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Electronic Check- a great convenience for all businesses by James Blee

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The progress in technology has provided new dimensions to every industry. Banking and financial transactions which were once time consuming, now take only minutes to process. An advanced version of paper checks, electronic check is safer, convenient and hassle free. As compared to paper checks these are authenticated, have public key cryptography, digital signatures and encryption. This check can be used in any trade or business or in any situation. Moreover, the depositing or paying banks can quickly authenticate the signatures on this check in comparison to the paper ones..

You now do not need to carry paper checks for processing in the bank as you can process them through the use of a web based payment processing service or a software program. The payer writes the e-check through a computer using a digital signature and sends it either by direct transmission using telephone lines or through internet. The payee receives and verifies signatures, endorses it, writes a deposit slip and signs it. The endorsed check is then sent for deposit to the payeeâ€™s bank. Once the signatures and credit deposit are verified by the bank personnel, the endorsed e-check is sent to the payerâ€™s bank for settlement.

The payerâ€™s bank then again verifies the signatures and then the amount is debited from the payerâ€™ account. These checks are completely secured as the cryptographic certificates used enable the check payee to determine the validity of the signatures. These checks are ideal for clearing micro payments and also eliminate the bank processing fees. They even reduce the bad check write offs and the collection hassles..

This check is beneficial for small business owners as many a times the customerâ€™s checks are likely to bounce. Moreover refusing to accept checks may turn away potential customers hence this system eliminates the risk of insufficient funds as it offers instant check authorization facility.

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For more information on a e-check, check out the info available online; these will help you learn to find the a electronic check!

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