

ADVANTAGE

LASER PRODUCTS, INC.

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Business Checks Survey



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Executive Summary

Check payment solutions play a critical role in the financial management of most organizations. Checks are intrinsic to the behavior of U.S. businesses and government agencies, and most organizations have structured their entire treasury management infrastructure around checks, from paying invoices to matching transactions. We believe there are three main reasons for why over 87% of our survey respondents' organizations continue to use checks:

1. Checks simply contain a lot more information than electronic payments, and may even have entire invoices attached to them.
2. Checks offer a cash flow advantage, by delaying the payment while the check is in the mail and during authentication process, often translating to days if not weeks of additional liquidity and interest income on cash.
3. And with the use of very effective check fraud prevention solutions, such as positive pay, checks are also a safer payment solution than electronic payments, which are subject to hacking and cyber theft.

Until the security is enhanced in prevailing electronic payment methods, and an external, regulatory action forces a rapid transition to electronic transactions, many U.S. businesses will continue to use checks as the preferred payment solution.

Advantage Laser Products conducted this survey to determine the dominant business function for checks, the prevalence of MICR-printing of checks by U.S. businesses, and the prevalence of check fraud and the use of positive pay check fraud prevention.

We are very grateful for everyone's input and the overwhelming response to our survey. We wanted to share some of our survey findings here. Enjoy!

Other Sources:

1 Association of Financial Professionals. "2016 AFP Electronic Payments Report." 20 September 2016.

2 Monga, Vipal. "U.S. companies cling to writing paper checks." Wall Street Journal. 10 March 2014.

About this Survey

This report compiles data from 435 respondents from 389 organizations in the United States. The respondents are purchasers of check payment solutions and supplies in a wide range of industries and job functions, ranging from business owners and finance executives, to accounting, payroll, accounts payable, human resources and other professionals. 71% of the respondents were from the private sector, and 29% from government and not-for-profit organizations.

About Advantage Laser Products

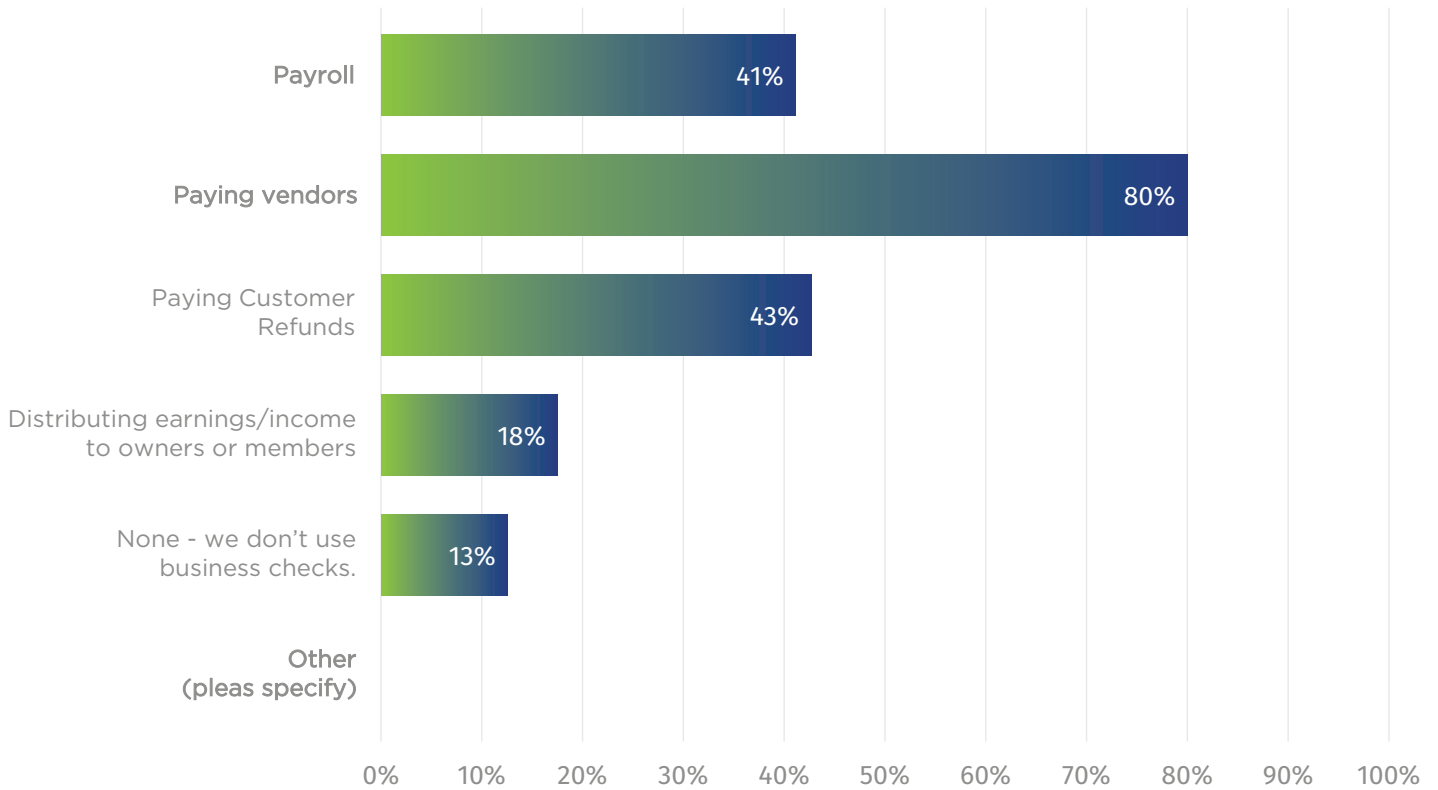
Advantage Laser Products has been supporting the needs of accounting and finance professionals with business and government check payment solutions for over 30 years. Advantage provides their customers with all of the products and services they need for check processing and is positioned to expand into other areas of the payment processing and technology-focused areas of the market. They offer pre-printed checks & envelopes and check printing supplies, including MICR toner, check stock paper, MICR fonts and check printing software. And, everything they offer is delivered with a 100% satisfaction guarantee.



