

CHECK ACCEPTANCE POLICY

POLICY FOR ALL CHECKS

- *Purchases made in our stores paid for by check, are considered cash sales. Once a check is accepted as payment for a purchase, follow all cash sale procedures!*
- *We accept checks for cash sales, down payments and payments on accounts.*
- *We do not cash checks for any customer. There must be a necessary transaction to necessitate taking the check (cash sale, down payment or account payment).*
- *If a check is \$3000+, Central Credit must see (fax) & authorize the check before the sale is recorded.*

PERSONAL & BUSINESS CHECK POLICY

- *Must be made payable to Daniel's.*
- *Accepted for the transaction amount only.*
- *Must have a pre-printed account holder name and check number.*
- *Must have a phone number, either pre-printed or handwritten, or "no phone" written on face of check.*

PAYROLL CHECK POLICY

- *Must be payable to your customer.*
- *Acceptable for up to \$50 more than the amount of the transaction. However, larger cash back is rarely acceptable, only with a Regional District Manager approval.*
- *Customer must endorse the payroll check by signing the back of the check.*

CASHIER CHECKS, MONEY ORDERS

- *Must be made payable to Daniel's.*
- *Must have a pre-printed issuer name, issuer address & check number.*
- *Acceptable for account payments ONLY.*
- *We do not accept money orders for a cash purchase or as a down payment on a Daniel's account.*

TRAVELER'S CHECKS

- *Must be made payable to Daniel's.*
- *Must be verified against signature and ID.*
- *Treated like cash.*

Government checks are not accepted in Daniel's stores.

PERSONAL CHECK ACCEPTANCE CRITERIA

When a customer is writing a check, for any reason, check acceptance procedures may begin only when the following criteria is met:

- 1) Check is dated correctly, with today's date. We do not accept post-dated checks for merchandise sales or down payment. Occasionally a customer will leave a post-dated check for an account payment. Such checks should be sent to SMC Collections.
- 2) The customer's name & check number is pre-printed on the check.
- 3) There is a street address & phone number on the check.
- 4) Check is payable to DANIEL'S JEWELERS.
- 5) The amount of the check is written in numbers & words, & the amounts match exactly.
- 6) Signature must match pre-printed name on check.

2	MELANIE STEWART 909/276-5848 3456 Eastborne Drive #102 Moreno Valley, CA 92553	1	February 10, 20 08	2	2478
3					16-88/1020
4	PAY <u>Daniel's Jewelers</u>	5	\$ <u>248.92</u>		
	To THE ORDER OF	5	<u>Two hundred forty eight and 92/100</u>		DOLLARS
	Bank of America Manhattan Beach Branch 0064 P.O. Box 488 Manhattan Beach, CA 90268	6	SIGNATURE <u>Melanie Stewart</u>		
	MEMO				
	1 2 2 0 0 0 6 6 1 2 4 7 8 1 2 2 0 0 0 6 6 1				

PREPARING A PERSONAL CHECK FOR APPROVAL (CASH SALES & DOWN PAYMENTS)

When accepting a check for a cash sale or a down payment, and you have verified that the customer has accurately completed the check, you must then:

- 1) Place a "T" bar on the face of the check.
- 2) Ask customer to see their Driver's License or state issued identification card. **Do not take the customer's wallet from them.**
- 3) Match the ID with the person & the check - picture, name, address, signature. If the person does not seem to match the ID (i.e. looks different from picture, seems to be wrong age, signatures do not match, etc.) DO NOT take the check. Get the store manager involved and contact Loss Prevention, preferably while the customer is still in the store. If the address on the ID and check do not match, ask customer for their correct address and hand-write it on the check.
- 4) In the upper left-hand corner of the t-bar, write the abbreviation for the state the ID was issued from.
- 5) In the upper right-hand corner of the t-bar, write the customer's ID number.
- 6) In the lower left-hand corner of the t-bar, write the customer's date of birth.
- 7) Only if the customer volunteers a second form of ID, write the name, type and expiration date above the T-Bar. **Do not record the account number.**
- 8) Circle the customer's phone number. If there is no pre-printed phone number, write the area code and number and your initials near the address. If the customer has no phone number, write "No Phone" with your initials.
- 9) Write your store number & sales slip number just above the customer's signature. If transaction is a CASH SALE, mark a "C" next to the sales slip number.
- 10) DOWN PAYMENTS ONLY - Write customer's account number and "DP" in the lower left hand corner of the check.
- 11) * **OBTAIN APPROVAL** (see Telecredit, next page)

Pictured below is an accurately completed sample check.

