

Division

Customer Guide – Payee Positive Pay



Introduction

This document provides comprehensive guidelines to ensure the highest match rates and most accurate alteration detection for the Payee Positive Pay module. This module compares the payee name included within a check issue file to the actual payee name printed on a check.

This guide outlines standards and best practices for various aspects of check printing, including check stock, image quality, ink, printers, payee information, placement, font, formatting, pitch, special characters, and issue file requirements. By adhering to these guidelines, customers can minimize unnecessary exception items, false positive reads, and enhance the accuracy of payee name verification, thereby reducing the risk of payee fraud.

Standards

1. CHECK STOCK

Explanation: The design and quality of check stock can affect the readability of the payee name and the overall success of Payee Positive Pay.

Best Practices:

- Follow ANSI X9 standards for business checks with 24lb MICR bond.
- Artwork, logos, or designs on the check could hinder capturing a high-quality image.
- Check background must be light in color and plain (no pictures or lines) to ensure the payee name field can be easily viewed.
- Watermark/pantograph features are not acceptable in the **"PAY TO THE ORDER OF"** or Payee name area of checks, they may cause background interference in reading the payee name.
- The check stock should be consistent for each account.



2. IMAGE QUALITY

Explanation: Maintaining high image quality is crucial for accuracy. Poor image quality can lead to higher false positive rates.

Best Practices:

- Ensure image quality standards are maintained to avoid skew, noise, and other defects.
- Check stock quality and other features become more prominent in certain capture channels - leading to higher false positive read rates.
- Image recognition technology has limitations:
 - Image quality from the bank of first deposit
 - Resolution of check image
 - Inconsistent check stock format
 - Noise – including ink spots, watermarks, smudges, and scuffs
 - Physical condition of the scanned check (i.e., wrinkles), and font (weight/size of text).

3. INK

Explanation: The type of ink used can impact the readability and accuracy.

Best Practices:

- Use only black ink.

4. PRINTERS

Explanation: The choice of printer can affect the quality of the printed check.

Best Practices:

- Avoid using dot matrix printers.
- Perforations are not recommended for Payee Positive Pay.

5. PAYEE INFORMATION

Explanation: Accurate payee information is essential. The module is designed for printed business checks. Hand-written checks are not permitted and will result in high error rates.

Best Practices:

- Checks that include a payee/address block, the software will typically detect both the “legal” payee name printed above, as well as the address block.
- Utilize a check layout that combines the legal and address payee name in one field
- Payee names listed on checks must precisely match the name listed on the check issue file. Do not list check as JOHN DOE and put the same name on the issue file as DOE, JOHN.
- If more than one payee name is printed on more than one line, it is recommended that the line break should be indicated on the issue file with the vertical bar character “|”.



- Character positions on the transmission after the payee name may be left blank (preferred). If filler is needed, the asterisk (*) symbol must be used. Any other symbol is misread as part of the payee name.

6. PLACEMENT

Explanation: Proper placement of the payee name on the check is crucial for accuracy.

Best Practices:

- The payee name should be listed in close proximity to **"Pay to the Order Of"**.
- Horizontally, the payee should not extend past the middle of the check.
- Vertically, the payee name should be located just below the vertical midpoint of the check.
- Payee name should be printed in a clear area, free and not next to other text, lines, or marks.
- Two-line payee names should have the second line of the payee printed in the same horizontal alignment as the first payee, using the same font.
- Maximum spacing between any payee lines and non-payee fields is recommended.
- Payee name may not be located in the top one inch of the check.
- Leave a minimal amount of space (2-8 characters) between **"PAY TO THE ORDER OF"** and payee name.
- The payee name must be located not more than 15 characters (one inch) from the last word of the **"PAY TO THE ORDER OF"** variation.

7. FONT

Explanation: The choice of font and characters significantly impacts readability and accuracy.