How business checks are used today

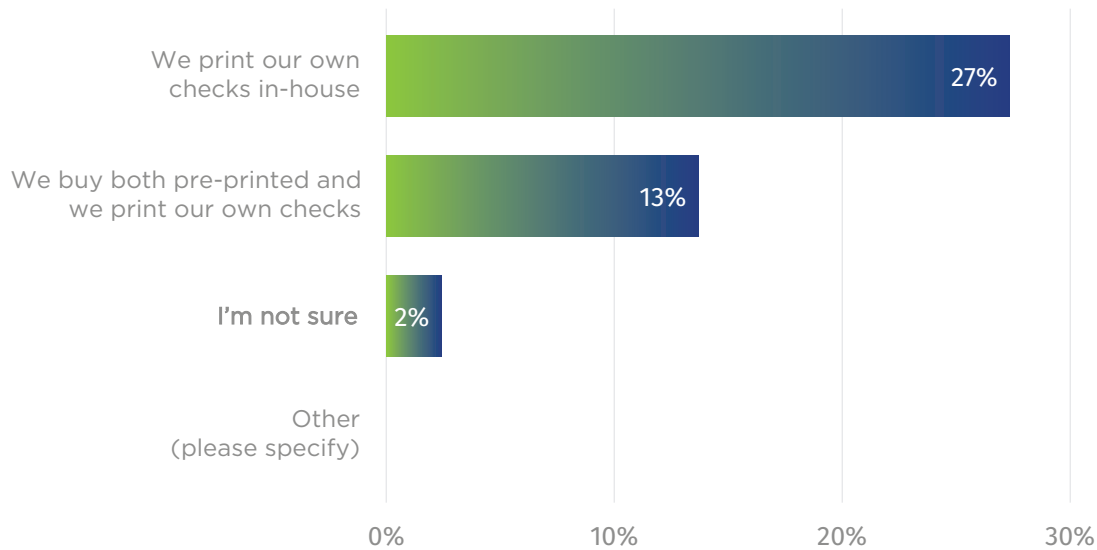
While the use of personal checks has declined over time, the demise of business checks has been greatly overstated. 87% of organizations we surveyed use paper checks for at least one key business function, such as paying employees, vendors, customers or investors.

In fact, 80% of organizations still use paper checks to pay vendors and contractors. This could be due to a lack of an easy-to-use, universally accepted ACH/ bank transfer solution in the United States, or the perceived benefit of delayed payment while paper checks are in the mail.



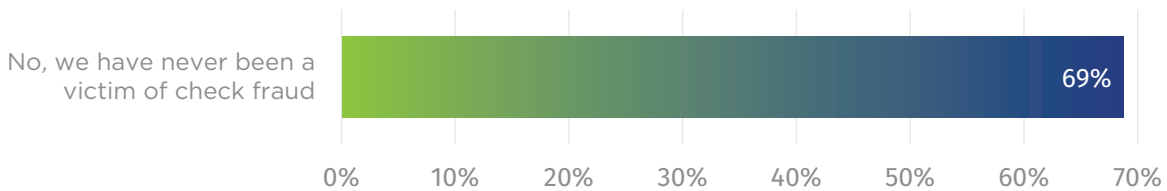
How many companies print their own checks?

We discovered that at least 40% of the organizations we surveyed print their own checks in-house. In fact, a third of these organizations also purchase pre-printed checks. Printing checks in-house can save some organizations thousands of dollars every year, depending on the number of checks they distribute and how many bank accounts they have to manage.



How many companies have been a victim of check fraud?

More than two thirds of organizations we surveyed have never experienced check fraud, at least that they were aware of. The majority of the 30% of respondents whose organizations did experience check fraud changed their check payment processes in some way, including signing up for positive pay services or using check paper with better security features.



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