

1. The date on which each check, draft or money order was originally cashed by licensee;
2. The issuer of each check, draft or money order;
3. The date of each check, draft or money order returned unpaid;
4. The name of the drawer of each check, draft or money order returned unpaid;
5. The name of the payee or last endorser of each check, draft or money order;
6. The amount of each check, draft or money order returned unpaid;
7. The name of the bank on which each check, draft or money order is drawn;
8. The reason for which each check, draft or money order was returned unpaid;
9. The date on which each check, draft or money order was redeposited;
10. The date and manner of payment of each check, draft or money order, with complete details of the disposition made of it, including a record of the specific check, draft or money order utilized in the payment of the original item; and
11. A current record, updated (monthly), showing the efforts and progress being made to collect any unpaid checks, drafts, or money orders, including the receipt of partial payments.

3:24-5.4 Daily cash reconciliation

(a) A daily cash reconciliation shall be maintained which shall contain the following information:

1. Cash on hand at opening of business;
2. Checks, drafts or money orders cashed the previous day and on hand at opening of business;
3. Cash received during the day showing in detail the source of funds;
4. The total amount of fees received during the day;
5. The sum of items (a)1 through 4 above;
6. The total deposits made during the day;
7. Other cash paid out during the day showing in detail the nature of the disbursement;
8. The sum of items (a)6 and 7 above;
9. Item (a)5 less item (a)8 above, representing the cash on hand and the total of undeposited checks, drafts or money orders, cashed during the day;
10. The total of cash included in item (a)9 above; and

11. Cash on hand at close of business day with shortages or overages explained (disposition or resolution).

3:24-5.5 Deposits

(a) All checks, drafts and money orders shall be deposited no later than the next business day in a financial institution located in this State which has been identified to the Department or located outside this State, if the out-of-State financial institution is approved by the Commissioner as set forth in this section. Use of a bank's night deposit facility, if any, is permitted. In order for an out-of-State financial institution to qualify for approval by the Commissioner, it shall:

1. Be insured by the Federal Deposit Insurance Corporation;
2. Provide a letter from its primary regulator confirming that the financial institution is adequately capitalized and managed; and
3. Not make or facilitate, directly or indirectly, payday loans, title loans or refund anticipation loans through the check casher or otherwise in this State, and shall provide a certification to the Department to that effect.

(b) When the number of payroll checks cashed amount to 50 or more, the licensee may present such package of checks to the drawee bank or the maker of the checks and receive in exchange a single draft, provided full details of the transaction are recorded. Separate tapes of these transactions shall be maintained as set forth in N.J.A.C. 3:24-5.2.

(c) All checks, drafts, money orders cashed on any one day and deposited on the same day or next business day shall be deposited under a separate deposit total and not commingled with any other day's business.

(d) A violation of this section shall occur if a licensee instead of depositing all checks, drafts and money orders as required:

1. Cashes all or any of them at another check casher;
2. Exchanges all or any of them for another check or checks; or
3. Negotiates all or any of them in any manner or for any purpose other than that provided in this section.

(e) If an out-of-State financial institution approved by the Commissioner fails to maintain the standards specified in (a) above or if the institution is placed under a supervisory order from its primary regulator or operates in a manner inconsistent with safe and sound financial practices, the Commissioner may take such action as he or she deems appropriate and necessary to protect the licensee and the public. The action may include revoking the approval conferred by the Commissioner on the institution pursuant to (a) above and requiring any check casher utilizing that institution to submit and comply with a plan for moving its business account(s) to a different institution within a reasonable timeframe established by the Department. If a check

casher utilizing such an institution fails to supply such a plan or fails to comply with a plan submitted, the Department may suspend, revoke or refuse to renew the license of the check casher pursuant to N.J.S.A. 17:15A-48(a)1.

Amended by R.2006 d.329, effective September 18, 2006.

See: 37 N.J.R. 2917(a), 38 N.J.R. 3773(a).

Rewrote the introductory paragraph of (a); added (a)1 through (a)3; and added (e).

