

[Your Company/Organization Name]  
[Your Address]  
[City, State, Zip Code]  
[Phone Number]  
[Date]

[Recipient Name]  
[Recipient Address]  
[City, State, Zip Code]

**Subject: Notice of Insufficient Funds and Penalty Warning**

Dear [Recipient Name],

This letter is to inform you that the payment submitted on [Date of Payment] in the amount of \$[Amount] was returned by your financial institution due to non-sufficient funds (NSF).

The details of the returned payment are as follows:

- **Transaction Reference Number:** [Reference Number]
- **Bank Name:** [Bank Name]
- **Reason for Return:** Insufficient Funds

As per our policy, a returned payment fee of \$[Penalty Amount] has been applied to your account. To avoid further action or service interruptions, please provide a replacement payment including the penalty fee by [Due Date].

Please make your payment via one of the following methods:

- Cashier's check or money order
- Credit or debit card via our online portal
- Cash at our main office

Please note that future payments made with a personal check may no longer be accepted if multiple instances of insufficient funds occur.

If you have already sent the replacement funds or believe this notice was sent in error, please contact our billing department immediately at [Phone Number].

Sincerely,

[Your Name/Department]  
[Your Title]