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Best Practice Guidelines

For the design and production of Bank Giro Credit Vouchers

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Contents

1. Introduction

1.1 These Best Practice Guidelines have been produced to assist:

- Businesses who print their own bank giro credits (BGCs)
- Printers who produce BGCs for their customers
- Certified Bank Giro Credit Printers
- Members of the Cheque Printer Accreditation Scheme (CPAS) – who are automatically certified to print BGCS

BGC printing is defined as one of the following:

- Printing BGC base stock and full code line
- Printing BGC base stock only
- Printing full code line onto BGC base stock supplied by a certified BGC printer or a member of CPAS

These guidelines must be used in conjunction with Standard 3.2– Automated Processing of Vouchers (Credits) which contains mandatory details for design, layout and printing. It is essential to check that any BGC printed, part-printed or issued by your organisation has been produced in accordance with Standard 3. This includes BGC base stock, on to which the full code line is subsequently added.

1.2 Copyright statement

2.   Key Requirements for printing BGCs

Bank Giro Credit vouchers must always:

- Be approved by the customer's bank relationship manager. Samples of each new design or code line change <u>must</u> be submitted to the account holding bank prior to use and on a regular basis thereafter. Also, bank approval <u>must</u> be obtained if there is a requirement to print on the reverse of the voucher.

- Be printed on CBS2 (credit) paper or CBS1 (cheque) paper.

- Comply with approved design templates, particularly regarding positioning of the code line and amount box etc.

- Have the full code line (OCR, MICR or a mixture of both) printed or part-printed in accordance with Standard 3.2 specifications. A copy of the Standard may be purchased from our website: Cheque and credit standards - Pay.UK (wearepay.uk)

- Be subjected to regular testing of the full code line and, where applicable, the dropout box. Any printer or part-printer of BGCs must have permanent access to appropriate testing facilities.

- Be printed using Smithers/Pay.UK-tested printing machines and correct ink or toner. All machines that appear on the Smithers/Pay.UK list have been subjected to rigorous tests that ensure that their print cannot be easily removed, therefore helping to reduce the risk of fraud. A current list is available our website: List of laser printers - Pay.UK (wearepay.uk)

Following the above key requirements will help to ensure that your BGCs are less likely to be subject to fraud and malicious attack.

In addition, certain covert security features may be applied to credits, if desired. Refer to your bank and see Standard 3.2 for further details.

3.   Bank Giro Credit Scheme

The BGC Scheme was developed to ensure that all UK BGCs conform to Standard 3.2 in overall terms of design and code lines. Certified printers also ensure the security surrounding print production and quality control of all BGCs they produce. Consistency in paper and printing quality will substantially reduce the volume of misreads and rejects in the Image Clearing System (ICS) which can lead to possible misdirection of funds or payment delays. Standardisation also helps ensure that BGCs are less vulnerable to fraud.

- Commercial printers, personalisation agencies, and any end-user organisations printing or part-printing BGCs in-house for invoicing purposes (such as utilities, local government and retailers etc) may become certified to print BGCs.

- Members of CPAS are automatically certified BGC Printers. Up-to-date membership lists for both Schemes are available from our website: [Cheque Printer Accreditation Scheme - Pay.UK (wearepay.uk)](#)

- If you only add a reference field or infill the payee name and amount payable details, you do not need to consider joining the BGC Scheme.

- Using, or becoming a Certified BGC printer to help in the printing of your BGCs will give you peace of mind that your vouchers have been printed to the quality standards required by Standard 3.2. If you wish to print BGCs yourself, you will need to purchase Standard 3.2 and follow these Best Practice Guidelines. Further details on how to purchase can be found on our website: [Cheque and credit standards - Pay.UK (wearepay.uk)](#)

Top Tip: purchase your BGC vouchers from a Certified BGC printer.