1								
8	MELANIE STEWART 909/276-5848 3456 Eastborne Drive #102 Moreno Valley, CA 92553	<div style="display: flex; justify-content: space-between;"> <div> <td style="width: 10%; text-align: center;">4</td> <td style="width: 10%;">CA</td> <td style="width: 10%; text-align: center;">5</td> <td style="width: 10%;">C 1234567</td> </div> <div style="text-align: right;"> <td style="width: 10%; text-align: center;">2478</td> <td style="width: 10%; text-align: center;">16-88/1020</td> </div> </div>	4	CA	5	C 1234567	2478	16-88/1020
3	6	11						
	08/10/66	February 10, 20 08						
PAY <u>Daniel's Jewelers</u> To The Order Of <u>Two hundred forty eight and 92/100</u>		\$ 248.92						
Bank of America Manhattan Beach Branch 0064 P.O. Box 488 Manhattan Beach, CA 90266 MEMO <u>ACCT # 01743253</u>		<div style="display: flex; justify-content: space-between;"> <div> <td style="width: 10%; text-align: center;">9</td> <td style="width: 10%;">#101 #553719</td> </div> <div> <td style="width: 10%; text-align: center;">10</td> <td style="width: 10%;">SIGNATURE</td> </div> </div> <u>Melanie Stewart</u>	9	#101 #553719	10	SIGNATURE		
1 2 200066 1 2 2478 1 2 200066 1								

PERSONAL CHECK

TELECREDIT APPROVALS

(CASH SALES & DOWN PAYMENTS)

- Personal checks for down payments and sales must all receive **TELECREDIT APPROVALS**. However, account payments do not need to be Telecredited (see separate Daniel's Account Payment Instructions, p. 8).
- Most Telecredit approvals are obtained using the VERIFONE.
- When obtaining an approval from Telecredit, you **MUST** manually key-enter the ID Number into the verifone. **DO NOT SWIPE A STATE ISSUED IDENTIFICATION OR DRIVER LICENSE CARD THROUGH THE VERIFONE.**

VERIFONE approval instructions:

- 1) From main Softpay screen -
- 2) Press more (purple key)
- 3) Press F4 (check)
- 4) Enter ID Number (Drivers License) * Press Enter (To enter the letter part of the ID, press the number key with the desired letter on it and then use the Alpha key.) **DO NOT SWIPE THE ID CARD, you MUST key enter the ID NUMBER.**
- 5) Using the Telecredit State ID laminated list, enter State ID Code, Press Enter (i.e. California code is 23)
- 6) Enter Birth date (MMDDYY), Press Enter
- 7) Enter Check Number, (if required) Press Enter
- 8) Enter Amount of Check, Press Enter
- 9) Approval code reads: OKXXXXXX. Write the approval number in the lower right-hand corner of the t-bar.
- 10) Stamp the back of the check (behind the edge marked PAY TO THE ORDER OF) with the store's check endorsement stamp.

Pictured below is a sample check with the approval code written in.

951- MELANIE STEWART CA C1234567 2478	
3456 Eastborne Drive #102 Moreno Valley, CA 92553 08/10/66 OK123456 (*) June 1 19 07 16-58/1020	
PAY <i>Melanie's Jewelers</i>	\$ 248.92
To The Order Of <i>Two Hundred Forty Eight and 92/100</i> — DOLLARS	
#101 #553719	
Bank of America Manhattan Beach Branch 0064 P.O. Box 488 Manhattan Beach, CA 90266 MEMO ACCT # 01743253	SIGNATURE <i>Melanie Stewart</i>
⑆ 1 2 200066 ⑆ 2478 ⑆ 1 2 200066 ⑆	

WHAT IF THE VERIFONE DOES NOT GIVE AN IMMEDIATE APPROVAL CODE?

If the Verifone responds with:

AMOUNT ERR - The check amount has been entered incorrectly. Start over.

DOB ERR - The date of birth has been entered incorrectly. Start over.

DL ERR - The ID number has been entered incorrectly. Start over.

CALL AUTH CENTER / DECLINE - The check has not been approved. Call (800) 237-5581 within 5 minutes.

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When you call Telecredit (Auth Center) tell the operator:

- 1) *Your store's station number (see quick reference laminated sheet located near the Verifone).*
- 2) *The check number*

The operator will likely ask for additional information to complete the approval. Answer all questions accurately and completely.

The operator will give one of the following responses:

"OK" & a four digit approval number - Check is approved. Write approval number in lower right-hand corner of the T-bar.

