



Guidelines for the Purchase and Use of Specially Printed Cheques

Specially Printed Cheques (i.e. Privately Printed Cheques)

These cheques are usually used by companies and businesses and can be designed to show the customer's name and can also include the customer logo or brand. The layout of these cheques is usually designed to suit accounting software packages to aid machine printing or computer infilling and may be printed in either cut-sheet or continuous form.

These guidelines advise the procedure for customers of Financial Institutions to follow for the purchase and use of Specially Printed Cheques as distinct from customer cheques supplied by Financial Institutions.

Company cheques are valuable: lack of care can lead to their misuse and result in fraud losses. Following these Guidelines will help to eliminate cheque fraud

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Introduction

This document provides an overview of cheque purchase and printing requirements for specially printed cheques and the processes involved, and should be read in conjunction with the "[Design Specifications for Cheques and Deposit Forms](#)", which can be downloaded from the www.apca.com.au website, or is available from APCA on request.

If you want an overview of the requirements associated with MICR encoding your own cheques, refer to "Guidelines for Companies Intending to Issue MICR Encoded Cheques".

What are specially printed cheques?

Specially printed cheques are commonly used by companies and are usually printed with the company's name and/or logo over a coloured background and other security features. The cheques must be pre-printed by commercial printers.

While you can choose the colour and design of the cheque to suit your company image and/or computing requirements these must be compliant with the design requirements detailed in the "[Design Specifications for Cheques and Deposit Forms](#)". Security printers are best placed to advise you on design and security features that must be incorporated in the cheque stock.

Companies seeking to print the MICR code line in-house should be aware that a different set of rules (outlined in "Guidelines for Companies Intending to Issue MICR Encoded Cheques") applies.

The key point to remember is that your financial institution must approve all specially printed cheque designs.

What are the processes involved?

The following table outlines the major steps involved in purchasing specially printed cheques:

1	Engage Security Printer Discuss design and colour Place Order	
2	MICR Encoding If you choose to print the MICR codeline in-house, you must submit samples for financial institution print approval	Refer to "APCA Guidelines for Companies Intending to Issue MICR Encoded Cheques"
3	Financial Institution Approval Assess order and artwork for compliance Issue Confirmatory Authority	
4	Security Printer Order is printed and dispatched to company Samples sent to Financial Institution	
5	Company In-Fills Cheques - Payee Name - Amount	

The following sections provide more information about each of these steps.

1 - Advice from Security Printer

Security printers who have experience with cheque printing can provide knowledgeable advice, and reduce the time required for obtaining the necessary approvals.

Discuss your design requirements with your chosen security printer who must be registered with APCA and understands cheque security features. (Refer to list of registered security printers on the APCA website www.apca.com.au)

Your security printer can advise you on style and location of company details and logo as well as requirements and placement of the financial institution's name, logo and branch domicile.

Cheques are to be printed on sensitised paper for MICR encoded documents. The ink used for the background printing must be solvent reactive or aqueous fugitive. Cheques are also required to include at least one security feature to deter counterfeiting. Your security printer will recommend the most appropriate features for you and advise you on the text and location of the security warning band.

Ordering Specially Printed Cheques

You will need to allow several weeks to complete a new order for Specially Printed Cheques.

The following points need careful consideration:

- Specially printed cheques should only be purchased from an APCA Registered Printer. Your printer will advise you on design and arrange for the necessary print approval, from your financial institution.
- Official cheque orders should be signed by suitably authorised members of staff and placed with your printer. Orders placed by telephone should always be followed up with a written confirmation.
- The printer will need to know the following basic information about your cheques:
 - Continuous or cut-sheet
 - In-filled using laser, carbon ribbon or inkjet
 - Mailing requirements
- When ordering continuous stationery please discuss with your printer how you will be in-filling, separating and cutting cheques. This will ensure that the MICR (Magnetic Ink Character Recognition) code line is not compromised in any way. The printer can incorporate allowances in the cheque design, such as double guillotine cuts to remove perforations and marks to show the positions for guillotine cuts and side slitting to remove sprocket holes.

2 - MICR Encoding

Most companies purchase their specially printed cheques with the MICR encoding pre-printed.

If you choose to MICR encode your cheques in-house, you must submit samples for financial institution print approval. Refer "Guidelines for Companies Intending to Issue MICR Encoded Cheques".

3 - Get Financial Institution Approval

Your security printer will submit the order and artwork to your financial institution for approval to print.

Your financial institution will assess the details of the order and artwork for compliance and issue the required authority directly to your printer.

For detailed information about financial institution approval and authorisation processes, refer to Appendix E of "[Design Specifications for Cheques and Deposit Forms](#)".

4 - Printing

Security Printing of Cheque Stock

Your security printer will print the required cheque stock in terms of the authority provided by your financial institution.

The cheque stock will be despatched as per your instructions and samples provided to your financial institution.

Note that different levels of security apply to base stock used for *personal*, *business* or *financial institutions* (bank) cheques, to guard against alteration and counterfeiting.

For information about cheque security features, refer to Section 6 and Appendix D of "[Design Specifications for Cheques and Deposit Forms](#)".

You can have your commercial printer print your personalised details, such as company name and logo, on the cheque base stock before it is delivered to you.

The commercial printer can also encode (print) the MICR line for you.

5 - Cheque In-filling

Cheque In-filling is defined as completing a pre-printed blank cheque with the payee name, date, amount in words and figures. In-fill may be completed by hand or by machine printing. Many organisations now use computer software and printers to infill cheques. If you intend using a laser printer (or similar technology), then the level of toner adhesion must be acceptable to the customer's Financial Institution.

