

CPA COMPLIANCE

Cheques

and

Security Features

Secure Documents

Introducing a New Line of Printed Security Features to incorporate into your customers' Gift Certificates, Discount Coupons, Cheques and any other continuous, laser, snap-set, or flat-sheet applications where instant verification of security features is required:

- **Thermochromic Ink.** Available in a variety of colours, this ink turns colourless when touched for INSTANT verification. Heat from a copier will also activate a colour shift. This feature remains effective over time and multiple heating cycles.
- **Warning Bands.** The use of warning bands alert document handlers of the security features on the cheque and discourage fraud attempts.

- **CHEQUES**
- **GIFT CERTIFICATES**
- **DISCOUNT COUPONS**
- **EVENT TICKETS**
- **CHARITY RECEIPTS**
- **WARRANTIES**
- **GUARANTEES**
- **LICENSES**
- **I.D. PASSES**
- **CONTRACTS**
- **CREDIT CERTIFICATES**
- **COUPON BOOKLETS**

- **Coin Reactive Ink.** This is colourless ink that converts to black when rubbed with the edge of a coin. This innovative new security ink provides INSTANT verification.
- **Bleed-Through Numbering and Bleed-Through MICR Encoding.** Red consecutive numbering that bleeds red through to the backside of the sheet. This feature compliments the Bleed-Through MICR currently offered by Print Key. Bleed through MICR is CPA compliant providing it complies with the maximum PCS value of 0.25. Contact our customer service department for details.
- **Water Reactive (Bleeding Ink).** Black ink that bleeds red when contacted with water or aqueous solutions. This ink provides INSTANT verification and is effective in protecting against attempts at alteration. This feature is often used on the face of a cheque in the pay to text of the cheque.

The use of security features does not guarantee that a cheque will not be defrauded. It provides a fairly inexpensive way of deterring fraudulent attempts while ensuring you have protected yourself in terms of "due diligence".

(Doing your part to make it as difficult as possible utilizing the best the market has to offer to minimize the risk of fraud.)

Security Papers...The Choice is Yours!

With fraud growing, and including new types of documents, no business should risk ignoring the protection that security papers provide. By investing pennies for protection, your customers can make it as difficult as possible for criminals attempting to defraud business cheques.

We offer MANY types of security papers. These papers compliment all our products from continuous to laser cut sheet. Refer to the list below for the security features contained in these papers, or contact us for OUR PRINTED SAMPLES OUTLINING THE VARIOUS FEATURES OF EACH STOCK.

Register Bond – 48M or 52M CB Regular stock is available for cheques but contains no security protection.

DocuCheck Basic® – 48M Weight for cut sheets and 52M CB for continuous

- Incorporates only invisible (fluorescent) fibers, 3 Chemical-reactant stain feature, Endorsable coating on reverse side to eliminate skipping problems when signing in pen.

DocuCheck Impede® – 48M Weight for cut sheets and 52M CB for continuous

- 2 Chemical-reactant stain feature, Multi-Language Bleach Sensitive Void, LineMark – True Watermark, Endorsable coating on reverse side to eliminate skipping problems when signing in pen.

DocuCheck Impede® BOND with TonerFuse® II - 50M Weight for cut sheets

- All the features of Impede paper as noted above, Added protection of TonerFuse to lock toner onto the paper, fighting image removal by causing the paper to visibly delaminate when toner is removed with tape or by scraping.

DocuCheck Watermark® – 48M Weight for cut sheets and 52CB for continuous

- Incorporates both visible and invisible fibers, 5 Chemical-reactant stain feature, True (fourdrinier) watermark, Endorsable coating on reverse side.

DocuCheck Watermark® with TonerFuse® II - 56M Weight for cut sheets

- All the features of Watermark paper as noted above, Added protection of TonerFuse to lock toner onto the paper, fighting image removal by causing the paper to visibly delaminate when toner is removed with tape or by scraping.