*"This transaction is declined - **Code 1** - Check is not approved. Tell customer something to the effect of, "I'm very sorry, but Telecredit has declined to give us authorization on your check. Here is some information about Telecredit (hand customer the Telecredit turn-down card and their check) and how you can contact them. Could you pay for your purchase (or make your down payment) with some other form of payment?"*

*"This transaction is declined - **Code 2** or **Code 3** - Telecredit will not approve this check but there is still a chance that Central Credit will accept this check.*

CENTRAL CREDIT CHECK APPROVALS

If Telecredit responds with a **Code 2** or **Code 3** non-approval, you are to contact Central Credit for an approval.

The following instructions are to be followed:

- 1) Explain to your customer that Telecredit is unable to approve their check but we will try to get an approval from our credit department.
- 2) Fill-out the top portion of the Central Credit Check Approval Request. Tape the customer's check to the bottom of this request.
- 3) Obtain the customer's signature on this request.
- 4) Fax the request with the check attached to Central Credit.
- 5) If Credit faxes back an approval, write the approver's employee number on the check & the initials CC in the lower right hand corner of the T-bar.

Pictured below is a "Central Credit Check Approval Request" form.

Sherwood Management Co., Inc. Central Credit Check Approval Request																																																	
Store Number: _____	Today's Date: _____ Associate: _____																																																
Reason for Request (check ONLY one):																																																	
Telecredit Code 1: _____																																																	
Telecredit Code 2: _____	Telecredit Code 3: _____																																																
Cashier's Check: _____	Payroll Check: _____																																																
Money Order: _____																																																	
<u>Downpayment Transactions</u> - Mark approval number Central Credit Approval Slip in the space below.																																																	
Central Credit Approval Number: _____																																																	
<u>All Other Transactions</u> - Have the customer complete and sign the section below.																																																	
Customer Name: _____																																																	
Social Security Number: _____	Date of Birth: _____																																																
"I authorize Daniel's Jewelers to verify any and all residential and employment information that I may provide. Also, I authorize Daniel's Jewelers to request and review my credit bureau information."																																																	
Customer Signature: _____																																																	
Tape below and FAX to Central Credit																																																	
<table border="1"><tr><td>MELANIE STEWART</td><td>CA</td><td>C1234567</td><td>2478</td></tr><tr><td>3456 Elm Street Drive #102</td><td>08/10/99</td><td>Jane L. 19 99</td><td>148000</td></tr><tr><td>Moreno Valley, CA 92553</td><td></td><td></td><td></td></tr><tr><td>To The Order Of</td><td></td><td>\$ 247.92</td><td></td></tr><tr><td>Two Hundred Forty Eight and 92/100</td><td></td><td>Dollars</td><td></td></tr><tr><td>Bank of America</td><td></td><td>#101 #553719</td><td></td></tr><tr><td>Marina Branch 2004</td><td></td><td></td><td></td></tr><tr><td>P.O. Box 400</td><td></td><td></td><td></td></tr><tr><td>Marina, CA 92553</td><td></td><td></td><td></td></tr><tr><td>Phone 714 743-2553</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>SIGNATURE</td><td>Melanie Stewart</td></tr><tr><td colspan="4">⑆ 1 2 200055 ⑆ 2478 ⑆ 1 2 200055 ⑆</td></tr></table>		MELANIE STEWART	CA	C1234567	2478	3456 Elm Street Drive #102	08/10/99	Jane L. 19 99	148000	Moreno Valley, CA 92553				To The Order Of		\$ 247.92		Two Hundred Forty Eight and 92/100		Dollars		Bank of America		#101 #553719		Marina Branch 2004				P.O. Box 400				Marina, CA 92553				Phone 714 743-2553						SIGNATURE	Melanie Stewart	⑆ 1 2 200055 ⑆ 2478 ⑆ 1 2 200055 ⑆			
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* * * Central Credit Approval * * *																																																	
Central Credit Reviewed by: _____ Aprv: _____ Dec'l: _____																																																	
Comments: _____																																																	
Form 1/centchk																																																	

WHAT IF CENTRAL CREDIT DOES NOT APPROVE THE CHECK?

When Central Credit is unable to approve a check, then it is time for the customer to choose an alternate form of payment.

Tell your customer something to the effect of, "I'm very sorry, but I was unable to get your check approved (return the customer's check). Could you pay for your purchase (or make your down payment) with some other form of payment?"