If you would like to become a certified BGC Printer, further information and an application form can be obtained by emailing: cpashelpdesk@wearepay.uk

4.   Best practice advice for design, layout and printing

4.1   Code Line layout

Full details of the allowed code line formats are contained in Standard 3.2. Please consult your bank relationship manager if you have any queries. A template showing the positioning of the code line is commercially available, and further information can be obtained from the CPAS Helpdesk by email: cpashelpdesk@wearepay.uk

The code line must include:

- The sort code of the bank branch holding the account to be credited.

- The account number to which the payment is to be credited (see the exception list below).

- The transaction code – a two-digit number that determines the purpose of the BGC. Please check with your bank relationship manager that you are using the correct transaction code.

- The serial number/reference field – either an identifiable or sequential serial number/ reference field or, for a collection credit, a reference number denoting the account holding customer's account (e.g. local authority or utility etc).

Exceptions to these rules are:

- Collection Credit – a unique sort code may be printed without an account number.

Please consult your bank relationship manager if you use any of these exceptions. The full code line at the bottom of a BGC can be printed using:

- OCR (Optical Character Recognition) characters in OCR B size 1 font.

- MICR (Magnetic Ink Character Recognition) characters in E-13B font.

- Part-MICR and part-OCR.

All OCR code line characters must be printed using non-magnetic inks or toner and must be tested using image testing equipment. Code line requirements should be confirmed with the relevant account holding bank and, wherever possible, avoid using alphabetic characters in reference fields, as they can be misread. Alphabetic OCR characters are classified for readability as follows:

Good: F, J, K, N, P, V, X, Y   **Acceptable:**   A, E, H, M, W

Poor: C, D, G, I, L, Q, R, T, U   **Very Poor:**   B, O, S, Z

Avoiding characters classified as Poor or Very Poor will minimise the level of misreads, rejects and potentially costly delays in processing.

MICR code line characters must be printed in a magnetic ink using either a security printing press or a Smithers/Pay.UK tested Grade 1 non-impact (laser) printer which has been approved for printing MICR code lines. A complete list of Smithers/Pay.UK- tested Grade 1 non-impact printers can be obtained from our website: List of laser printers - Pay.UK (wearepay.uk)

MICR code line characters must be tested on a regular basis, using a MICR qualifier and wherever possible should be produced by a Certified BGC Printer or member of CPAS. This is to ensure that:

- The MICR code line is printed in the correct position.

- The MICR code line signal has been properly tested and is of a sufficiently high strength to pass through the banks' central clearing systems.

- The MICR code line has been tested for durability so that the numbers will not rub off when the voucher passes through the clearing system.

If you are not a CPAS member or a Certified BGC Printer, but still print or part-print the MICR code line, you must have facilities to test the signal strength on a regular basis either on-site or through a third party. Full details of the appropriate equipment, and relevant third parties, can be obtained from the CPAS Helpdesk by email: cpashelpdesk@wearepay.uk

4.2   Printing the Amount Box

A drop-out ink outline may be used to give a visual differentiation to the Total Amount Box area. Boxes should be printed with drop-out inks as defined in the American National Standard (ANSI X9.7) or, if using a laser printer, a drop-out design with a Print Contrast Signal (PCS) of less than 0.3 (30%) may be used. See Standard 3.2 for further details.

When using a fine line Total Amount Box, it must be printed as a three-sided rectangle, with the left-hand side left open and prefaced by the £ sign in OCR-B font 4mm high (see diagram below). A fine continuous line should be used to define this three-sided rectangle, rather than a dotted line. This will help to prevent potential misreads and processing complications.

A laser printed amount box:

£
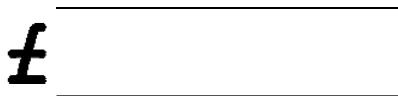
4.3   Bank Approval

You must confirm approval and/or validation from the customer's bank relationship manager for the following:

- All bank details for a new BGC design.
- Proof of any new BGC design and sample vouchers (to be submitted for testing before a print run is undertaken).
- Sample vouchers when changes occur in either the content of the code line or the reference length/type of character used for validation (to be submitted for testing before a print run is undertaken).
- Any requirement to print on the reverse of the BGC voucher.
- Repeat orders, if there are any changes to delivery address and other relevant details from the previous order.

