




Cheques



A Cheque

- This is an order/instruction, signed by a current account holder to a bank, to pay a certain amount of money to a named party or order on demand.

Sample Cheque

| | | | |
|-----|--------|---|--------------|
| Pay | Date | Bank of Ireland  | 21 - 32 - 99 |
| | | Training Branch, Sligo | Date _____ |
| | | Pay _____ | € _____ |
| | | PAULINE MURPHY | |
| 100 | 000100 | 90.51.33 | 16921854 |

Bank of Ireland logo **230904** Branch Sort Code Account No.

100 000100 90.51.33 16921854

Money & Banking

□ Drawer

- This is the person who signs the cheque

□ Payee

- This is the person/company/organisation that the cheque is given to
i.e. who is being paid

□ Drawee

- This is the bank that the cheque is drawn on
- The person signing the cheque has a current account in that bank.

Money & Banking

□ Counter Foil/Stub

- This is the accountholders record of the amount the cheque is for, when it was written and who it was given to.
- This needs to be completed fully in order for accurate records to be kept.

Money & Banking

□ Account Number

- This is a number given to each bank account
- It is a way of identifying each account.
- It is used for security to ensure one person's account isn't mixed up with another's

□ Sort Code

- This is an identification number given to each bank and branch.

Money & Banking

- **What does 'cash a cheque' mean?**
 - This means that a bank will give you cash for your cheque or they will lodge it to your account.

Money & Banking



- ❑ **A Dishonoured/Bounced Cheque**
- This is one the bank will not accept.
- It is returned to the payee marked R/D (Refer to Drawer)
- If a cheque *bounces*, bring it back to the drawer and ask them to pay you in cash, to re-write the cheque or to pay you in a different way.

Money & Banking

□ The reasons for dishonouring a cheque are:

1. The cheque is stale/post-dated
2. The drawer hasn't enough money in the account to back the cheque
3. The cheque is not completed properly
4. The signature doesn't match the specimen signature

Money & Banking

A Blank Cheque

- This is a cheque which has been signed by the drawer but is still missing some essential information

eg.: the date, the payee's name, etc

A Stale Cheque

- This is a cheque that is more than 6 months old

A Post-dated cheque

- This is a cheque that's dated for some time in the future. The bank can't cash the cheque until that date

Money & Banking

□ A Cheque Card

- This is an identity card which the cheque book holder has.
- When used according to the bank' instructions it guarantees payment of a cheque by the bank up to a certain amount

eg.: the bank will accept it up to €130

Money & Banking

□ Crossing a cheque

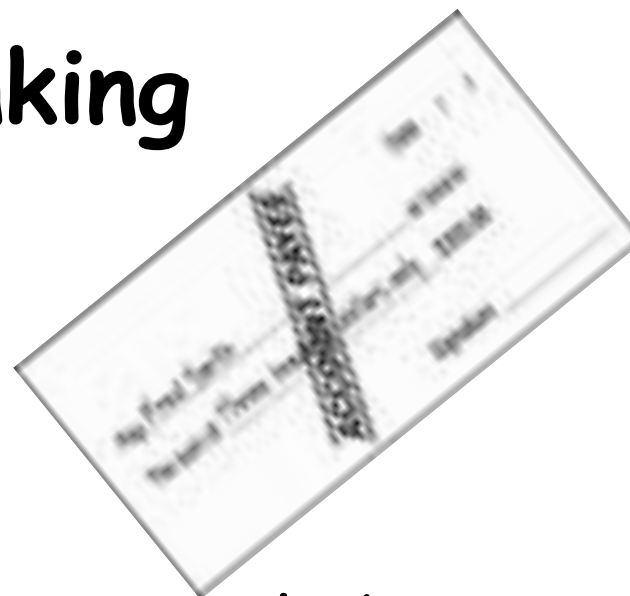
- This makes it safer as it restricts payments
- It is a way of giving extra instructions.
- Putting a crossing on a cheque, is like writing 'pay into bank account only'; - the cheque can only be lodged to a bank account.

Money & Banking

Crossing a Cheque

- Two Parallel Lines drawn across the face of the Cheque
 - This is the most common type of crossing.
 - & Co might be written between the lines.
 - It means the cheque can only be lodged into another bank account.

Money & Banking



□ A/C Payee Only

- This is a special crossing
- This means that the cheque must only be lodged into the account of the payee named.

□ BOI, Carnew

- This is another special crossing
- This means that the cheque must be presented at the Bank of Ireland in Carnew.

Money & Banking

□ Endorsing a Cheque/Negotiating a Cheque

- This means one can pass on ownership of a cheque to someone else.
- This is done by the payee signing his/her name on the back of the cheque (endorsing it)

Money & Banking

□ Stopping a Cheque

- This means that the bank will refuse to cash the cheque because they were requested to do so by the drawer.

Money & Banking

□ Travellers' Cheques

- These are cheques that are pre-printed in various amounts in the currency required.
- They are paid for and signed by the buyer in the presence of a bank official when purchased.
- They are signed again when being cashed / used in the presence of the seller of the goods or services.
- A passport may also be required to check the signatures.