

# Regions Retail Lockbox

## Envelope & Document Guide



It's time to expect more.

## ENVELOPE SPECIFICATIONS

### **Courtesy Envelopes:**

Regions requires the Retail Lockbox client to provide a courtesy reply envelope to each of its customers for each payment. Provision of “stick-on” labels is not sufficient. This requirement will provide two advantages: 1) customers generally pay bills faster when a courtesy reply envelope is available; and 2) consistent envelope appearance and size greatly enhances processing speed and sorting accuracy.

Issues related to “white mail” (remittances without courtesy reply envelopes) range from misaddressed payments to envelopes that are too small, which may lead to the cutting of the contents when the envelope is opened.

### **Courtesy Envelope Criteria:**

- Envelope length must be between 6.25 and 9.50 inches.
- Envelope height must be between 3.50 and 4.25 inches.
- Glossy envelopes are not acceptable.
- Recycled envelopes must be white or off-white and at least 24# weight.
- The return address section must be at least 2.50 inches above the bottom edge of the envelope.
- The closure flap on the back of the envelope must be peaked or pointed.

### **POSTNET Barcode:**

A barcode is a series of tall and short bars that are printed on the bottom right of the envelope. The barcode represents a five- or nine-digit digit ZIP code, or a specific delivery point barcode. Regions, through USPS Customer Service Representatives, will provide a barcode “positive” for use by the envelope supplier in bar-coding the courtesy reply envelopes. A camera-ready barcode positive may also be obtained from your local Postal Business Center.

### **Barcode Location:**

- The location of the barcode is on the address side of the envelope within a clear read zone. This area must be free of any printing other than the barcode.
- The clear zone extends up 0.625 inch from the bottom right edge, and at least 4.75 inches leftward of the right edge of the envelope.
- Within the barcode clear zone, the left-most bar of the barcode must be located no more than 4.25 inches and not less than 3.5 inches from the right edge of the envelope.
- The bottom, or baseline, of the barcode must be 0.25 inch (plus or minus 0.0625 inch) from the bottom edge of the envelope. The barcode must be completely contained within the barcode area and must be printed in black ink.

The **POSTNET** address will be assigned to you by Regions. Through the use of a unique ZIP code, incoming payments are sorted automatically, greatly reducing processing time. Each Retail Lockbox client is assigned their own unique ZIP code. The unique ZIP code is a ZIP+4 number that is comprised of the Bank's Unique ZIP (35246) plus a four-digit company-specific number. This four-digit number will be used as the customer's individual identifier in the Lockbox. An example of a Zip+4 address is as follows:

**Regions Bank  
P.O. Box 2224 or P.O. Box 2252  
Birmingham, AL 35246-(four digits to be assigned)**

**Regions Bank  
P.O. Box 850001  
Orlando, FL 32885-(four digits to be assigned)**

#### **Facing Identification Marks (FIM):**

A (FIM) is another type of postal barcode used in computerized processing of the mail. It is a pattern of vertical bars printed on the top right portion of the address side of the envelope. A FIM "A" pattern is required on all courtesy reply mail postcards and letter-size envelopes. This is required so computerized cancellation equipment can align, postmark and direct the envelope properly.

#### **FIM Location:**

- A FIM clear zone must be maintained and should not contain any printed information other than the appropriate FIM "A" pattern.
- The right boundary of this clear zone must be 1.75 inches from the right edge, and the left boundary of this clear zone must be 3 inches from the right edge of the envelope.
- The top of the bars must not be any lower than 0.125 inch from the top edge, and may extend over the top edge to the back flap of an envelope.
- The bottom of the bars should be within plus or minus 0.125 inch of the bottom edge of the clear zone.
- The clear zone is 0.625 inch deep, measured from the top edge, and the right-most FIM bar must be 2 inches (plus or minus 0.125 inch) from the right edge of the envelope.
- FIM bars should be 0.5 inch minimum and 0.75 inch maximum in height, and at least 0.03125 inch plus or minus 0.008 inch wide.

#### **Window:**

All courtesy reply envelopes should contain a window. Windowed envelopes ensure proper check/document orientation inside of the envelope. Preferably, cellophane windows should not be used as cellophane creates a reflection in the sorting equipment, causing poor reads and rejects. Window size can vary depending on the size of the envelope. Medium- to small-sized windows are preferred.

