

Guideline



Best Practice Guidelines
for Business Users of
Cheques

**Personalising Company
Cheques**

October 2011

Introduction

About our series of Best Practice Guidelines

This is one of three guidelines for business users of cheques. This guideline is aimed at all businesses, including schools and public bodies, who use their own computer printing software rather than an accredited cheque printer to personalise their cheques. It contains advice to help protect business cheques from fraud and to minimise processing difficulties in the automated cheque clearing system.

What is a personalised cheque?

A personalised cheque refers to a cheque produced specifically by a business for its own use – with the cheque skeleton (the black lines) and other personalisation details such as bank name, branch details, sort code and account details overprinted on the security background of base stock paper which must be supplied by an accredited cheque printer. It can also include the printing of the Magnetic Ink Character Recognition (MICR) code line.

What is an accredited cheque printer?

The banking industry requires that all cheque base stock paper is printed by members of its Cheque Printer Accreditation Scheme (CPAS). The Scheme was introduced with the aim of tackling fraud involving cheques, and also maintaining the quality of cheque printing. The rules require that CPAS members adopt stringent security and quality standards. A full list of CPAS accredited cheque printers can be obtained from www.chequeandcredit.co.uk

Best Practice Advice

- 1. Bank Authorisation:** Any business wishing to personalise its own cheques must first seek authorisation from the bank where the account is held. The business must satisfy the bank(s) that it is aware of the requirements of C&CCC Standard 3.1 and can offer the required level of quality and security controls. Standard 3.1 can be purchased from www.ukpayments.org.uk
- 2. Purchase of Base Stock Cheque Paper from a CPAS Member:** Base stock is special cheque paper on which the coloured security background has already been printed. All GB cheques must be printed on base stock, which must be purchased from a CPAS member. A business wishing to use a laser printer to personalise its own cheques must obtain a supply of base stock that is printed on laser grade CBS1 paper. It is mandatory for the company's name to be pre-printed by the CPAS member at the head of the base stock. It is also preferable for the £ sign or euro symbol to be pre-printed.

Base stock cheques will be pre-printed with sequential numbers (usually on the reverse) to assist with stock control; these numbers are not the serial numbers of the cheques. A current list of CPAS members can be obtained from your bank or from

www.chequeandcredit.co.uk

Please also refer to the *C&CCC Best Practice Guidelines for Using Company Cheques Safely*.

3. Printing Equipment:

If the skeleton of the cheque, the personalisation data and the MICR code line are to be printed using a laser printer, the bank should confirm that the printer is a Pira-approved Grade 1 printer, and approved by C&CCC for printing code lines. The Pira list can be downloaded from www.chequeandcredit.co.uk.

4. Security and Quality Control Standards:

Proper management controls must be in place for the production of cheques, preferably using a separate security area. Staff will also have to familiarise themselves with key aspects of C&CCC Standard 3.1 which can be purchased from www.ukpayments.org.uk.

Blank base stock cheque paper is valuable and, in the wrong hands, could be used for fraudulent purposes. Necessary security and audit procedures must be established to ensure that base stock is stored securely and controlled. The bank may also wish to reserve the right for their inspectors to visit your premises.

5. MICR Code Line Testing:

To avoid problems in the automated cheque clearing, the quality of code line printing must be maintained. To achieve this regular checks on the quality of the code line characters, by using a MICR qualifier, must be carried out and also on the position of the code line by using a positioning gauge.

Where can I get more advice?

Before deciding to personalise your own cheques and to make sure you understand the implications of your decision contact the Relationship Manager at your bank, or the banking industry help desk on cpashelpdesk@chequeandcredit.co.uk.

About the Cheque and Credit Clearing Company

The Cheque and Credit Clearing Company manages the cheque clearing system in Great Britain – it also covers bankers' drafts, building society cheques, postal orders, warrants and government payable orders. The list of Cheque and Credit Clearing System members can be found on our website www.chequeandcredit.co.uk. We also manage the systems for clearing paper bank giro credits and euro cheques. Our main objective is to ensure the integrity and efficiency of the cheque clearing system for cheque users is maintained. We also manage CPAS.

Further Information

In addition, we recommend you use the other guidelines in our series:

- *Best Practice Guidelines for Using Laser Printers to Infill Company Cheques*
- *Best Practice Guidelines for Using Company Cheques Safely.*

All the guidelines are available from your bank or can be downloaded from www.chequeandcredit.co.uk

For further information please contact your bank or C&CCC:

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