Online Check Deposit

General Overview

What is Online Check Deposit?
Online Check Deposit is a depository service that provides you with the ability to capture and submit images of checks for deposit through the use of a scanner. The Internet-based application that supports the image capture process helps determine the acceptability of images for deposit and allows you to transmit those check images and the associated data electronically to SunTrust for deposit. The service also provides an immediate electronic deposit receipt for your records once the file is transmitted to the bank.

Images of checks presented for deposit are processed through the check and image clearing networks used by financial institutions. All of these transactions are governed by funds availability schedules as mandated by the Expedited Funds Availability Act, also known as “Regulation CC.” As such, all checks eligible for image capture must also meet the check standards established by the Federal Reserve Bank and the American National Standards Institute (ANSI).

What are acceptable items vs. unacceptable items?

Acceptable Items
Many of the items you receive are probably eligible for imaging. The following items are acceptable for deposit through Online Check Deposit:

- Checks denominated in U.S. currency drawn on financial institutions located in the U.S.
- Money Orders
- Traveler’s Checks
- Cashier’s Checks

Unacceptable Items
Items not eligible for deposit through Online Check Deposit must be delivered to the bank for deposit. The following are examples of items not eligible for deposit through Online Check Deposit:

- Savings bonds
- Items with illegible or missing account or bank routing numbers in the Magnetic Ink Character Recognition (MICR) line at the bottom of the check
- Coupons (i.e. bond coupon, non financial remittance coupon)
- Foreign items
- Treasury Tax & Loan (TTL) payments
Why is image quality so important?

Image quality is a vital consideration in the successful operation of Online Check Deposit service. If the essential information needed for SunTrust to present the image of the check for payment is incomplete or missing, the check cannot be presented to the paying bank.

Conditions That May Cause Image Quality Problems

Image quality can be impacted by many conditions. Several of the known conditions that may cause image quality problems are listed below. If a problem with a check image cannot be resolved, it will be necessary to deliver the check to the bank for deposit. Any one or combination of conditions could require manual intervention in Online Check Deposit.

1. Damaged or excessively crimped checks
2. Bold graphic designs, borders or distinct background patterns on the check
3. Size or layout of checks that do not meet check standards
4. Skewed image of a check
5. Inconsistencies in paper quality or ink weight used to print checks
6. Check detail that is obscured due to streaks or bands on the check
7. Minimal contrast between the background of the check and the printing on the check – This may include checks written with ink that closely matches the background, or with light blue, red, or other colored ink that does not copy well.
8. Any writing within 5/8” of the bottom of the check
9. Personal-size checks with the check number located in the MICR line between the bank routing number and the account number (which is not the correct position for the check number)
10. Endorsement on the back of the check that extends below the designated space for endorsements
11. If endorsement stamp used, ink must be clear and bold – if lightly printed or crooked, may give a payee endorsement error
12. Legal amount written improperly or illegibly
13. Extra information printed on the front of the check near or on the MICR line
14. Signatures extending into the MICR line
15. Anti-copying watermarks – i.e., if VOID appears when the check is imaged, it creates what is referred to as a “busy background,” which can cause the check to be rejected for imaging
16. Check information printed by laser or ink jet printers without use of magnetic ink
17. Dirt, dust, ink or debris on the optical lens of the scanner

Potential Remedies

- Clean your scanner as recommended by the vendor to eliminate the optical lens as a cause of image quality problems.
- Despite being identified as a potential image quality problem, a check with a distinct background pattern or border can often be accepted. For example, backgrounds printed with “drop-out ink” may process successfully, as the designs are not captured in the image.
- Delete a skewed image and re-scan the check after aligning it properly in the feeder.

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1 Check standards are established by the Federal Reserve Bank and in conjunction with the American National Standards Institute (ANSI). For details on check standards, please refer to the question entitled, Are there check standards that must be met in order to use Online Check Deposit?
Usability

Image usability takes a closer look at the data on the check image and helps to determine if the check is of good quality and negotiable, or if it contains errors, such as the following, that would prevent it from being collected:

- Missing or illegible fields including date, payee name, or signature
- Missing bank endorsement
- Missing or illegible amounts (courtesy and legal)
- Missing or illegible payer information
- Missing or illegible bank name and address
- Unreadable MICR line
- Endorsements that cannot be verified/may be faulty

What should I know about common check features?

The MICR line is composed of four fields. The fields are, from right to left:

- Amount field, positions 1-12
- On-Us field, positions 14-31
- Routing /Transit Number field, positions 33-43
- External process control field, position 44 (optional)
- Auxiliary On-Us field, positions 45-65 (optional)

If the MICR line is not formatted according to the requirements, the checks will not scan. Personal-style checks and business-style checks are typically identified by the size.

- On the usually-shorter personal checks, the Check Serial Number is between the fields for the Account Number and Amount.
- On the usually-longer business checks, the Check Serial Number is to the left of the Routing/Transit field.

The check routing symbols, ⭕️ and ⭕️, on each side of the Routing Transit number are used to distinguish this number from the Account Number. If one or both check routing symbols are missing, Online Check Deposit will prompt you to remove the check from your deposit. A check with this deficiency should be delivered to the bank for deposit or returned to the check’s maker for a replacement.

Features of both personal and business checks are illustrated on the following page.
If you need additional information regarding MICR format requirements, please contact your Treasury Management Client Services Specialist.
Why are common check features important?

