

SOUTHERN MICHIGAN BANK & TRUST



Payee Name Verification Best Practices

SMBT recommends the following guidelines be followed in order to obtain the highest level of performance from our Payee Name Verification (PNV) solution.

We recommend the use of Orbograph's Desktop Check Analyzer for testing PNV accuracy prior to adding the account to production.

Check Stock

Follow ANSI standards for business checks with 24lb MICR bond. Any artwork, logo or design on the check that could hinder capturing a high quality image, should not be utilized, particularly if the design may interfere with a successful reading of the payee name information on the image.

If art work is translucent or opaque and does not hinder capturing a quality image, it should be acceptable for payee name processing.

Image Quality

Maintain image quality standards. Skew, noise and other defects reduce PNV accuracy. Follow the guidelines in the "Requirements for Payee Name Verification" document provided.

Ink

Use only black ink

Printers

Avoid using dot matrix printers.

Font

Experience has proven that Arial has high read rates and is preferred for PNV. 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.

Handwritten Items

Handwritten business sized checks typically have a low match rate due to the nature of very stringent matching criteria within the PNV logic. Because the system is optimized to identify fraudulent activity, it is best to reject most of the handwritten checks and process manually verses accepting low scores and in-creasing the risk of fraudulent transactions.

Information in this document provided by Orbograph and Jack Henry.



Formatting

Avoid extra spaces, underlining, italicizing or bolding. Use of punctuation should be limited. For example: UNITED WE STAND is preferred to UNITED-WE-STAND!

Payee data should be displayed in a clear area, free of and not touching other text, lines or stamp marks.

Avoid extra spaces, underlining, italicizing or bold face fonts. The use of all upper-case is recommended.

Verify visually that the characters do not touch each other.

Pitch

Provide sufficient spacing between individual letters within the name so that each letter of the name can be clearly read. For example, LIVE could be misread as UVE if the letters are not spaced properly. It is recommended that most printers use pitch proportionate to the font, however, in situations in which pitch is fixed, the vendor has suggested a pitch size of 10 pt. After printing, there should be about 10 characters per inch.

Special Characters

Do not use special characters, such as an asterisk (*) on your issue file for Payee Name processing. Special characters are not typically contained in legitimate payees and can result in higher exception rates.

The following characters are standard and acceptable for payee names:

ABCDEFGHIJKLMNOPQRSTUVWXYZ

abcdefghijklmnopqrstuvwxyz

0123456789

, . : ; / & # @ () ' —

*Accura XV 2.1 and up will also add the “+” symbol as a supported character.

Placement

The payee name should be listed in close proximity (to the right or just below) “Pay to the Order Of:”.

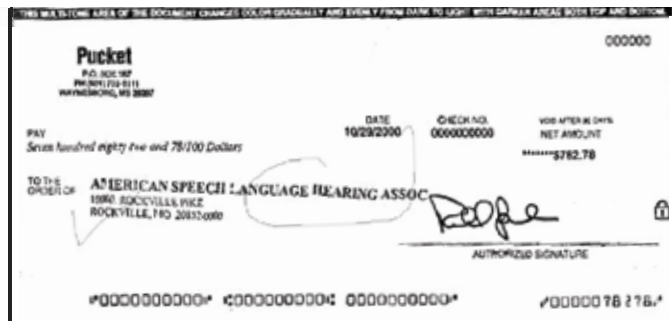
Horizontally, the payee should not extend past the middle of the check.

Vertically, the payee name should be located just below the vertical mid-point of the check but should not extend to the bottom 1/4 of check or interfere in any way with the MICR line information contained at the bottom of the check.

The payee data should be displayed in a clear area, free of and not touching other text, lines, or stamp marks.

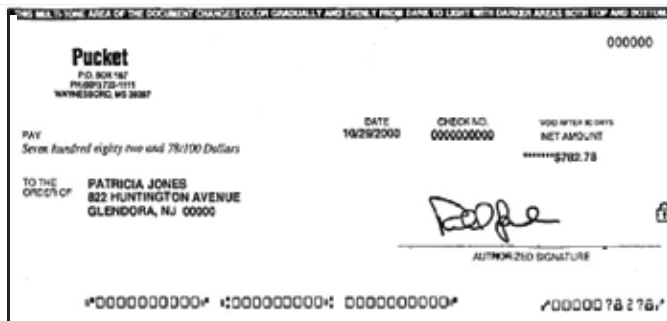
EXAMPLE 1

Poor Image Quality



EXAMPLE 2

Good Image Quality



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