

# Guideline



Cheque &  
Credit  
Clearing  
Company

Best Practice Guidelines  
for Business Users of  
Cheques

**Using Company Cheques  
Safely**

October 2017

# Introduction

## About our series of Best Practice Guidelines

This is one of three Guidelines for business users of cheques. These Guidelines contain advice on how to minimise the risk of cheque fraud.

## Who should follow these Guidelines for Using Company Cheques Safely?

All businesses, schools and public sector bodies that use cheques, as company cheques are valuable and lack of care can lead to their misuse and the risk of fraud losses. To help protect your business from cheque fraud losses we recommend that staff handling cheques are aware and comply with all the advice provided.

## Best Practice Advice

### 1. Ordering Company Cheques:

Company cheques must only be purchased from an accredited CPAS (Cheque Printer Accreditation Scheme) member, whose accreditation number and name must appear on each cheque. Orders may be placed through your bank, a CPAS member or a print broker/distributor. A full list of CPAS members is available from [www.chequeandcredit.co.uk](http://www.chequeandcredit.co.uk) or from your bank.

Orders for cheques should be only made by authorised members of staff and placed with your bank, accredited cheque printer or print broker. Phone orders should always be followed up with a written confirmation.

When ordering continuous stationery you should discuss with your accredited printer how you will be infilling, separating and cutting the cheques. This will ensure that the MICR (Magnetic Ink Character Recognition) code line is not compromised in any way. Your printer can incorporate allowances in the cheque design, such as double guillotine cuts to remove perforations, and also marks to show the positions for guillotine cuts and side slitting to remove sprocket holes.

### 2. Cheques in Data Mailers

Cheque production in data mailers is a specialised business. You are recommended to discuss your requirements in detail with your accredited printer. Ensure that the cheques and the method of infilling comply with the requirements of C&CCC Standard 3.1 - Automated Processing of Vouchers (Debits) and that the data mailers are produced by a specialist authorised by C&CCC to produce them. A list of companies authorised to produce data mailers is available with the list of CPAS members from [www.chequeandcredit.co.uk](http://www.chequeandcredit.co.uk)

### 3. Safe Control of Cheques

1. Ensure cheques are kept in a safe or a secure cabinet, particularly overnight.
2. Never allow anyone to take blank cheques home.
3. Ensure that cheques have been removed from the computer printer after use and stored securely.
4. Ensure that cheque completion (i.e. infilling) is properly supervised at all times.
5. Never leave cheques unattended, signed or unsigned.
6. Avoid holding excess stock and shred any obsolete stock.
7. Take care to check against the possibility of individual cheques being removed from the middle of cheque books or from runs of computer cheque forms.
8. Ensure that spoiled cheques are properly accounted for and destroyed.
9. Undertake regular audits of cheque stock. Any discrepancies should be investigated and your bank advised immediately.

### 4. Letter Cheque or Remittance Advice with attached Cheque:

Letter Cheques are letters listing the invoice(s) to which a payment refers with a cheque incorporated at the bottom of the page. Remittance Advices also typically have cheques incorporated in this way. Where more than one page is required, unused cheques at the bottom of the pages should be scored through with CANCELLED or infilled in such a way that they cannot be fraudulently misused.

Ensure access to computer programs is controlled by use of passwords and that all activities are recorded on an audit trail.

### 5. Laser Printers

If you use a laser printer for infilling cheque details, it is strongly recommended that it is a printer and black toner that has been approved as a Grade One laser printer. Smithers Pira works on behalf of C&CCC to approve printers. The Smithers Pira list is available from [www.chequeandcredit.co.uk](http://www.chequeandcredit.co.uk)

If you print the personalisation details (which may include bank name, branch details, sort code and account details) and the MICR code line, you MUST use a printer that has been approved by Smithers Pira and C&CCC for infilling and for printing MICR code lines.

For more information on using laser printers, please refer to our *Best Practice Guidelines for Using Laser Printers to Infill Company Cheques*. These are available from your bank or [www.chequeandcredit.co.uk](http://www.chequeandcredit.co.uk)

# Completing your Cheques

## 1a. For infilling with a laser printer

We recommend you follow the top tips which can be found in our *Best Practice Guidelines for Using Laser Printers to Infill Company Cheques* downloadable from [www.chequeandcredit.co.uk](http://www.chequeandcredit.co.uk)

## 1b. For hand-written cheques

- Use a ball point pen with indelible or permanent black or blue (preferably black) ink to complete cheques.
- You should draw a line through all unused space so that fraudsters cannot write in extra names, change the amount in words or add extra numbers in the amount box.
- Do not fold or staple cheques.
- Be sure to complete all sections, including the payee name, and the amount in both words and figures. It is also good practice to include the word 'only' after writing the amount in words to prevent any fraudulent alteration.
- Make sure you write the name of the payee clearly and correctly, starting from the left-hand side of the cheque and write the amount in figures as close to the £ sign as possible.
- Don't let your signature overlap the amount box and don't use commas or £ signs in the amount box.
- If you need to make amendments, these should be made clearly by crossing through the error and initialling or signing the correction.

## 2. Ordering and Using Continuous Cheques Stationery

The MICR code line must always follow the requirements set out in C&CCC Standard 3.1. You should discuss your requirements in detail with your accredited cheque printer, as they are obliged to comply with all the requirements of Standard 3.1.

- Perforations are permissible on any edge; however, if they are on a right-hand or bottom edge the need for a clean tear is paramount.
- If separating by guillotine, you should use a double cut so that each voucher has a clean edge.
- If separating by using a burster, the design should incorporate long slit-type horizontal perforations, which will minimise the residual webs after bursting.
- Cutting devices used for the removal of sprocket holes or pin wheel feed perforations, and for document separation, must be set to ensure that the code line is still in the correct position in relation to the new reference edges of the document.

### 3. Signing Cheques

- Cheques should only be signed by authorised signatories.
- Inform your bank of any changes to the mandate, particularly when authorised signatories leave the company.
- Never pre-sign blank cheques.
- The issue of cheques with pre-printed facsimile signatures should be strictly audited.
- When signing machines are used, tight computer access controls and audit procedures should be established under the supervision of senior personnel.

### 4. Sending cheques by post

- Ensure window envelopes do not reveal the contents.
- Use envelopes of sufficient quality so that the contents cannot be revealed by holding up to light.
- Do not use envelopes showing your company name and logo. This may serve to advertise the attractiveness of the contents.
- If the cheque is for a large amount, you should consider making an automated payment. Your bank will be able to advise you of alternative payment methods.

### 5. Check Your Statements

- If you have posted or issued a cheque, look at your statement to check that this has been debited from your account.
- If you are expecting a cheque to credit your account, ensure this has happened within the expected timescales.
- If you think you have been a victim of cheque fraud, contact your bank immediately.

## 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 found on our website [www.chequeandcredit.co.uk](http://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 Personalising Company Cheques Safely*

All the Guidelines are available from your bank or can be downloaded from [www.chequeandcredit.co.uk](http://www.chequeandcredit.co.uk)

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

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