

An overview of MICR Laser Cheque Printing

THE FOLLOWING ARE THE MOST FREQUENTLY ASKED QUESTIONS OF **MICR**express ABOUT MICR LASER CHEQUE PRINTING.

What is MICR?

The term "MICR" (Magnetic Ink Character Recognition) refers to the MICR line of numbers and special characters that appear at the bottom of every cheque. In Australia this is designated as special MICR Font. The MICR line for Australia is also special and it is grouped into fields for Transaction code, Account Number, BSB Number and Cheque Number. These fields, are used by financial institutions in the automated cheque clearing process. The Australian Payments Clearing Association (apca.com.au*) standards apply to the MICR line data and field positioning.

Who sets MICR standards?

In Australia the * Australian Payment Clearing Association (apca.com.au*) sets very precise standards for the design and layout of cheques including dimensions, location, shape, permanence and signal strength of MICR characters. Companies whose cheques do not conform to these standards may be charged by their bank and have indemnity issues if their cheques are rejected for poor MICR quality on the cheque form. In addition Cheque Stock is also closely controlled by apca.com.au* specifications and such stock may only be obtained through apca.com.au* accredited Security Printers.

What makes a MICR enhanced laser printer different from a normal laser printer?

Multiple standards are required by the banking industry for MICR documents. The MICR laser printer must conform to the APCA * standards for MICR printing. MICR laser printers are either built or general laser printers are modified and adjusted to conform to the APCA developed standards. That is one of our specialties at

MICRexpress specializes in the supply of MICR enabled printers. Normal laser printers conform only to user readability preferences, whilst our MICR laser printers must conform to electronic MICR durability, uniformity, and numeric placement and font standards. Special removable font cartridges and PCMCIA cards hold the fonts, company logos, signatures and other information needed to print cheques.

Interestingly impact printers are not subject to the rigorous testing as for laser printers so manufacturers may claim what they like.

What is the difference between laser toner and MICR toner?

MICR toner contains an iron oxide that permits the "bank line" information on a cheque to be magnetized and read by electronic bank processing equipment. MICR toner is similar to standard laser printer toner, but requires a 50% to 60% iron oxide additive content to meet APCA specifications for readability standards.

Should I be concerned about cheque fraud?

Latest surveys show that in the USA cheque fraud amounts to some 13 billion dollars each year and many hundreds of millions of dollars in Australia. Cheque fraud is therefore a serious issue. Businesses, both large and small, have fallen prey to fraud perpetrators. However, prevention is the best safeguard against cheque fraud and can be easily implemented by your company.

An audit department will always be interested in solutions such as **MICR**express **Forms Express**, the *Secure Printing System* which substantially improves cheque issuing security complemented by the cost saving and ease of use benefits..



What are the components of a MICR laser cheque system?

The essential components of a MICR laser Cheque System are:

- 1) **A MICR laser printer** that is capable of sustaining cheque creation that conforms to the APCA standards. These standards govern the placement of the MICR line, and stress the consistency and durability conformance that is required for the composition of the MICR font and its application on the cheque.
- 2) **A MICR toner** designed and tested for the printer being used. All laser printers do not function alike in a MICR environment. The MICR toner must be of sufficient composition to ensure readability of the MICR line and the printer must be capable of applying the MICR line to withstand the multiple pass reader-processing in the bank clearing system. The MICR font itself may have to be tailored for a specific printer.
- 3) **A security cartridge or PCMCIA** port is suggested so that the signature, logo and font information contained on these items can be removed from the printer and safely stored in a secure environment.
- 4) **A blank paper stock** with security is required. Security paper is fraud resistant to tampering and forgery. The paper is "engineered" with various features built into the paper to prevent fraud, to create a **secure cheque document**.
- 5) **Cheque creation software** that is "easy to use" yet contains a highly structured security system to control access to the software and data. In addition to ease of use, secure access and control, and post-processing features such as **Forms Partner Express** for bank client fraud prevention processing can be important. The software should also be able to easily interface with the available hardware and financial application software of the user. The software should also be modular and enable new features to be easily added when required.

How is a cheque printed from blank safety paper?

MICR laser printing has the capability to imprint all information on the cheque including the MICR line, a digitised signature, and other variable information. The same stock of blank security cheque paper can be used for any number of bank accounts. The **MICR express** MICR printer applies the data to the cheque with magnetic toner that enables the "MICR line" to be read by bank processing equipment.

What are the benefits of a MICR laser cheque system?

A MICR cheque system provides several key benefits; **a much higher level of security** than does non-MICR laser processing on impact printer systems.

A MICR cheque printing system also offers **Cost reductions due to the elimination of the inventory** and control of pre-printed cheque stock and the associated reduction in labour intensive activities such as decollating, bursting, check signing and some post processing operations. A MICR laser cheque is created in a single step process. A sheet of blank security cheque stock becomes a complete cheque with variable payee data, signatures and logos, bank identification, and an electronically readable MICR line. Increases your flexibility to add, change or delete new bank accounts on demand and to change any related document e.g. remittance type information at will.

What does **MICR express** MICR cheque supply that distinguishes it from other vendors?

We are a **"One Stop Solution" provider**. One call to *us* can provide you with a *Turnkey Solution*, which includes an APCA approved MICR printer, high security proven cheque printing software, security paper safety cheque stock, digitised signatures and logo, securely stored, at an all-inclusive cost.

MICR express Also supplies MICR laser software across the spectrum of cheque printing including, *Letter Cheques and Cheque Book Production*. *Our team* will also provide consultancy services.

How can I review the MICR cheque Secure Printing System and acquire further information about MICR printing for my company?

For further information about *our* solutions, products and services please contact sales@dataline.com.au or call us at 1800 009 131.