Best Practices:

- Arial is recommended.
- Other acceptable fonts include Times New Roman, Courier, Verdana, Univers, Tahoma, Albertus, Batang, Bookman, and Zurich.
- PostScript printers (DPT units) should use size 10 fonts. If measured by pixels at a resolution of 200 dpi, size 14 should be selected.
- Avoid serif or other complex fonts.
- All uppercase type is recommended for the payee name.
- Recommended font size is 12-point.
- Fonts less than 10 points or greater than 16 points are not acceptable.
- Bold font is not recommended.
- User OCR A or OCR B for MICR fonts

8. FORMATTING

Explanation: Proper formatting of the payee name and other text on the check.

Best Practices:

- Do not use extra spaces, underlining, italicizing, or bolding.
- Use of punctuation should be limited.
- The use of all upper-case is recommended.
- Verify visually that the characters do not touch by reviewing multiple production checks.
- The number of spaces between words should not be more than 2 spaces.

9. SPECIAL CHARACTERS

Explanation: The use of special characters is not recommended

Best Practices:

- Do not use special characters, such as an asterisk (*) on your issue file.
- Special characters are not typically contained in legitimate payees and can result in higher false positives and rejects.

10. ISSUE FILE

Explanation: The issue file should contain accurate payee names to ensure successful matching.

Best Practices:

- The Issue File should only have the legal payee names in it.
- No addresses or other details should be put into the issue file.
- Payee names listed on checks must precisely match the name listed on the issue file.
- If more than one payee name is printed on more than one line, it is recommended that the line break should be indicated on the issue file with the vertical bar character "|".
- Character positions on the transmission after the payee name may be left blank (preferred). If filler is needed, the asterisk (*) symbol must be used. Any other symbol would be construed as part of the payee name.

11. ADDITIONAL CLARIFICATION

Best Practices:

- **The following variations of "PAY TO THE ORDER OF" are acceptable:**
 - PAY TO THE ORDER
 - PAY TO
 - PAY
 - TO THE ORDER OF



Examples

Example 1: Good Image Quality

- Ensure the check background is light in color and plain (no pictures or lines).
- Watermark/pantograph features are not acceptable in the "PAY TO THE ORDER OF".

THIS MULTI-TONE AREA OF THE DOCUMENT CHANGES COLOR GRADUALLY AND EVENLY FROM DARK TO LIGHT WITH DARKER AREAS BOTH TOP AND BOTTOM.

Pucket
P.O. BOX 167
PH.(601) 735-1111
WAYNESBORO, MS 39397

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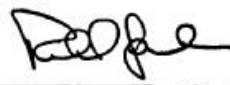
PAY
Seven hundred eighty two and 78/100 Dollars

DATE
10/29/2000

CHECK NO.
0000000000

VOID AFTER 90 DAYS
NET AMOUNT
*****\$782.78

TO THE ORDER OF
PATRICIA JONES
822 HUNTINGTON AVENUE
GLENDDORA, NJ 00000


AUTHORIZED SIGNATURE

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⑈0000000000⑈ ⑆0000000000⑆ 0000000000⑈ ⑆00000078278⑆

Example 2: Poor Image Quality

- Avoid using check stock with inconsistent formats, noise, or poor condition.
- Ensure the font uses is of appropriate weight and size to avoid misreading.

THIS MULTI-TONE AREA OF THE DOCUMENT CHANGES COLOR GRADUALLY AND EVENLY FROM DARK TO LIGHT WITH DARKER AREAS BOTH TOP AND BOTTOM.

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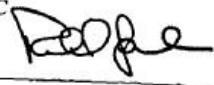
PAY
Seven hundred eighty two and 78/100 Dollars

DATE
10/29/2000

CHECK NO.
0000000000

VOID AFTER 90 DAYS
NET AMOUNT
*****\$782.78

TO THE ORDER OF
AMERICAN SPEECH LANGUAGE HEARING ASSOC
10000 ROCKVILLE PIKE
ROCKVILLE, MO 20852-0000


AUTHORIZED SIGNATURE

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