On completion of each print run, 50 sample BGC vouchers should be sent to the relevant bank relationship manager. Bank approval is mandatory under Standard 3.2.

5. Best practice advice for operating procedures

5.1 Security and Confidentiality

- A secure location should be created within your organisation to contain both the printer and stored BGC stock.

- The print room should have a constant ambient environment.

- Customer data, both paper and electronic, must be stored securely, including origination, infilling and personalisation work.

- Data transmission and back-up data systems should be secure.

- Only authorised staff should be permitted access to confidential customer details, with access rights and passwords subject to regular review.

- An intruder alarm system should be installed.

- Visitors should be controlled via a formal reception procedure and accompanied at all times.

- Systems must be in place to prevent the unauthorised or accidental disclosure of sensitive confidential information by either staff or visitors.

- A manual or computerised audit trail should enable each print job to be tracked from inception to delivery, including a means of retrospective identification, with contingency procedures in place in case of loss or theft.

- BGC-related waste should be securely stored prior to shredding to render it unusable. Destruction certificates should be obtained from external contractors, if applicable.

- You should ensure that BGCs are not removed from company premises without suitable authorisation.

5.2 Quality Control

- Quality assurance records must be maintained for each order.

- All paper (CBS2 or CBS1) and approved ink ribbons or toner (which must be the same type as that used when the printer was tested by Smithers) should be purchased from reputable suppliers.

- Regular schedules for quality testing base stock and MICR and/or OCR code lines must be maintained, using appropriate testing equipment. This should be held on-site or by a third party, who has provided written agreement to carry out such testing.

- All testing equipment must be calibrated regularly in accordance with the manufacturer's instructions.

- Base stock purchased from a third party, onto which the full code line is to be added, should be obtained from either a Certified BGC Printer or CPAS member. (If the design includes a drop-out box, CPAS members will provide a certificate to confirm it has been tested for image quality.)

- Keep all identifying batch and delivery labels in case of problems, and always check the wrapping of each delivery to make sure it is undamaged.

- Never use BGC stock which appears damaged - whether torn, stained, curled or with 'wavy' edges. This could affect print quality, as well as cause paper jams, misfeeds, omissions and duplications, which lead to potentially costly processing delays.

5.3   Machinery and Equipment

Printing Machines

- Base stock and code lines must be printed using a high-quality impact printer or one of the laser or inkjet printing machines tested by Smither/Pay.UK. The choice of machine depends on the type of paper used (sheet-fed or continuous) and the type of code line to be printed.

- Up-to-date lists of tested non-impact printing machines are available from our website: List of laser printers - Pay.UK (wearepay.uk)

- Printers should be purchased directly from a manufacturer or reputable supplier and serviced and maintained in accordance with the manufacturer's recommendations by an approved maintenance company.

- Always ensure the printer is fully warmed-up before starting to print or complete the code line of BGCs. If the printer has a power save mode it is advisable either to turn off this feature, thus ensuring that the toner fuser is always hot, or to print at least a few pages after the printer has been in sleep mode before commencing a BGC run. This will ensure that the printer has reached its optimum operating temperature before BGCs are infilled.

Ink Ribbons and Toner

- Use only consumable supplies specified by your printer manufacturer.

- When using an impact printer for in-filling always use a permanent ribbon, which should be changed regularly to maintain good quality print. One-time correctable typewriter ribbons should not be used as the characters can be easily removed or rubbed off.

- When using a non-impact/laser printer ensure the toner and other consumable supplies are renewed regularly, preferably more frequently than the manufacturer recommends.

- When the 'toner low' or 'replace toner' indicator appears, replace the cartridge immediately as toner adhesion deteriorates rapidly when the amount of toner is low.

- Do not keep excessive stocks of toner as it deteriorates over time.

5.4   Further Information

For further information and advice on printing Bank Giro Credit vouchers, becoming a Certified Bank Giro Credit Printer, the Cheque Printer Accreditation Scheme or Standard 3, please contact your bank or the CPAS Helpdesk: cpashelpdesk@wearepay.uk

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