PAYMENTS · DATA · AI · COMPLIANCE

Check Payments and Remote Deposit Capture (RDC) Delivery and Support Runbook

From requirements to live L1, L2 and L3 support: image clearing, Regulation CC holds, returns, duplicate and fraud controls, partner certification, live pilot, alerts, disaster recovery and audit.

SP Sankar · Payment Product Consultant

sp@paymentconsultant.top · paymentconsultant.top · linkedin.com/in/spsankar

Version 2026 · Always confirm current rules with Regulation CC, your clearing channels and your own bank policies.

Contents

1. Purpose and how to use this runbook
2. Planning vs delivery alignment
3. Check basics for the team
4. Rules and regulations
5. The nine kinds of work, step by step
6. Exit criteria and sign-off: E2E and UAT
7. Proving it in production
8. Controls that run across every check
9. Security, certificates and certification
10. Production support: L1, L2 and L3
11. Operational runbooks for common check incidents
12. Disaster recovery
13. Internal and external audit
14. Measures to watch
15. Go-live checklist
16. Sources

Purpose and how to use this runbook

This runbook takes a check change, for example mobile deposit, remote deposit capture for businesses, image exchange, positive pay or a new check-clearing platform, from idea to live production and support. It is written for product managers, delivery leads, engineers, testers, operations, fraud and compliance teams.

Checks are in long decline but still matter: they carry large business payments, and they are a top target for fraud. Three things make check work different:

- **It is image based.** Almost every check today clears as a picture plus data, not as paper. Image quality is a business rule, not a nice-to-have.
- **Money is made available before the check has truly cleared.** Regulation CC sets how fast deposits must be available, so the bank carries risk if the check later bounces or turns out to be fake.
- **Fraud is high and comes in many forms:** stolen and washed checks, counterfeit checks, altered payees and the same check deposited twice.

Golden rules for Agile check delivery

- Work in sprints, but never skip the hard gates: image quality certification, E2E and UAT exit criteria, change approval and a live pilot.
- Test with real-looking check images: bad lighting, folds, missing endorsements, foreign items and fakes.
- Treat duplicate detection, holds and positive pay as features with acceptance criteria.
- Plan around fixed dates: presentment deadlines, holidays and month-end peaks.

Planning vs delivery alignment

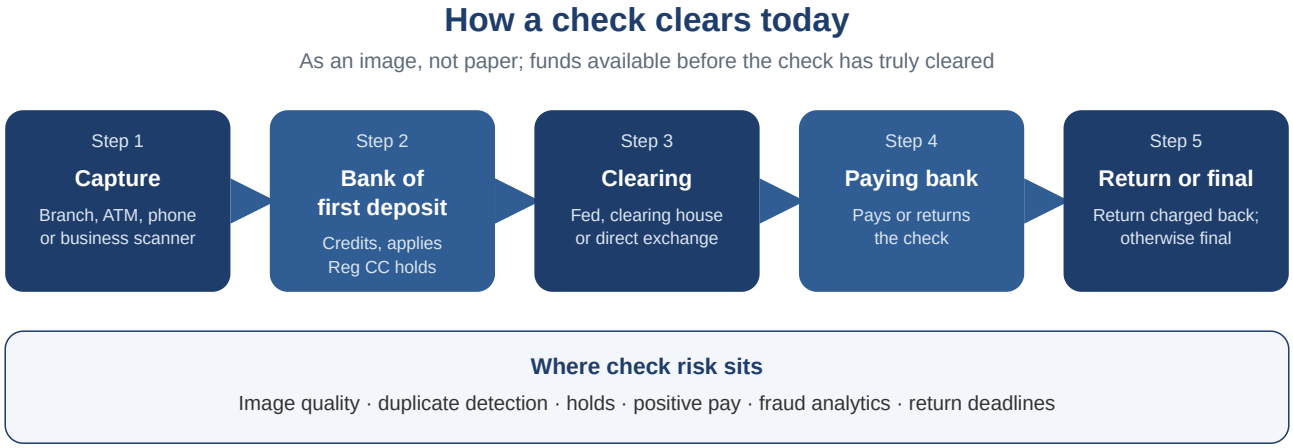
Check projects carry fixed outside dates: Federal Reserve and clearing house release dates, Regulation CC changes, image exchange partner testing slots, and month-end and tax season peaks.

