

MAIL CHECK FRAUD IS ON THE RISE

Check fraud is one of the biggest challenges facing the nation's financial system. The methods that scammers use to acquire a check can vary from stealing checks through normal day-to-day commerce, stealing check payments from the mail or even obtaining customer credentials through phishing scams that may allow them to review check images online and create a counterfeit copy of the check. We have highlighted some key information on what you can do to help protect your business from loss associated with check fraud.

CHECK FRAUD PREVENTION TIPS FOR BUSINESSES:

In order to **mitigate** check fraud, businesses need to consider both their internal and external procedures.

- Use bank services like positive pay.
- Review transactions **daily** in order to check for any irregularities.
- Find ways to replace paper documents with electronically stored documents.
- Consider moving check disbursement activity to electronic payment.
- Ensure the authorized signers of company checks are not the same people who reconcile the account.
- Know your employees and have them take a fraud training program.
- Make sure two people are responsible for accounts payable.
- Make sure that mailroom personnel and procedures are sound. Never leave outgoing checks in unsupervised mailboxes.
- Keep all check stock or cash equivalents in a secure and locked facility.
- Change keys or entry codes periodically to prevent routine access to storage areas.
- Consider surprise audits.
- Maintain contact with businesses in your area so you can get timely information on fraud occurrences.
- Purchase check stock from well-established vendors. Use safety paper.
- Be cautious when using refund accounts, such as rebates for subscriptions. This is another target for check fraud and we recommend utilizing a separate account for this purpose.

BANTERRA'S POSITIVE PAY SERVICE

Positive Pay can reduce your exposure to check fraud arising from counterfeit or altered checks. The business electronically uploads their check registry which should list all checks they have issued. Banterra's Positive Pay System will send out exception notifications via text or email if a check presented for payment does not match the information from the company's check registry. Once notifications have been sent, the company will be able to view an online report each morning, giving them the opportunity to have Banterra pay or return each exception.

To learn more about Banterra Treasury Management services and how your business can benefit from Positive Pay, call us at 866-226-8377 (option 4) or email TreasuryManagement@Banterra.bank.