



ALGONA MUNICIPAL UTILITIES

Communications Customer Deposit Rules

April 27, 2022

Customer Deposits

A deposit intended to guarantee payment of bills for service may be required from either an existing or new customer. A person other than the customer may pay the deposit.

Credit Criteria for New Customers

A deposit may be required of an applicant if any of the following criteria exists:

- Primary account holder's past payment history with AMU is unsatisfactory.
- Primary account holder's credit history is unsatisfactory.
- Payment history of any co-applicant with AMU is unsatisfactory.

Deposit Calculation

AMU will utilize a secure credit service to determine the credit worthiness of a customer. Deposit is in addition to payment for communication services which are billed in advance.

A deposit amount will be calculated based on the following results:

Color	Default Deposit
Green	Waive Deposit
Yellow or Red	1X Highest Actual or Estimated Monthly Communications bill during the previous 12-month period, plus \$50 deposit if customer takes AMU long distance telephone service.

Credit Criteria for Existing Customers

A new or additional deposit may be required, upon 12 days written notice, of a current customer whose initial deposit has been refunded or is found to be inadequate. The new or additional deposit shall ensure a total deposit equal to the highest actual or estimated monthly billings for the customer. The customer will have no less than 12 days from the date of written notice to comply with the required new deposit.

AMU may also require a new or additional deposit from customers who meet any of the following criteria:

- Customer has received two disconnect notices or NSF checks or ACH Reject notices, or a combination of any two, in the last 12-month period. If the customer has had service less than 12 months the number of notices will be prorated.
- If AMU becomes aware that a current or former customer with outstanding debt is living with the primary customer.
- Diversion of services or fraud.

Interest on Deposits

AMU will not pay interest on deposits.

Deposit Receipts

AMU shall issue a receipt of deposit to each customer from whom a deposit is received. A customer who has lost their receipt may obtain a duplicate receipt by filing a written claim at the business office, and by providing adequate personal identification.

Record of Deposits

AMU will maintain a record of all deposits indicating:

- The name and address of each depositor.
- The amount and date of the deposit.
- Each transaction concerning the deposit.

Deposit Refunds

A deposit may be refunded after 12 consecutive months of prompt payment. This time may be extended when AMU has reason to believe that continued retention of the deposit is required to insure the payment for future billings for services. When an account is disconnected, the deposit will be applied to the final balance due. Any remaining credit will be transferred to other balances owed to the Utility, and any remaining credit thereafter shall be reimbursed to the account holder (unless deposit was paid by an agency, in which case the agency would receive the refund). If there is a credit remaining after the balances due have been paid in full, a refund check will be mailed to the forwarding address provided by the customer. If any credit amount is equal to or less than \$5.00 a refund will not be issued.

Unclaimed Deposits

A record of each unclaimed deposit shall be maintained for at least two years from the date service is terminated. During that period, AMU will make a reasonable effort to return the deposit if it is greater than \$5.00. Unclaimed deposits shall be credited to an appropriate Utility account. Deposits greater than \$5.00 remaining unclaimed one year after termination of service will be transferred to the State Treasurer in accordance with Chapter 556.11, Code of Iowa.