Online Check Deposit analyzes checks for the common features, including the information provided by the check’s maker, which includes:

- Current date
- Payee name
- Courtesy amount
- Legal amount
- Signature

Online Check Deposit can process personal checks and business checks. Business-style checks may be image quality suspects or misreads due to the varied designs, paper stock, paper sizes, printing methods, water marks and other security features on the checks. Personal-style checks with background pictures can also cause the same problems. Personal-style checks may be image quality suspects or misreads due to ink jet printing or any printing without magnetic ink. Endorsements extending past the allocated space on the back of checks may also cause misreads. Although these conditions are beyond your control, if Online Check Deposit is unable to read or accept an item, the item must be delivered to the bank for deposit.

Are there check standards that must be met in order to use Online Check Deposit?

All eligible items for deposit must meet the check standards established by the Federal Reserve Bank and the American National Standards Institute (ANSI). The ANSI standards are listed below.

ANSI Standard - Check Printing Requirements:

- No printing other than magnetic encoding is to appear within the 5/8” clear band across the bottom of the document.
- Density of ink (signal level), alignment, and character configuration MUST conform to American Bankers’ Association (ABA) specifications.
- No MICR printing may appear within 1/4” of the left edge of the document.
- The MICR Check Serial Number must correspond to the Check Number in the body of the check (preferably the top right corner).
- Paper weight must be 24 lb. long grain MICR Bond.
- Maximum detached document size is 8-3/4” x 3-2/3”
- Minimum detached document size is 6” x 2-3/4”
- The Financial Institution’s routing symbol must appear in the upper right corner of the document.
- All checks require a serial number.
- The top of the MICR line must be no more than 7/16” from the bottom of the check.
- The bottom of the MICR line must be a minimum of 3/16” from the bottom of the check.

Check Format Requirements:

- Financial Institution’s name and location
- Fractional transit number and routing symbol in upper right corner
- Position for consecutive check serial numbering
  – “Date” line
  – “Dollars” line
  – “Signature” line and “Pay” line

For business-style checks:

- MICR sequential numbering in the auxiliary ON-US field
- Check Serial Number must begin and end with an ON-US symbol ending in column 45
- Maximum number of numeric digits in the Check Serial Number is 10 and the minimum is 6

For personal-style checks:

- Positions for the Check Serial Number Positions begin with field 14.
- Maximum number of digits for the Check Serial Number is 4.
Why do some of my scanned items display as an “Unacceptable Item” when they are not one of the items listed as not acceptable for deposit through Online Check Deposit?

There are many reasons this can occur however, the cause is typically related to the image quality. The percent of items that don’t get scanned normally averages 1% - 4%. Those items that do not scan must be deposited at a SunTrust branch.

Why are some of my scanned items presented as “Image Quality Suspect” and I have to accept them?

Image quality checks done by Online Check Deposit are intended to ensure proper processing through the full payment cycle. A prompt indicating an item is an image quality suspect means the system has read the amount of the item however, the certainty that the amount was read accurately is under the required percentage for automatic processing. Therefore, you are asked to confirm that the read of the amount is correct or adjust it as appropriate. Checks of the signature, MICR line data, and payee endorsement are also conducted.

What options are available for depositing checks that will not scan?

For paper items not acceptable through Online Check Deposit, you can deposit them at the closest SunTrust branch or send these items to our SunTrust mail-in teller address at:

SunTrust Bank
Special Handling VA-RIC-9292
P.O. Box 27572
Richmond, VA 23261-7572

The following physical address should be used for deposits submitted by a courier that cannot deliver to a post office box:

SunTrust Bank
Special Handling
7818 Parham Road
Richmond, VA 23294

NOTE: You must include a deposit ticket or your company name and account number.

What happens if the paying bank rejects a check that I processed for deposit through Online Check Deposit?

At present, all deposited check images are being sent to the paying banks by SunTrust without our further validating the acceptability of the image. If either the Federal Reserve or the paying bank rejects the image as unacceptable for payment, the check is sent to SunTrust as a paper item, known as a substitute check, also commonly referred to as an Image Replacement Document (IRD).

Upon receipt of the rejected substitute check, SunTrust will charge your account and forward the substitute check to you. For you to receive payment, you will need to deposit the original check, if you haven’t destroyed it, or request a replacement from the maker of the check.

What happens if I submit a check for deposit that is returned for insufficient funds, stop payment or other reason?

Return Notification

Our standard return item process is to return all items accompanied by a standard advice by U.S. Mail to the account address as listed on our deposit account file. The standard advice may list multiple return items, but the posted debit to the account is at the individual item level. Additional notification options include:

- Electronic delivery: Online report available through Online Treasury Manager (Electronic Report Delivery module) or emailed through Online Courier
- Fax delivery: Notification of returns and/or re-presentments by fax, which includes an image copy of the front and back of each item
Extended data, such as maker name and return reason, on the advice or available through the Online Treasury Manager report (Electronic Report Delivery module).

Telephone notification

**Resubmitting Returned Checks for Payment**

If you wish to resubmit a returned check to the paying bank, you will need to wait to receive the returned substitute check from SunTrust. You can then either deliver it to the bank for re-deposit or scan the substitute check for redeposit through Online Check Deposit. The substitute check will have the return reason indicators, as well as the needed subsequent bank endorsements as required by regulations.

We strongly recommend that you take advantage of Automatic Representment. With this service, your instructions to represent a returned item are maintained in the SunTrust Return Item System. Unless an item has been returned for a reason that prohibits its being represented, such as a stop payment order, it can be represented one time automatically. If good funds are available at the paying bank when the item is represented, you will have avoided the need to take further action to collect the funds.

**Sample Return Item**

![Sample Return Item Image]