If you choose to in-fill your cheques using non-impact printing it is suggested that paper with a toner enhanced, or frangible toner enhanced features be considered. Consult with your Security printer or refer to the APCA Paper Register for suitable paper stocks.

Care must be taken when in-filling cheques, to deter fraudulent alteration and the likelihood of theft.

Some points to note are:

- Toners should fuse well with paper, making the characters difficult to remove
- If your design incorporates the use of boxes for the cheque amount, in-fill *all* of the boxes with "zero" to "nine", or asterisks ('***') where it's inappropriate to insert words
- The payee's name, amount and date, etc should be printed in the same font. The minimum size recommended is 10 point with the exception of the Amount in Figures, which should be printed in not less than 12 point, wherever possible the font should be bold.
- The Australia Post four state bar code is *not* compatible with the design and security requirements for cheques, and must *not* be printed on cheques. If you want to use the bar code, you can print it on the accompanying remittance advice, cover letter, or envelope.

6 - Security and Control Procedures

For your own protection, you should implement basic security measures associated with cheques, such as keeping blank cheques in safes or secure cabinets.

The following points need careful consideration:

- Ensure cheques are kept in a safe or a secure cabinet, particularly overnight.
- Do not permit anyone to take blank cheques home at any time.
- Ensure that cheques have been removed from the computer printer after use and stored securely.
- Ensure that cheque completion is properly supervised at all times.
- Never leave cheques, whether signed or unsigned, on a desk unattended.
- Avoid holding excess stock and shred any obsolete stock.
- Take care to check against the possibility of individual blank cheques being removed from the middle of packages.
- Ensure that spoiled cheques are properly accounted for and destroyed.
- Undertake regular audits of cheque stock. Any discrepancies should be investigated and your financial institution advised.
- Cheques should only be signed by authorised signatories after having sighted the underlying papers (invoices) etc.
- Cheques should never be signed blank.
- Inform your bank of any changes to the mandate, particularly when authorised signatories leave the company.
- 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.
- Ensure access to computer programs is controlled by use of passwords and that all activities are recorded on an audit trail.

Despatch by Post:

- When using window-faced envelopes for mailing cheques, ensure that the window face and the envelope itself does not reveal the contents.
- Use envelopes of sufficient quality so that the contents cannot be revealed when held up to light.
- Discuss with your financial institution alternative methods of remitting large amounts.

7 - Paper Handling

Other considerations associated with Special Cheques relate to maintaining the condition of paper used when laser printing MICR encoded documents, to optimise the efficiency of your printing system.

Environmental conditions have a major impact on laser printing operations. Of equal importance is acclimatising (“pre-conditioning”) the paper before printing.

The following guidelines can help you avoid problems with paper handling, and poor adhesion of the toner to the paper. These guidelines are based on commonly accepted practices within the printing industry.

Adjusting Temperature and Humidity

Temperature and humidity control are important factors in printing performance.

High humidity can cause paper to develop wavy edges, while low humidity can cause paper to have tight edges. Both of these conditions can cause misfeeds, jams, or wrinkling during printing.

The moisture content of the paper will affect how well toner adheres to the paper when the amount and payee details are printed on the cheque (“toner adhesion”) and thus “permanence” of the printing on the cheque.

Optimum conditions for storage and printing are:

- A temperature of 20-24 ° C for paper storage and printing;
- A relative humidity of 45-55% for paper storage; and
- Maximum toner adhesion and permanence is achieved when the moisture content of the paper is maintained at 4.5% to 5.5%.
- Printing on paper with moisture content above 5.5% will reduce toner adhesion which may mean that the printing does not have an acceptable level of permanence.

When adjusting relative humidity to remedy signs of paper waviness, tight edges or excessive away-from-image curl, do so in increments of 5-10%, and allow sufficient time between adjustments to test the effectiveness of the new conditions.

Acclimatising Paper

Large, sudden changes in temperature and humidity can cause paper to distort, affecting printing performance. When moving stock from the storage to the printing area:

- Avoid placing forms in front of air-conditioning or heating vents;
- Place the forms in the printing area long enough for them to acclimatise to the new conditions;
- Remove moisture proof wrappers only when the temperature has stabilised; and
- Allow sufficient time after removal of wrappers for the moisture content of the paper to stabilise.

The following table can be used as a guide for determining the time needed to pre-condition stacked, unopened cartons containing five reams of paper, moved as stacked pallets. The numbers of hours listed in the table indicate the *minimum* numbers of hours the cartons should be left unopened in the printing area prior to use, based on differences in storage and printing temperatures.

Number of Cartons	Temperature Difference between Storage and Printing Areas (Degrees Celsius)						
	5.5°	8.5°	11°	13°	17°	22°	28°
1	4 hrs	8 hrs	11 hrs	14 hrs	17 hrs	24 hrs	34 hrs
5	5 hrs	9 hrs	12 hrs	15 hrs	18 hrs	25 hrs	35 hrs
10	8 hrs	14 hrs	18 hrs	22 hrs	27 hrs	38 hrs	51 hrs
20	11 hrs	16 hrs	23 hrs	28 hrs	35 hrs	48 hrs	67 hrs
40	14 hrs	19 hrs	26 hrs	32 hrs	38 hrs	54 hrs	75 hrs

Acclimatising can be accelerated by unstacking the cartons or reams of paper. Reams however, should only be unsealed when you are ready to load the paper into the printer.

For more information about cheque design, refer to "[Design Specifications for Cheques and Deposit Forms](#)".