Level	What it holds	Who owns it	Reviewed
Product roadmap	Channels (branch, ATM, mobile, business RDC), fraud tools, regulatory dates	Product manager	Quarterly
Release or PI plan	Features committed, partner test slots, dependencies	Product manager, delivery lead	Every planning increment
Sprint plan	User stories for 2 weeks	Product owner and team	Every sprint
Release calendar	Deployment dates, freezes, exchange cutoffs	Release manager	Weekly

- **Plan to real capacity** with 15 to 20% buffer for production support and exception work.
- **Track outside dependencies:** image exchange partners, the Federal Reserve, capture vendors, fraud vendors.
- **Measure it:** say/do ratio, feature predictability, scope change and milestone status, reported weekly.

Check basics for the team

The Federal Reserve Payments Study found that check payments fell to 9.2 billion worth $24.45 trillion in 2024, down 1.8 billion payments and $1.92 trillion from 2021. Checks were 4% of noncash payments by number but still 17% by value, and the average check was worth $2,653 (Federal Reserve, July 2026). In December 2025 the Federal Reserve Board asked for public input on the future of the Reserve Banks' check services.



How a check clears today

> **How to read this picture:** Read left to right: each box is one step a deposited check takes, from the photo or scan to final payment or return. The band at the bottom lists the controls that protect the bank, because money is usually made available to the customer before Step 4 confirms the check is good.

Who is involved

Party	Role
Drawer	The person or business who writes the check
Payee (depositor)	The person or business who deposits it
Bank of first deposit (depositary bank)	Takes the deposit, makes funds available, sends the check for collection

Party	Role
Collecting channels	The Federal Reserve, clearing houses or direct exchange between banks
Paying bank	The drawer's bank; pays or returns the check

How a check clears today

Step	What happens	When
Capture	Image and MICR line captured at branch, ATM, phone or business scanner	At deposit
Deposit and availability	Bank credits the account and applies holds under Reg CC	Same day; funds available on Reg CC schedule
Presentment	Image cash letter sent to the paying bank through the Fed, a clearing house or direct exchange	Same or next business day
Pay or return	Paying bank pays or returns the check (for example insufficient funds, stop payment, fraud)	Usually by midnight of the banking day after receipt
Return handling	Returned item charged back to the depositor	When the return arrives

Regulation CC funds availability (effective July 1, 2025 inflation adjustment): banks must make at least $275 of certain check deposits available by the next business day, and the large-deposit exception applies to deposits above $6,725 a day. Check your bank's policy for the full schedule and exception holds.

Rules and regulations

Rule	What it means for delivery
Regulation CC (Expedited Funds Availability Act and Check 21)	Funds availability, holds and notices, check returns, and substitute checks
Check 21 Act	Lets banks clear checks as images and use substitute checks; gives warranties and indemnities
UCC Articles 3 and 4	Rights and duties for checks, endorsements, presentment and the midnight deadline
Federal Reserve Operating Circular 3 and clearing house rules	Rules for collecting checks through those channels

Rule	What it means for delivery
X9 standards (for example X9.100-187)	Image cash letter format and image quality
FFIEC guidance on remote deposit capture	Risk management for RDC: customer due diligence, limits, duplicate checks
BSA/AML and OFAC	Customer checks, monitoring and SARs, including for check fraud

The nine kinds of work, step by step

These are not waterfall phases. In sprints they overlap; the gates are what matter.

Phase 1: Requirements

- Channels: branch, ATM, mobile deposit, business RDC scanners, lockbox.
- Limits per item, day and month by customer type; eligibility rules for RDC.
- Holds: Reg CC schedule, exception holds, new account rules and hold notices.
- Fraud: duplicate detection across channels and banks, image analysis, positive pay for business customers.
- What happens to the paper check after mobile deposit (customer told to keep it for a set time, then destroy it).

Exit: requirements signed by product, operations, fraud and compliance.

