

## CHAPTER 24 CHECK CASHING

### Authority

N.J.S.A. 17:1-8 and 15e, 17:1C-33 et seq. and 17:15A-30 et seq.

### Source and Effective Date

R.2005 d.191, effective May 25, 2005.  
See: 37 N.J.R. 697(a), 37 N.J.R. 2201(a).

### Chapter Expiration Date

Chapter 24, Check Cashing, expires on May 25, 2010.

### Chapter Historical Note

Chapter 24, Check Cashing, was adopted as R.1984 d.345, effective August 20, 1984. See: 16 N.J.R. 186(b), 16 N.J.R. 2264(b).

Pursuant to Executive Order No. 66(1978), Chapter 24, Check Cashing, was readopted as R.1989 d.486, effective August 18, 1989. See: 21 N.J.R. 1765(a), 21 N.J.R. 2956(a). Pursuant to Executive Order No. 66(1978), Chapter 24 expired on August 18, 1994.

Chapter 24, Check Cashing, was adopted as new rules by R.1995 d.189, effective April 3, 1995. See: 26 N.J.R. 4863(b), 27 N.J.R. 1442(c).

Pursuant to Executive Order No. 66(1978), Chapter 24, Check Cashing, was readopted as R.2000 d.177, effective April 3, 2000. See: 32 N.J.R. 344(a), 32 N.J.R. 1513(b).

Chapter 24, Check Cashing, was readopted as R.2005 d.191, effective May 25, 2005. See: Source and Effective Date. See, also, section annotation.

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### SUBCHAPTER 1. GENERAL PROVISIONS

#### 3:24-1.1 Purpose

The purpose of this chapter is to implement and to augment the requirements of N.J.S.A. 17:15A-30 et seq., "The Check Cashers Regulatory Act of 1993."

#### 3:24-1.2 Scope

These rules are applicable to all licensed check cashers and applicants for licensure.

#### 3:24-1.3 Definitions

Words and terms, when used in this chapter, shall have the meanings as defined at N.J.S.A. 17:15A-31 unless defined below or the context clearly indicates otherwise.

"Act" means N.J.S.A. 17:15A-30 et seq., "The Check Cashers Regulatory Act of 1993."

"Appropriate documentation" means a corporate resolution filed with the Secretary of State, Federal taxpayer identification number, filed New Jersey Certificate of Authority, filed trade-name certificate or other readily verifiable official document.

"Cash" (cashing a check) includes both the exchange of money for the presentment of a check, and the acceptance of a replacement check for one which has been returned for insufficient funds.

"Commissioner" means the Commissioner of Banking and Insurance.

"Consideration" means, but is not limited to, a requirement by the check casher that a person make a purchase or otherwise patronize a business operated by the check casher in order to cash a check at the check cashing establishment, or a returned check charge imposed by a bank.

"Department" means the Department of Banking and Insurance.

"Disabled person" means, for the purpose of these rules, a person whose disability either temporarily or permanently prevents him from going into a check cashing establishment for the purpose of cashing a check.

"Essential records" includes all records listed in N.J.S.A. 17:15A-441 and m; N.J.A.C. 3:24-5.3(a); and all corporate resolutions.

"Insolvent" means that the check cashing licensee cannot or does not pay his or her debts as they become due in the normal course of business, or his or her financial statement indicates that the licensee has a negative net worth.

"Person" includes corporations, companies, associations, societies, firms, partnerships and joint stock companies as well as individuals, unless the context clearly indicates otherwise.

Amended by R.2000 d.177, effective May 1, 2000.  
See: 32 N.J.R. 344(a), 32 N.J.R. 1513(b).  
Inserted "Commissioner" and "Department".

### 3:24-1.4 Application fees

(a) An application fee of \$700.00 shall be charged for the following:

1. Application for a principal office;
2. Application for a full branch office;
3. Application for a limited branch office; and
4. Application for a mobile office.

Amended by R.2000 d.177, effective May 1, 2000.  
See: 32 N.J.R. 344(a), 32 N.J.R. 1513(b).

In (a), increased the fee from \$250.00 to \$300.00 in 1, and increased the fee from \$100.00 to \$250.00 in 5.  
Recodified from N.J.A.C. 3:24-1.5 by R.2006 d.235, effective June 19, 2006.

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

Former N.J.A.C. 3:24-1.4, License fees; reporting fee, repealed.  
Rewrote the section.

### 3:24-1.5 Application process; requirements

(a) No applicant for a license shall commence operations until a license has been issued.

(b) In addition to the information required to be furnished to the Department by N.J.S.A. 17:15A-33 through 39, the applicant shall supply the following as part of its application for each director, substantial stockholder, officer, owner, partner, member, manager and employee of the business to be licensed:

1. A personal certification on a form supplied by the Commissioner;
2. A two-inch by two-inch passport style photograph of the persons listed in (b) above;
3. Fingerprints in the manner currently required by the New Jersey State Police or their authorized representative;
4. Application fee(s) as required by N.J.A.C. 3:24-1.4; and
5. Any other information or supporting documentation relating to the operation of the proposed check cashing business which the Commissioner may require.

(c) Corporate applicants for a check cashing license shall submit a copy of the Certificate of Incorporation showing the filed or recording stamp of the New Jersey Department of Treasury, Division of Revenue, and shall identify the registered agent for service of process. Foreign corporations shall submit a New Jersey Certificate of Authority in addition to their corporate certificate. A limited liability company shall submit a filed copy of its operating agreement.

(d) Individual or partnership applicants using a trade name shall submit a copy of the trade name as filed with the county clerk showing date of recording.

(e) Corporations using alternate names shall file a copy of registration of such name, as recorded, as part of their applications, in addition to the documents listed in (c) above.

(f) A new employee, hired after a license has issued, may begin work pending receipt by the Department of fingerprint results provided all other information is complete and satisfactory.

(g) Applicants seeking approval of a branch, mobile office, change of address or for change of control must have their license in good standing to receive said additional approval.

(h) Applicants seeking approval of change of address shall submit:

1. A physical description of the premises;
2. Two interior and two exterior photos of the premises;
3. A copy of the executed lease;
4. Necessary permits, variances or other documentation sufficient to demonstrate that the facility is in compliance with all applicable State, county and municipal laws, ordinances and traffic regulations; and
5. Proof of compliance with N.J.S.A. 17:15A-41(e) regarding the requirement that no office or mobile office shall be located within 2,500 feet of an existing office or mobile office.

(i) Applicants who file applications lacking any necessary information shall be notified by letter of the missing information and shall have one year from the date of the letter to submit the information or the application will be deemed withdrawn. If an application is so withdrawn, all application fees shall be retained by the Department and shall not be applied to any re-application.

(j) Changes in bank accounts and banking institution information supplied to the Department pursuant to N.J.S.A. 17:15A-44(f) and (g), information submitted as part of an application as set forth in (b) above or the New Jersey motor vehicle registration or other identification of a mobile office and the exact locations where any mobile office unit will be operated, shall be reported in writing to the Department

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 the financial institution in this State which has been identified to the Department. Use of a bank's night deposit facility, if any, is permitted.

(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.

#### 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).