Please note:

Papers identified above are in increasing price point order.

A toner adhesion product is recommended when applying MICR on a laser printer.

Virtually no document is safe from attack. The best defense is to layer both printed security features (bleed through micr and numbering, microprinting, warning bands, bleeding ink, pantograph and thermochromic ink) with the appropriate security paper to make it as difficult as possible for a criminal to compromise your cheque.

Printed Security Features...

The most effective document security is accomplished by layering paper features with printed features. Using a variety of features, such as Security Papers, Pantographs, Micro-Printed borders or signature lines, and Bleed-Through MICR or Numbering, is effective in deterring fraud and document alteration.

We have also introduced a new line of security inks that are effective in providing INSTANT VERIFICATION. Instant verification of a security feature, even by the most untrained personnel, provides a very effective level of security for your customer without the hassle of having to extensively train staff to use it.

These features are innovative, providing uniqueness to the document that your customer may find an effective marketing tool. Incorporate these new Printed Security Features into value documents such as Gift Certificates, Discount Coupons, Event Tickets, Charity Receipts, Report Cards and Graduation Certificates, Licenses, Guarantees, Contracts, I.D. Passes, Warranties and Certificates of Authenticity.

Instant Verification Security Inks:

- 1. Thermochromic Ink** – produces a dramatic colour change when exposed to heat, returning to their original colour upon cooling. Repeated exposure to heat will continue to cycle the colour shift. Verification can be done simply by adding heat from a finger over the image area – no extra equipment or training is required. Available in the following ink colours: PMS 443 grey, PMS 283 blue, PMS 230 rose, PMS 318 green, PMS 2905 turquoise, PMS 169 orange, and PMS 1767 vermilion.
- 2. Water Reactive (Bleeding) Ink** – the printed black image bleeds red when ink-removing solvents or water is applied to the original document. Untrained personnel can easily verify authenticity by rubbing a wet finger over the image area. This can also be incorporated into the copy on a cheque – if the document is immersed in a liquid solution the ink will bleed and damage the document.
- 3. Coin Reactive Ink** – provides a colourless image that is revealed when rubbed with a coin. This is easily seen by untrained personnel and is nearly impossible to recreate when attempting to duplicate the original document.

Contact us for samples and further information on
PRINTED SECURITY FEATURES and our new **SECURITY INKS.**

CPA Compliance - Client Cheque-List

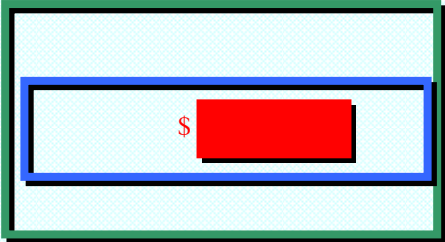
When placing re-orders you should consider the following CPA mandatory cheque changes:

- Consecutive micr encoding now mandatory
- Minimum length of a cheque is 6.25"
- Maximum depth of a cheque is 3.75"
- Standardized location/size/format of date field*
- Standardized location/size of amount field*
- Mandatory 5/8" clear band for MICR
- Pantographs cannot be visible on images captured from the original cheque – We cannot be responsible for CPA compliance on files or film not provided by us.
- Standardized location/size/format for the endorsement line and teller stamp on the back of cheques
- Backprinting must comply with the maximum print contrast signal for informational printing. We cannot be responsible for CPA compliance of files or film not provided by us.
- The phrase "back/endos" is to print 1" from aligning edge on back of cheque – ASK ABOUT OUR STANDARD BACKPRINTING.

*These changes to the standards will involve modifying your software output to CPA standards.

