

# Cheques

EECU offers a range of cheque facilities to meet your needs

- Personal Cheques
- Corporate Cheques
- Bank Cheques

## Personal Cheques

We provide a cheque book facility for your personal use. This is attached to your Access Plus (S1). Refer overleaf for additional information on the operation of your personal cheque facility.

## Corporate Cheques

Corporate cheques are cheques drawn on EECU's account at the National Australia Bank in accordance with instructions received from members. They have the same legal standing and are treated in the same manner as a bank cheque.

## Bank Cheques

EECU can arrange bank cheques through the National Australia Bank. It is recommended that a bank cheque only be requested when insisted on by the payee.



# Personal Cheques

## Additional Information on the operation of Personal Cheques

This information is provided to help you understand the operation of EECU's personal cheque facility.

### ■ Cheque crossings - 'Not Negotiable' or 'Account Payee Only'

Crossing a cheque means drawing 2 transverse parallel lines across the face of the cheque. This is a direction to a financial institution that the cheque should not be cashed, but should be paid into an account. As a result, payment of the cheque can be traced by the rightful owner if the cheque has been stolen.

A crossing does not prevent the cheque being negotiated (transferred to a third party) before being deposited to a financial institution. When you cross a cheque or add the words 'Not Negotiable' between the crossing you may be able to protect yourself, but not always, against theft or fraud. The crossing sometimes serves as a warning to the collecting financial institution, if there are other special circumstances, that it should enquire if its customer has good title to the cheque. For your protection EECU cheques are pre-printed with transverse parallel lines and a 'Not Negotiable' crossing, as shown:



When you add the words 'Account Payee Only' between the lines you are indicating that only the person named on the cheque can collect the proceeds of the cheque. These words may give you better protection against theft or fraud by serving as a notice to the financial institution into which the cheque is being deposited that it should take care to ensure that the cheque is being deposited on behalf of the rightful owner.

### ■ 'Bearer' or 'Order'

EECU cheques are pre-printed with the words 'or bearer' after the space where you write the name of the person/entity to whom you are paying the cheque. This means that the cheque is payable to anyone who holds the cheque, even if there is a different name on the cheque.

If you want to make the cheque payable to a specific person, rather than any bearer of the cheque, you must cross out the word 'bearer' and replace it with 'order'.

### ■ Maintaining sufficient funds to cover a cheque

When you pay for something using a personal cheque the funds are only withdrawn from your account when that cheque is presented for payment. This could range from 1 day to 15 months later. After 15 months the cheque becomes 'stale'. You need to ensure that sufficient cleared funds or credit facilities are available to cover any cheques that have been written but have not been presented to your account.

### ■ Clearance periods on cheques

When a person or entity to whom you have paid a personal cheque deposits it to an account at an Australian financial institution the financial institution is not guaranteed receipt of the funds until the cheque is cleared. Therefore clearance times apply before funds paid by cheque can be accessed. In anticipation of clearance, interest will normally be earned in the account which received the deposit (or saved in the case of loan accounts) from the date of deposit of the cheque.

The usual clearance period is 3 working days, but can take longer in some cases. The person or entity to whom you paid the cheque can request a special clearance on the cheque, which will generally mean that it is cleared within 1 working day of deposit.

### ■ Stopping payment on a cheque

You can stop payment on a cheque by contacting EECU (in person, by telephone or fax) with sufficient particulars to identify the cheque. Provided the cheque has not already been paid it can be stopped, subject to written confirmation on the EECU 'Stop Payment' form. The EECU 'Stop Payment' form can be faxed or mailed to you or you can obtain a copy from EECU's website.

A fee applies for stopping payment of a personal cheque and it should be noted that if the stopped cheque is subsequently presented for payment a dishonour fee will also be charged.

### ■ Dishonouring or refusing to pay cheque by EECU

EECU can dishonour your cheque or refuse to pay it, if -

- you have insufficient cleared funds or available credit in your account to cover the cheque amount;
- the cheque details are unclear, so that EECU is unsure of what you want (for example, if the amounts in words and numbers are different);
- you have post-dated your cheque and it is presented for payment before the date on the cheque;
- you have not signed the cheque, or you have changed your signature without advising us;
- the cheque is 'stale', that is, the date on the cheque is more than 15 months before it was presented to EECU for payment;
- you have placed a 'stop payment' on the cheque; or
- EECU has notice of your death or mental incapacity.

# Personal Cheques (cont'd)

## Reducing the risk of forgery

To guard against forgery of your cheques it is recommended that you -

- do not use a pencil or an erasable pen in completing cheques;
- do not pre-sign blank cheques;
- keep your cheque book in a secure place;
- do not supply cheque forms to any other person;
- notify EECU as soon as you become aware of the loss, theft or misuse of any cheque form.

To avoid the risk of fraudulent alteration of your completed cheques it is recommended that you -

- start the name of the person or entity to whom you are paying the cheque as close as possible to the word 'Pay';
- draw a line from the end of the payee's name to the beginning of the printed words 'or bearer';
- start the amount in words with a capital letter as close as possible to the words 'The sum of' and do not leave blank spaces large enough for any other words to be inserted. Also add the word 'only' after the amount in words;
- start the amount in numbers close after the printed '\$' and avoid any spaces between the numbers;
- always add a stop '.' or a dash '-' to show where the dollars end and the cents begin and, if there are no cents, always write '.00' or '-00' to prevent insertion of more numbers to the dollar figure.

## General information

### Terms and Conditions

This brochure should be read in conjunction with the Terms and Conditions brochure for Cheques.

### Fees and charges

Fees and charges may apply, please refer to the Fees and charges brochure.

### Other

Any advice contained in this information brochure is of a general nature only and has not taken your personal situation into account. You should refer to the EECU Financial Services Guide, General Information and Terms and Condition brochures to decide if a product is right for you. Full details are available at [eeecu.com.au](http://eeecu.com.au) or from an EECU office. Products are issued by EECU Limited.

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