

IRISH PAYMENT SERVICES ORGANISATION LTD



Irish Paper Clearing Company Limited

Recommended Guidelines for Printing and Using Company Cheques in the Republic of Ireland

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IPSO Standards have been developed to facilitate the automation of the clearing process of debit and credit vouchers, and for this reason banks will wish to ensure the greatest degree of

compliance with the specifications laid down. Designers/Printers of vouchers are reminded of the need to obtain from their customers bank, a copy of IPSO Standard 3 for Debits and Credits, which provides the full technical specification for printing debits and credits. Where vouchers are presented for clearing which do not conform to the relevant standard, banks may find it necessary to subject such vouchers to special clearing procedures and charge accordingly.

Designers and Printers and Customers must refer their proposed designs to their clearing bank for approval and testing of design and code line, before issuing the vouchers for use.

Medallion Stamp Duty

All cheques printed for use in the Republic of Ireland shall contain the Medallion Stamp Duty Symbol with the word 'IRELAND' printed in Arial 6pt beneath or over the medallion stamp duty symbol. Certain Government cheques are exempted from Medallion Stamp Duty.

Medallion Stamp Duty is payable to the Revenue Commissioners in respect of each cheque issued for payment.

Customers who print their own cheques must make arrangements with their bank to pass on the Medallion Stamp Duty to the Revenue Commissioners.

Holograms on Cheques

Customers wishing to print cheques incorporating holograms, will require approval of their cheques by their clearing bank who will check that:

- the hologram attachment meets the required standard;
- the attachment process does not result in a hologram which interferes with normal clearing processes;
- the hologram has been applied by an approved hologram applier or by an approved attaching device supplied directly to bank customers wishing to perform their own attaching process.

The assessment of the value of the hologram as a security device is a matter for the judgement of the issuing bank and its customer.

Completion of Cheques

Impact Printers

Where cheques are to be completed on computer printers it is strongly recommended that impact printers with permanent ink ribbons are used. Ribbons must be changed regularly so as to maintain good print quality. One time, or total transfer ribbons must not be used. Faint print caused by a worn out ribbon makes a cheque much easier for a fraudster to alter.

Laser Printers

If a laser printer is to be used for infilling cheques then one that has passed the Pira tests for toner adhesion at Grade 1 must be used. Where non-impact printing using magnetic 'ink' toner is used then no Clear Band divider line shall be printed in the magnetic 'ink' toner because of the potential for displaced toner particles to affect the subsequent code line reading process.

Typewriters

One time or total transfer (correctable) ribbons must not be used for completing cheques. Ribbons should be changed regularly so as to maintain good print quality.

Hand-written Cheques

Indelible pen (ball point) or permanent ink should be used for completing cheques. Pencil must never be used.

Payee Name

The payee name should always be left justified. The payee name may be terminated by adding the word 'only' after it or the space to the right of the name should be filled with asterisks or ruled through with one, or preferably a pair of, horizontal parallel lines close together. Where two lines

are allowed for a payee name the second should be treated as a continuation of the first and asterisk filled, or ruled through, even if the name does not overflow into the second line.

If a name and address appears on the cheque, e.g. for use in a window envelope, then the payee name must appear separately even if it is the same as the name in the name and address field.

Amount in Words

The amount in words shall spell out in full at least the euros part of the amount in figures. This makes fraudulent alteration of the amount of a cheque much more difficult.

The practice of having separate boxes to be filled with values "ZERO" to "NINE" is not recommended. However, if they are used then **all** boxes must be completed to reduce the risk of fraudulent alteration.

Amount in Figures

When completed on a computer printer or by a typewriter, the amount in figures should be **preceded and followed** by two asterisks and left justified in the Amount Box, taking care that the leftmost asterisk does not touch or overwrite the € symbol which is to the left of, and just outside, the Amount Box. The amount should **not** include commas and the euros/cents separator should be a **hyphen**. Where the amount together with double asterisks, is too large to fit in the Amount Box then single asterisks may be used.

Point of Sale Printing

Retailers using Point of Sale (POS) terminals must comply with the standard in order that the printed amount, payee and date on cheques are of a consistently high standard.

Terminals must be maintained in good working and quality of printing is continually monitored. In order to do this the following points are to be complied with:

- machines are used to complete only those cheques whose size/design enables these details to appear in the correct position;
- customers are given the option not to have their cheques completed by machines and a notice explaining this is displayed at the point of sale;
- the customer signs his cheque only after all details have been printed;
- in the case of cheques used in conjunction with a cheque card, the retailer complies with the conditions of the cheque card scheme and the duties which these impose on him, particularly:
 - matching the signature on the cheque against that on the cheque card; and
 - examining the signature panel on the card to ensure that it has not been altered or tampered with in any way.

Manufacturers of cheque writing machines shall draw attention to these points when supplying retailers with their product.

Safe Storing of Cheques

It is recommended that companies safeguard against fraudulent misuse of cheques. The following guidance points are recommended:

- keep all unused cheques in a locked cabinet, preferably a safe or filing cabinet;
- restrict access to these cabinets to authorised personnel only;
- do not leave cheques lying around, i.e. on an unattended desk;
- ensure that cancelled cheques are crossed 'cancelled' and safely stored for audit purposes or are destroyed;
- advise the issuing bank of details of missing cheques and place stops on those cheques;
- do not permit blank cheques to leave the company premises at any time;
- do not stockpile large numbers of cheque books;
- ensure that cheques are in-filled in accordance with the recommended guidelines.