



Ohio Revised Code

Section 1304.12 Responsibility for collection or return - when action timely - UCC 4-202.

Effective: August 19, 1994

Legislation: Senate Bill 147 - 120th General Assembly

(A) A collecting bank shall exercise ordinary care in doing all of the following:

(1) Presenting an item or sending it for presentment;

(2) Sending notice of dishonor or non-payment or returning an item other than a documentary draft to the bank's transferor after learning that the item has not been paid or accepted;

(3) Settling for an item when the bank receives final settlement;

(4) Notifying its transferor of any loss or delay in transit within a reasonable time after discovery of the loss or delay.

(B) A collecting bank exercises ordinary care under division (A) of this section by taking proper action before its midnight deadline following receipt of an item, notice, or settlement. Taking proper action within a reasonably longer time may constitute the exercise of ordinary care, but the bank has the burden of establishing timeliness.

(C) Subject to division (A)(1) of this section, a bank is not liable for the insolvency, neglect, misconduct, mistake, or default of another bank or person or for loss or destruction of an item in the possession of others or in transit.