3:24-5.6 Dual business and deposit record requirements

(a) The checks, drafts, money orders or cash of any other business in which the licensee is engaged shall not be commingled with other funds in the licensee's bank account or with the cash or checks on hand.

1. A licensee may apply to the Commissioner in writing for an exception to the requirements set forth in (a) above which prohibits commingling of checks, drafts, money orders or cash of any other business conducted by the licensee on the same premises, with the cash or checks on hand. The Commissioner shall grant an exception based on the following criteria and conditions:

i. The licensee shall continue to maintain a separate bank account for the check cashing business as required by N.J.S.A. 17:15A-44f and N.J.A.C. 3:24-5.6(a);

ii. The licensee shall provide the Department with complete access to all check cashing records, as well as the records of all other businesses, funds of which are commingled with funds of the check cashing business, conducted by the licensee at the licensed location(s) and/or at the approved limited station branch(es);

iii. The licensee shall maintain and utilize a separate payment bank account for transfers of funds and/or payment of funds related to other businesses;

iv. The licensee shall fill out Department Form No. 001-95 on a daily basis for each licensed location and for each limited station branch. Form No. 001-95 shall provide financial accounting deemed sufficient to track the flow of funds and to reconcile cash balances of all activities which result in use of the check cashing drawer for funds. These forms shall be maintained on file for a period of two years; and

v. The check cashing register tape of all activity (including, but not limited to, checks cashed and money order activity) shall be available with Form No. 001-95.

(b) Separate records shall be kept for a check cashing business conducted on the same premises where another business is also operated. In such cases the licensee shall apportion to the check cashing business its share of expense. Reasonable estimates may be used.

Amended by R.1995 d.656, effective December 18, 1995.

See: 27 N.J.R. 3255(a), 27 N.J.R. 5011(b).

3:24-5.7 Prohibitions

(a) In addition to the prohibitions contained in N.J.S.A. 17:15A-30 et seq., no licensee or person acting on behalf of a licensee shall:

1. Cash a check made payable to "cash";
2. Cash a check using any form of consideration other than cash; or
3. Cash a check for anyone other than the payee named on the face of the check, except where the presenter of the check to be cashed has obtained a written, notarized authorization from a disabled payee specifically requesting the presenter to cash the check.

SUBCHAPTER 6. ADDITIONAL REPORTS

3:24-6.1 Annual report

Each check cashing licensee shall file, on or before March 1, an annual report as mandated by N.J.S.A. 17:15A-45. In accordance with N.J.A.C. 3:1-7.6, the Department shall assess a penalty against a licensee for each report the licensee files late.

New Rule, R.1995 d.655, effective December 18, 1995.

See: 27 N.J.R. 3655(a), 27 N.J.R. 5011(a).

Former 3:24-6.1, "Additional reports; fee", recodified to 3:24-6.2.

Amended by R.2000 d.177, effective May 1, 2000.

See: 32 N.J.R. 344(a), 32 N.J.R. 1513(b).

Amended by R.2006 d.235, effective June 19, 2006.

See: 38 N.J.R. 10(a), 38 N.J.R. 2674(a).

Section was "Annual report; fee". Substituted "In accordance with N.J.A.C. 3:1-7.6, the" for "The licensee shall submit a fee of \$100.00 with each report filed. The" and deleted "\$50.00" preceding "penalty".

3:24-6.2 Additional reports

(a) In any case in which the Commissioner finds that reasonable grounds exist for requiring additional record-keeping and reporting, the Commissioner may issue an order requiring any licensee or group of licensees in a geographic area to provide information regarding transactions that involve a total dollar amount or denomination of \$2,500 or more, including the names of the persons participating in those transactions.

(b) A licensee shall maintain in its files for five years a copy of any Currency Transaction Report it is required to file with the New Jersey Attorney General's office and the Federal government.

Recodified from 3:24-6.1 by R.1995 d.655, effective December 18, 1995.

See: 27 N.J.R. 3655(a), 27 N.J.R. 5011(a).

Amended by R.2006 d.235, effective June 19, 2006.

See: 38 N.J.R. 10(a), 38 N.J.R. 2674(a).

Section was "Additional reports; fee". Deleted former (b) and recodified (c) as (b).