

Time to Check Out Your Condo's Cheques

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Considering the countless details involved with serving on the board of your condo, you may have missed a recent change announced by the Canadian Payments Association (CPA) that will affect your condo's banking situation over the next 12 months.

Last year, the CPA and its member financial institutions announced an industry-wide transition to using cheque-imaging technology in the Canadian banking system. The change is intended to result in faster and more efficient processing, giving clients quicker access to information about their cheques.

Since most providers of cheques to individuals have been incorporating the new features for some time, many personal banking accounts will not be affected by these changes. However, a number of businesses and condominiums may need to order brand new cheques in order to comply with the new regulations.

In May 2006, the deadline for adopting the new cheques specifications was extended to June 30, 2007, primarily to give businesses the time to make the appropriate changes to their cheques.

If you are unsure about whether your condo will need to order new cheques, you'll want to take a moment over the next few months to speak with your relationship manager at your bank.

For many condos, paying the fees associated with ordering new cheques will be the biggest banking expense in many years.

Now would be an excellent time to review your condominium's banking relationship to ensure that you're receiving the best banking package available. Since you likely have to order new cheques anyway, it would be a reasonable time to switch banks for a better deal.

If you use a professional property management company, they can typically negotiate an excellent banking deal on your behalf. For self-managed condos, you'll want to consider interest rates, account fees, and electronic funds transfer options. You'll also want to ensure that you have access to an investment professional that can ensure that your reserve funds are earning the highest interest rates possible within the guidelines of the condominium act.

Being pro-active will ensure that your condo is in a position to profit from the new cheque regulations rather than merely reacting to them at the last minute next summer.

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On June 30, 2007, all condominiums are required to comply with new cheque-imaging specifications announced by the Canadian Payments Association. Some of the key changes include:

- A move to a numeric date format (for example, MMDDYYYY);
- A mandatory serial number appearing at the bottom of the cheques
- Standardized positions on the cheque for key information.

Full details of the new specifications are available on the CPA website (www.cdnpay.ca).

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