[Date]
[Customer Name]
[Customer Address]
[City, State, Zip Code]

Subject: Notice of Returned Check and Penalty Fee

Dear [Customer Name],

This letter is to inform you that your check number #[Check Number], dated [Check Date], in the amount of $[Amount], has been returned by the bank unpaid due to [Reason, e.g., Insufficient Funds].

As per our payment policy, a returned check penalty fee of $[Fee Amount] has been applied to your account. This fee is necessary to cover the administrative costs and bank charges incurred by our company.

To settle this balance, please provide a total payment of $[Total Amount Due] (original amount plus penalty fee) by [Due Date]. We request that this payment be made via [Payment Method, e.g., Cash, Money Order, or Certified Check].

Please contact our office at [Phone Number] or [Email Address] if you have any questions regarding this matter.

Sincerely,

[Your Name/Signature]
[Your Title]
[Company Name]