**Please note the grace period for CPA Compliance
has been extended to September 2, 2008**

CHEQUE FACE TEMPLATE

YOUR CO NAME HERE STREET CITYPROV, POSTAL TEL	YOUR BANK INFO HERE STREET CITYPROV, POSTAL	123456
		DATE M M D D Y Y Y Y
PAY	AMOUNT IN WORDS FIELD	
TO THE ORDER OF	ABC COMPANY STREET CITY PROV POSTAL	
<hr/>		

5/8 CLEAR MICR BAND AREA – CONSECUTIVE MICR MANDATORY

Legend:

Convenience amount rectangle is an imaginary box (no borders permitted) and can be positioned anywhere in the convenience amount scan area. The convenience amount scan area is located from the aligning edge (cheque bottom) 1.4" at the lower edge and 2.6" at the upper edge. From the leading edge (right edge of the cheque) to the extreme right edge of the scan area is .25" and to the left edge of the scan area is 2.5". A white background is not required, as the entire background screen of the cheque must drop out when scanned to meet the technical specifications relating to Print Contrast Signal & Reflectance.

Red Box = minimum size of the convenience amount rectangle

Blue Box = maximum size of convenience amount rectangle

Green box = convenience amount scan area

Due to the flexibility of the print positions – the changes to position and date format are software dependent changes that must be coordinated with specific software vendors. In terms of the positioning of the elements of the cheque – once you determine the positioning of the convenience amount rectangle and its required .25" clear space all of the other elements can be positioned around the Convenience Amount Rectangle ensuring .25" spacing remains between all other elements of interest. Other elements can print in the convenience amount scan area providing the .25" spacing between elements is achieved.

Mandatory Items:

- Minimum 8 point font size for preprinted information, minimum 10 point font size for computer generated information, *exception bank info. minimum 6pt.*
- PCS of 0.6 for preprinted information on cheque face – printed in black or a dark ink colour.
- 5/8 clear micr band – consecutive micr mandatory
- Dollar symbol minimum 10-point font – positioned minimum of 0.03" and a maximum of 0.05" to the left of the convenience amount rectangle. Centered vertically on the convenience amount rectangle.
- Date field format – the word date 8 point font, the field indicators 6-8 point font below the computer generated date. Possible variations include: MM DD YYYY, DD MM YYYY or YYYY MM DD or bilingual version Y/A M/M D/J or A/Y M/M J/D. If the date field prints on the same level as the town/city/province line – they shall be separated by 3/4" from the ending of the town/city/province line to the beginning of "D" in the word date.
- 1/4" clear space AROUND the areas of interest, which include: date field, payee name line, amount in figures field, amount in words field, and signature field. Required elements that do not require the 1/4" clearance include Bank and MICR fields. U.S. Funds or CDN Funds may be printed below or to the right of the word dollars on a cheque to identify the currency. ***Exception: where there exists space limitations, the clear area may be reduced to the minimum amount necessary but at least 0.1". This is a temporary exception and will be re-assessed at a later date.**

(Areas of interest required around the data elements are identified in red on the above template for illustration purposes only.)

Optional Items:

- ❖ Cheque number
- ❖ Bank branch street address, town or city, province or postal code (But CPA Member Financial Institution is a requirement)
- ❖ Guidance boxes unless a manual cheque
- ❖ Reverse printing is okay if not in an area of interest (i.e. warning band)
- ❖ Company name above the signature line is not mandatory
- ❖ Per before the signature line is not mandatory
- ❖ Bleed through micr encoding is acceptable providing it meets the maximum PCS value of .25
- ❖ Computer generated cheque number in addition to the preprinted cheque number is allowable providing that the .25" clear space requirement is met.

FREQUENTLY ASKED QUESTIONS

1. Is DocuCheck Watermark security stock CPA compliant ?

Yes - testing has been performed and verified such that Appleton will guarantee their DocuCheck[®] Watermark stock with visible fibers does meet the requirements for CPA standard 006.

2. Can the warning band be in inverse printing?

Yes - as long as it does not interfere with the areas of interest as defined in section 5.2 of standard 006, Part A inverse printing can be used on the front of a cheque.

