Overages and Shortages.
9. Retain a record of all information pertaining to the disputed transaction as per the Courts Records Retention Chart.