Phase 2: Design

- Capture, image quality checks, MICR reading and amount recognition, then review queues for exceptions.
- Duplicate detection: same check by image, MICR and amount across all channels.
- Image cash letter creation, routing to the Fed, clearing house or direct exchange, and return handling.
- Holds engine and customer notices; reconciliation to the general ledger.

Exit: architecture and security reviews passed.

Phase 3: Development

- Build to X9 image and file standards and to each exchange partner's specifications.
- Mask account numbers in logs; protect check images as sensitive data.
- Code review, static analysis and dependency scanning on every change.

Phase 4: Unit testing

- Image quality rules, MICR parsing, amount recognition thresholds, holds calculations, limits.

Phase 5: Performance testing

- Peak deposit days (paydays, tax season, month end); cash letter build time before presentment deadlines.

Exit: peak volume processed with headroom before the latest presentment deadline.

Phase 6: End-to-end (E2E) testing

- Every channel to presentment and back, including returns and adjustments.
- Image quality failures, duplicates, foreign items, altered amounts, missing endorsements.
- Holds and notices, posting, statements and reconciliation.
- Partner certification files with the Fed, clearing house or exchange partners.

Phase 7: User acceptance testing (UAT)

- Operations runs exceptions, returns, adjustments and fraud reviews.
- Customers' journeys for mobile deposit and business RDC, including hold messages.

Phase 8: Release management

- Change approval, rollback plan; never release during the presentment window.

Phase 9: Deployment

- Deploy, smoke test, then a live pilot (see "Proving it in production"); hypercare for the first weeks.

Exit criteria and sign-off: E2E and UAT

E2E exit criteria

- [ ] Image quality and file certification passed with each exchange partner
- [ ] 100% of planned test cases run; at least 95% passed; no open Severity 1 or 2 defects
- [ ] Duplicate detection proven across all channels
- [ ] Holds and Reg CC notices correct for every scenario
- [ ] Returns and adjustments processed end to end; reconciliation balanced

UAT exit criteria

- [ ] Business scenarios signed by the business owner
- [ ] Exception, return and fraud procedures tested by the people who use them
- [ ] Customer messages for holds and rejected images checked

Sign-off matrix

Who signs	What they confirm
Product owner	Features meet acceptance criteria
QA lead	Exit criteria met, evidence stored
Operations head	Team trained, procedures ready
Fraud	Duplicate, image and positive pay controls live
Compliance	Reg CC and AML requirements met
Information security	Security testing passed
Change manager	Release approved

Proving it in production

1. Employees deposit real low-value checks in each channel (branch, ATM, mobile, business scanner).
2. Confirm image quality, amounts, holds and notices.
3. Confirm presentment to the paying bank and final payment.
4. Process a real return (for example a stop-payment test check) and the charge-back to the depositor.
5. Try to deposit the same check twice, in two channels, and confirm it is caught.
6. Reconcile all pilot items to the general ledger.

Exit: all pilot items cleared or returned correctly and reconciled; sign-off by product, operations, fraud and compliance.

Controls that run across every check

Control	What good looks like
Image quality and usability checks	Bad images rejected at capture with a clear message

Control	What good looks like
Duplicate detection	Across channels, and through industry databases where used
Limits and eligibility	RDC only for eligible customers, with item and daily limits
Holds	Reg CC holds and exception holds applied with correct notices
Positive pay	Business customers' issued-check files matched; exceptions decided daily
Fraud analytics	Signs of washed, altered or counterfeit checks; new account and mule patterns
Reconciliation	Deposits, cash letters, returns and ledger balanced every day
Audit trail	Every capture, review decision and adjustment logged

Security, certificates and certification

- **Access:** least privilege, quarterly reviews, PAM for privileged access, NIST SP 800-63B for passwords and multi-factor authentication. Check images contain account numbers and signatures: protect them.
- **Connections:** FedLine and partner connections; track certificate and key expiry; alert 60, 30 and 7 days before.
- **Partner certification:** image and file certification with the Fed, clearing houses and exchange partners before go-live and after major changes.
- **Vendors, licences and open source:** capture and recognition software versions, support dates and licences; review SOC reports yearly; scan dependencies on every build.

