ICICI BANK CUSTOMER FIRST SERIES

Deposit Series: Article 5 of 10

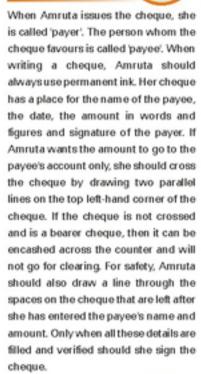
TIMES BUSINESS ASSOCIATE COMMUNICATION

Check Your Cheques



Amruta has just opened her first savings account. She wants to issue a cheque towards payment for a holiday at a resort. Since she is issuing a cheque for the first time, she is curious to know how to write the cheque and how the payment would be made to the booking agent.

Cheque Issuance



Cheque Maintenance

Amruta might need the details of the cheques she has issued, for future use. To facilitate this, the cheque book holds a summary page for writing the transaction details where she can save the date of cheque issuance, cheque number, the payee's name and the amount of the cheque.

MICR Code

The 9-digit coding at the bottom of the cheque is called Magnetic Ink Character Recognition (MICR), It enables faster cheque clearing as it is read by a machine. When issuing cheques, Amruta should ensure that she does not write on the MICR strip.

Clearing

Amruta hands over the cheque to the payee. The payee can hand it over to the branch staff, drop it in any of the drop boxes placed at the bank's branches and ATMs or deposit it in an ATM machine. When the cheque reaches the payee's bank, it travels back to Amruta's bank, which verifies the signatures, ensures that the required amount is there in her account, and transfers the funds. This process is called clearing. Cheques can be deposited by the payee anytime within six months from the date they are issued, unless specified otherwise on the cheque.

In the event of an exigency, Amruta can stop the payment to be made to the payee by requesting the bank. She

SMS CONTEST

Question

While writing a cheque, the last thing you do is

A, fill up the date

B. enter the payer's name

To answer, SMS DISHA A, B or C to 53030 and win a 2N 3D holiday.* Contest open for the day of publication.

needs to give details like her bank account number, cheque number and the date of the cheque. Her 'Stop payment' instructions will be carried out when the cheque is presented for payment to her bank during clearing.

Dishonour

Under the law, it is a criminal offence to not honour an issued cheque when it is presented for payment. If this happens, the payee can sue the payer. So whenever Amruta issues a cheque, she needs to be sure that adequate funds are there in her account to honour it.

Amruta enjoys great flexibility to make payments when she uses cheques. She just needs to take care that she is in control of the process.

> Center for Investment Education and Learning

DID YOU KNOW?

f you made a payment with a demand draft, you can ask for the draft to be cancelled. You will have to sign an indemnity bond, to cover the possibility that the draft you cancelled could have been paid.

FAQs

Sometimes, I am asked to give a blank cheque, for verification of my bank accounts. How safe is it to do

As a practice, never sign a blank cheque. If the purpose is to verify your bank details as printed on the cheque leaf, write the word 'Cancelled' diagonally across the cheque before giving it. Ensure that the account number details and the electronic code at the bottom are visible and readable.

How can I prevent anyone else from forging my signature on my

You can keep your cheques safe, so that your signature is not forged on them. Ensure that your cheque book is received at the correct address; has reached you within a few days of requesting it; is kept under lock and key; and tracked for its serial numbers correctly.

Wewelcomeyour questions, suggestions and edback on this column. Please use the fimal Us' link at www.iciolbank.com or send as an SMS to 53030. Please include your full name, may be edited for clarity and space.

Stop Payment



Protect your money





Remember to cross your cheque whenever applicable.