2. What are the areas of interest? (those requiring a clear area of ¼")

On the front of the cheque they are:

- date field
- payee name line
- amount in figures field (convenience amount rectangle) including dollar sign
- amount in words field
- signature line

On the back of the cheque they are:

- phrase "teller stamp here"
- endorsement line and the phrase "endorsement –signature or stamp"
- phrase "back/endors"
- the "1" area from the bottom of the cheque

3. Is bleed through MICR acceptable?

Yes as long as the ink that bleeds through to the back measures a maximum of 0.25PCS.
Contact our customer service department for details.

4. Does it matter what ink colour I print my cheques in?

Yes – because pre-printed data on the front of a cheque must be a minimum of 0.6 PCS with respect to its immediate surrounding background. The standard also states that pre-printed information should be done in black or a dark ink colour so it can be captured when imaged.

On the other hand, elements that should not show on the image of the cheque would have a much different PCS requirement and a lighter ink colour would be acceptable. (For example, a pantograph)

5. Where is the ¼” clear space required?

When designing your cheque there must be ¼” clear space surrounding (above, below and to the left and right of each of these elements) the required elements on the front & back of the cheque as outlined in section 5.2.

Specifically they include:

Date field, convenience amount rectangle, MICR*, amount in words field, signature field and payee field. When placing items other than the required elements above – ensure the placement of non-required elements do not interfere with the required elements and their respective ¼” clear space.

* – the MICR band dimensions requirement already includes the 1/4”

NOTE: How to measure the distance between the date field and the convenience amount rectangle is currently under review. For now – measure ¼ from the bottom of the date field indicators to the top of the convenience amount rectangle.

From the cheque number to the date field measure from bottom of the cheque number to the top of the guidance boxes or the top of the numbers in the date field.

Exception: where space limitations exist, the clear area may be reduced to the minimum amount necessary but shall be at least 0.1”. This is a temporary exception and will be re-assessed at a later date.

6. Can the words “cheque number” be printed near the area of the printed number?

Yes provided they don’t interfere with any data elements and their ¼” clear space (see FAQ #2).

7. Can a control number be printed on the back of the cheque?

Yes as long as it has a minimum of 0.6 PCS, is placed in the upper right hand corner ensuring sufficient space is left for the endorsement signature or stamp.

8. Where do we print U.S. Dollars?

Either below or to the right of the word dollars. On cheques where the word dollars is integrated into the machine printed amount in words the currency identifier may be printed below the C.A.R. leaving ¼” clear space between the bottom of the convenience amount rectangle and the currency identifier.

Also the digits ‘45’ will be mandatory part of the transaction code section of the on-us field in the micr line on US dollar cheques drawn on Canadian Financial Institution’s.

9. Do the company name and address have to be printed on a cheque?

Not a requirement of 006 but if printed they must be a minimum of 8pt font. The company name may be incorporated into a logo provided the cheque still meets specifications of standard.

10. Can you print a software-generated number in addition to a preprinted cheque number?

Yes- in the upper right hand corner provided a ¼” clear space if left between it and any required element.

11. Are there specific requirements for the positioning of the date field and town/city/province line bank field?

Yes – if the date field prints on the same line as the town/city/province line they shall be separated by $\frac{3}{4}$ " (measured from the letter "D" in the word date to the last letter on the town/city/province line.

12. Can other text be printed in the convenience amount scan area?

Yes – providing it does not enter the clear area surrounding the rectangle and providing that the $\frac{1}{4}$ " between all required elements is achieved.

13. Has the deadline been extended again?

Yes – the deadline is now September 2, 2008 for CPA compliant cheques.

14. Are numeric characters permitted in the amount in words field?

Yes – a combination of letters and numbers are permitted in the amount in words field on cheques.

15. What are the positioning requirements for the required digits '45' required in the transaction code section of the on-us field of the MICR line?

The CPA recommends that you speak with the financial institution on which the funds are drawn for specific positioning requirements. They may vary from one institution to another.