

## Check Handling Procedures

U.S. Bank DepositPoint™ allows you to deposit checks electronically, eliminating the need to make a physical bank deposit.

**This document outlines check handling procedures for the entire process of creating and clearing your electronic deposit. U.S. Bank reserves the right to audit DepositPoint customers for compliance with the guidelines included in this document.**

### *Eligible Checks*

DepositPoint allows you to deposit most U.S. consumer and business checks, however certain checks are not supported through the remote deposit channel. These items include but are not limited to: third party checks, foreign checks, substitute checks, government bonds, checks payable in a medium other than U.S. dollars, items drawn off of the Customer's U.S. Bank account, U.S. Savings Bonds, state savings bonds, or other savings bonds.

### *Inspecting Physical Checks and Check Images*

- You are responsible for inspecting both the physical check items and check images as they appear on your PC or mobile phone screen. Because some physical security features on the actual checks, such as watermarks, may not survive the imaging process, you must manually examine checks prior to transmission to the bank to verify their authenticity.
- Additionally, when depositing a check via DepositPoint, you are required to examine check images to ensure the payee name, amount, signature and other important pieces of information are legible and in accordance with the physical check. If they are not, cancel the scan/photograph and rescan/photograph the item.
- Any original paper check items that remain illegible after repeated scanning/photographing attempts must be physically deposited at the branch or ATM.
- You should regularly inspect your scanner or mobile phone image camera to ensure that they are operating optimally. Please refer to your scanner or mobile phone owner's manual for instructions on equipment cleaning and care.

### *MICR Lines on the Check*

The bottom of your check contains numeric information that identifies the bank the check is drawn on, the account number and the check number. This information is known as the MICR line (Magnetic Ink Character Recognition). A MICR defect, such as a tear in the MICR line, or markings over the MICR line may inhibit the scanner or mobile phone's ability to read this information. If you receive error messages indicating that the scanner or mobile phone is unable to read the MICR line, the check with defects in the MICR line must be physically deposited at the branch or ATM.

### *Endorsing Electronically Deposited Checks*

To help minimize fraud, you are required to place a physical payee endorsement on all check items prior to scanning/photographing through DepositPoint. Endorse the back of the check with your signature, the words "for deposit only at U.S. Bank", and account number to which you are depositing the check.

***Marking Electronically Deposited Checks as Deposited***

To help ensure that an electronically deposited check is not processed multiple times either as an electronic item and/or a physical check, U.S. Bank requires that you mark the face of the check to indicate that it has already been deposited electronically. Marking a check in this way will allow you to identify that the item has been scanned/photographed and deposited if it becomes intermingled with other undeposited checks. You are required to mark all checks manually, with a stamp, or use some other means of marking the physical checks to indicate they have been electronically deposited. Items should be marked after you receive confirmation that the deposit was received and accepted for processing by U.S. Bank.

***Check Safekeeping, Retention and Destruction***

- Check storage and the destruction of items processed through DepositPoint is your responsibility because the paper checks are never physically deposited with the bank.
- U.S. Bank requires that DepositPoint customers use commercially reasonable methods to securely store all source documents and all related banking information until destruction. We require that deposited check items be securely stored in a location away from daily processing activities. To help ensure that checks are not electronically processed more than once or physically deposited at the bank after being electronically deposited, procedures should be established to ensure that only authorized personnel have access to these checks during the retention period.
- U.S. Bank recommends retention of the checks for at least seven business days after the deposit is made in case a check is returned and you need to collect on the check by re-depositing the original item. All items must thereafter be destroyed as soon as reasonably possible. U.S. Bank requires destruction of all checks within 30 days from deposit. Cross-cut shredding is strongly recommended for check destruction.
- If you believe you may have deposited a check item more than once, please contact U.S. Bank Customer Service immediately at 800-USBANKS (800-872-2657). Do not re-scan/photograph the items. U.S. Bank will provide assistance in determining the best approach for managing the situation.