

## When Is A Check Not A Check?

In 2000, consumers wrote nearly 19 billion checks for retail transactions. The check handling costs and losses totaled more than \$23 billion. Understandably, more and more merchants are moving toward a payment system known as electronic check conversion (ECC). If you haven't already experienced ECC, you may in the near future.

With ECC, your check is used as a source of information. The merchant uses a specially designed scanner to capture your check number, your account number and the bank routing number that identifies your financial institution. Your check is then voided and returned to you.

Automated clearinghouse rules require the merchant to post a sign that your check may be used to make an electronic payment from your account. Funds are generally transferred within 48 hours. If you don't want your account used for electronic check conversion, you may want to consider paying for your purchases with a credit card or cash.

Although the paper check is not a method of payment, the information on the check is used to process the payment information. Electronic check conversion makes check acceptance the same as a credit card transaction and reduces fraud and provides the merchant faster access to funds. It also saves time and money because the merchant no longer has to physically deposit checks at the bank.



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Not only is ECC helpful to the merchant, it also helps the consumer. Several people usually handle a paper check before it finally reaches the customer's bank account, thereby increasing the possibility of fraud.

With ECC, the cashier scans the information and returns the check to the customer. ECC minimizes fraud risk because checks can be verified at the point of purchase against closed accounts or accounts with bad-risk histories.

### **Hints for Handling Electronic Check Conversion**

- Make sure you have adequate funds in your checking account to cover the cost of the purchase.
- Be sure the clerk returns your voided check to you.
- Make sure you enter the purchase in your check registry.
- When you reconcile your bank statement, expect the item to show up in the section for electronic items (like ATM withdrawals).

If you have any questions on electronic check conversion, contact your local community bank or other financial institution.

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