Production support: L1, L2 and L3

Level	Who	What they do	Target
L1	Deposit operations and service desk	Work exceptions, answer customers, first triage	Acknowledge within 15 minutes in business hours
L2	Application support	Diagnose capture, file and posting problems; manage incidents	Respond within 30 minutes
L3	Engineering and vendors	Code fixes, hotfixes, root cause	Engaged within 1 hour for Sev 1

Severity levels

Severity	Example	Response
Sev 1	Cash letter can't be sent before the presentment deadline; mobile deposit down	Bridge within 15 minutes
Sev 2	High image rejects, review queue backed up, returns file late	Within 30 minutes
Sev 3	Single item issue	Next business day

Alerts and notifications: alerts to Slack or Teams and paging for cash letter not sent by the target time, file rejects from a partner, image reject rate above normal, duplicate alerts spiking and reconciliation breaks. Email stakeholders for Sev 1 and Sev 2 every 30 minutes.

Escalation: L1 to L2 at 15 minutes; L2 to L3 and the incident manager at 30 minutes; senior leaders for any Sev 1 or a missed presentment deadline.

Hotfixes: emergency change with a named approver, peer review, test in a lower environment and a review within 5 business days.

Operational runbooks for common check incidents

1. Cash letter rejected or late

1. Check the partner's reject reason; fix and resend the file, never send the same items twice.
2. If the deadline will be missed, use the next window and work out any availability or return-timing impact.

2. Spike in duplicate deposits

1. Hold the affected deposits; check if one customer or many.
2. Look for a fraud ring or a channel bug; fix and reverse wrong credits.

3. Counterfeit or altered check reported

1. Return the item within the deadline; hold related funds.
2. File a SAR if needed; check for the same pattern in other accounts.

4. Mobile deposit down

1. Show a clear message in the app; point customers to other channels.
2. Fix, then check no deposits were lost or posted twice.

Disaster recovery

Item	Example target
Recovery time objective (RTO)	Before the next presentment deadline
Recovery point objective (RPO)	Zero for accepted deposits and their images

- [ ] Backup site can capture, build and send cash letters
- [ ] Images stored and replicated securely
- [ ] DR test at least once a year, with evidence
- [ ] After failover, reconcile deposits and cash letters to avoid duplicates

Internal and external audit

Internal audit checklist

- [ ] Check and RDC policies current and approved
- [ ] RDC customer eligibility, agreements and limits reviewed
- [ ] Reg CC holds and notices correct (sample deposits)
- [ ] Duplicate detection and fraud reviews working
- [ ] Returns sent within deadlines
- [ ] Image retention and protection in place
- [ ] Access reviews quarterly; no direct database changes without approved tickets
- [ ] Daily reconciliation balanced; breaks closed
- [ ] DR test in the last 12 months

External audit and exam checklist

- [ ] Evidence index linking each control to its evidence
- [ ] Deposit, return and hold population lists ready to sample
- [ ] Change records with approvals, partner certification and pilot evidence
- [ ] Access lists and review sign-offs
- [ ] Incident records and root cause reviews
- [ ] BSA/AML policies, SARs process and independent testing
- [ ] Vendor SOC reports
- [ ] Open findings tracker with owners and dates

Measures to watch

Measure	Why it matters
Image reject rate	Customer frustration and manual work
Cash letters sent on time	Missed deadlines delay money and returns
Duplicate and fraud losses	The main risk for checks
Return rate	Credit and fraud signal
Hold accuracy	A Reg CC compliance risk
Reconciliation breaks	Must be zero at end of day

Go-live checklist

- [ ] Partner image and file certification complete
- [ ] E2E and UAT exit criteria met and signed
- [ ] Live pilot items cleared, returned and reconciled
- [ ] Limits, holds, duplicate detection and positive pay live
- [ ] Alerts, on-call and escalation tested
- [ ] DR path tested
- [ ] Operations and service teams trained

Sources

- Federal Reserve: 2025 Federal Reserve Payments Study, initial findings (July 2026); request for information on the future of Reserve Bank check services (December 2025)
- Federal Reserve and CFPB: Regulation CC inflation adjustments effective July 1, 2025
- Check 21 Act; UCC Articles 3 and 4; FFIEC guidance on remote deposit capture; X9 standards