

TOP TEN WAYS TO REDUCE CHEQUE FRAUD

Though it is not possible to prevent all fraud despite the implementation of these precautions, it is important to use these deterrents in order to limit exposure

- Reduce the use of cheques: instead use wire payments, direct deposit and pre-authorized debits.
- Ensure that cheques are kept in a secure location and accessible to authorized personnel only.
- Use only one set of cheques per account.
- Destroy unused cheques immediately when accounts are closed.
- When re-ordering cheques, make sure the numbers follow a continuous set of serial numbers.
- Use plain envelopes instead of window envelopes when mailing out cheques.
- Use high quality cheques with a mix of security features. When laser-printing cheques, issue multiple passwords to those responsible for printing cheques.
- Reconcile statements as soon as received and review your online bank daily.
- Reconciliation and cheque issuance functions should be segregated if possible.
- Report any suspicious fraudulent activity on the account immediately. Also report occasions when cheques issued have not been cashed within a reasonable period of time or may be missing. These cheques may have been stolen for alteration.

Replicated from the CIBC fraud presentation at the CSAE.