

Check Endorsement Training Guide
(Updated 11-2007)

Before accepting a check:

1. Flip it over to make sure it is endorsed properly.
2. If it is not endorsed, ask member to sign it or stamp it if depositing to account.
3. If not endorsed properly, fix it.

If the member is cashing a check, the item **must** have a signature.

Before depositing a check, it must be endorsed. There are three ways to endorse a check, blank endorsements, special endorsements, and restrictive endorsements.

A blank endorsement occurs when the payee signs their name on top back of the check. Since a blank endorsement can be negotiable by anyone who presents it for payment, this type of endorsement should be used when depositing in person to minimize fraud risk.

A special endorsement is when the member specifies that the check is "For Deposit Only" above their signature. By using this type of endorsement, the check can only be deposited to the account of the person whose name is shown on the "Pay to the Order of" line. A stamp, such as "Deposited to the account of the within named payee-Absence of endorsement guaranteed" is sufficient. Each office should have such a stamp.

A restrictive endorsement restricts the use of the check that is being deposited. In a restrictive endorsement the member can specify "For Deposit Only to the Account of Jane Doe" or "For Deposit Only to Account 123454321". This ensures that the check will be deposited to the specific account.

"For Deposit Only" on the back of a check is not an endorsement. It is only the words of restriction which might accompany an endorsement. Without a signature, a check is handled as if the endorsement is missing.

Types of checks to be aware of:

1. Checks made payable to two people: both people must sign the check.
2. Checks made payable to Jane Doe, guardian of John Doe: Jane Doe must sign the check
3. Two Party Checks: The member who is the original payee must sign the check, write "Payable To John Doe" and John Doe must also sign the check. This special endorsement makes the item payable to John Doe only, therefore limiting who can negotiate the item.
4. Checks made payable to Bayer Heritage FCU for greater than \$2500.00: the check must be stamped with a teller stamp, such as "For Deposit Only to the Account of Bayer HFCU".