<p>Dear Customer:</p> <p>We are sorry that your check could not be authorized based, in whole or in part, on information provided by Certegy Check Services, Inc. ("Certegy"), and/or Certegy's need for additional information. We value your business and apologize for the inconvenience.</p> <p>To protect your privacy, we receive no personal information when Certegy does not authorize acceptance of a check. A code number is provided in order to convey the reason Certegy did not authorize your check. These codes and their meanings are as follows:</p> <p>CODE 1 – In most instances this is based upon negative information on file, usually prior unpaid checks.</p> <p>CODE 2 – Although no unpaid check information is on file, Certegy did not have sufficient information available to approve the transaction, or this transaction exceeded a pre-established limit.</p> <p>CODE 3 – The format of the identification presented did not conform to government established guidelines for a valid ID.</p> <p style="text-align: right;">(Over Please)</p> <p>EQ100 041-102</p>	<p>Certegy Check Services, Inc. ("Certegy") provides check authorization and warranty services to merchants and businesses nationwide. You have the right under the Fair Credit Reporting Act to know the information contained in your file at Certegy. You also have the right to a free copy of your check transactions file from Certegy if you request it within sixty (60) days after you receive this notice. In addition, if you find that any information contained in the file from Certegy is inaccurate or incomplete, you have a right to dispute it with Certegy.</p> <p>You may call Certegy toll free at 800-237-4851, or write to Certegy Check Services, P.O. Box 30046, Tampa, FL 33630-3046.</p> <p>If you contact Certegy, please provide the following information so they can respond promptly to your request:</p> <table border="0"><tr><td><ul style="list-style-type: none">• Your Full Name and Current Address• Driver's License (or State ID) Number and State• Telephone Number• Check Number</td><td><ul style="list-style-type: none">• Check Amount• Checking Account Number• Name of Financial Institution• Date When Check Declined• Business Where Check Declined</td></tr></table> <p>For employee training and evaluation purposes, your telephone call may be monitored.</p> <p style="text-align: right;">certegy</p>	<ul style="list-style-type: none">• Your Full Name and Current Address• Driver's License (or State ID) Number and State• Telephone Number• Check Number	<ul style="list-style-type: none">• Check Amount• Checking Account Number• Name of Financial Institution• Date When Check Declined• Business Where Check Declined
<ul style="list-style-type: none">• Your Full Name and Current Address• Driver's License (or State ID) Number and State• Telephone Number• Check Number	<ul style="list-style-type: none">• Check Amount• Checking Account Number• Name of Financial Institution• Date When Check Declined• Business Where Check Declined		

DANIEL'S ACCOUNT PAYMENTS BY CHECK

- When customers come into your store to make payments on their Daniel's accounts, their checks do not have to be Telecredited or approved by Central Credit.
- **Account payments are the only circumstances when personal checks do not need outside approval.**
- Payroll checks, business checks, traveler's checks, money orders, etc. are acceptable for account payments. *See acceptance policies for each on page 1 of this chapter.*
- Notify Central Credit whenever a payment is made by money order or check on the same day as the purchase was made or within two weeks of a the new purchase.
- Instructions for receiving in-store payments on accounts by check are as follows:
 - 1) *In order to accept an account payment check, the check must be reviewed to confirm that it has been filled out completely and follows Daniel's check acceptance policy.*
 - 2) *Verify with the customer that the address and telephone indicated on the check are still current.*
 - 3) *Write the customer's account number and "P" in the lower left corner of the check.*
 - 4) *Stamp the back of the check (behind the edge marked PAY TO THE ORDER OF) with the store's check endorsement stamp.*

MELANIE STEWART 909/276-5848 3456 Eastborne Drive #102 Moreno Valley, CA 92553		2478 February 10, 20 08 16-88/1020
PAY <i>Daniel's Jewelers</i>	\$ 248.92	
To THE ORDER OF <i>Two hundred forty eight and 92/100</i>	DOLLARS	
Bank of America Manhattan Beach Branch 0064 P.O. Box 488 Manhattan Beach, CA 90266 MEMO <i>ACCT # 01743253 P</i>		SIGNATURE <i>Melanie Stewart</i>
⑆ 1 2 200066 ⑆ ⑆ 2478 ⑆ 1 2 200066 ⑆		

DANIEL'S ASSOCIATE CHECK CASHING

- As a courtesy to Daniel's / SMC company employees, on a limited basis, associates are allowed to cash personal checks in our stores.
- Associates may cash up to one check per week, for a maximum of \$25.
- In order to be eligible for this check cashing privilege, associates must be employed with the company for a minimum of 90 days.
- Privilege may be revoked if check is returned NSF for Non-Sufficient Funds.
- The store manager or keyholder-in-charge must be notified about and authorize each personal check before it is cashed.
- The manager or the keyholder-in-charge must cash all personal checks.
- No employee should cash their own personal check. *For example, a manager should have an associate cash their check from the associate's drawer.*