**Small Open Window on Back of Courtesy Envelope (optional):**

A small open window may be placed on the back of the courtesy envelope with this phrase printed next to it: "The back of your check must show through this window." This will ensure proper orientation of the customer's check.

**Messages:**

Certain messages that are helpful to include on your remittance envelopes are:

- Do not mail cash or gift certificates.
- Make sure address shows through window.
- Please write account number on check.
- Please include remittance stub with payment.
- Please do not fold, staple, clip or tape payment and checks

## DOCUMENT SPECIFICATIONS

**Document Reflectance and Color:**

OCR scanning equipment depends on measuring the difference between light reflected from the document paper and the printed characters. Documents must reflect at least 70 percent as much light as magnesium oxide. The scan window, at a minimum, must be printed in white (if the entire document is not white-based).

**Opacity:**

Opacity is a measure of the "non-see-through" ability of the paper. The higher the opacity, the better the scanner's ability to prevent interference from the reverse of the document. Documents must have an opacity of no less than .80 when tested in accordance with TAPPI (Technical Association of the Pulp and Paper Industry).

**Document Standards:**

The following are the standards required for remittance documents:

- Remittance documents must be perforation-free on the right side and bottom edges with no cut corners on the bottom right edge. A top perforation is required.
- Remittance documents should have one Optical Character Recognition (OCR) scan line containing the applicable remittance data.
- Remittance document paper must be 24# weight.
- Ink used to print OCR characters must be black laser printed.
- OCR characters must be 10 CPI, which includes the spaces that appear in the scan line.
- The maximum count of OCR characters and spaces is limited to 60.
- The remittance document must be between 4.00 and 8.5 inches in length.
- The remittance document must be between 2.75 and 3.67 inches in height.
- The ratio between the length and height of the remittance document must be between 1:1.50 and 1:3.00.
- OCR scan lines must be at least 0.25 inch from the bottom edge of the remittance document.
- Clear zone around the top and bottom of the OCR scan line must be at least 0.25 inch. A white clear zone is required. No marks or ink should be in the clear zone.
- The leading edge of the scan line must be at least 0.375 inch from the right edge of the document.

**Handwriting Spaces:**

Consideration should be given to information that may be handwritten on the document.

- Blanks to be filled in by customers must not be located near the scan line.
- A rectangular boxed-in area for address changes should be on the document, but away from the scan line.
- There should not be any writing on either side of the document that will interfere with the scan line.
- Regions uses mark-sense intelligence to recognize check boxes with handwritten check marks. These marks must be in the same location on all documents in order for the mark-sense intelligence to work properly.

**Paper Orientation:**

Paper has both a characteristic grain direction and side. Grain direction refers to the orientation of the fibers within the paper. Forms are printed with the grain paralleling the form's reference edge because of the increased dimensional stability offered in the grain long configuration. Paper stock also has two different sides as a result of the manufacturing process. The side facing away from the process (topside) is referred to as the felt side, while the side facing the process is referred to as the wire side. The felt side is generally smoother, and therefore more desirable for printing.

**Scan Line Positioning and Scan Band:**

The following are the standards required for the scan line and scan band:

- The scan line should be vertically centered in an imaginary horizontal scan band with a minimum height of 0.5 inch.
- This scan band is defined as an area that must be free of any markings other than the scan line itself, which might be visible to the scanner.
- Ideally, the scan band should extend across the full length of the document.
- The scan head sees a 0.40-inch-high window in the scan band, and will attempt to recognize anything in this window, including extraneous marks, which will cause rejects.
- The minimum scan band height of 0.5 inch provides a 0.050-inch tolerance above and below the read window.
- The bottom of the scan band must be at least 0.25 inch from the bottom edge of the document (meaning the base of the OCR characters may be no closer than 0.25 inch to the bottom edge of the document).
- The top edge of the scan band may not be more than 3.0 inches from the bottom edge of the document.
- The scan band can be placed anywhere on the document, within the limitations noted.
- The leading edge of the scan line must be at least 0.375 inch from the right edge of the document.
- The trailing edge of the scan line may not be placed less than 0.375 inch from the left edge of the document.
- No printing of any kind is permitted in or near the position of the scan band on the reverse side of the document.

**Check Digits:**

Regions requires all sensitive data in the remittance scan line to be covered by at least two check digits using either a Module 10 or 11 check digit routine. The recommended scan line routine is as follows:

1. A check digit covering the account number contained in the scan line
2. A check digit covering the amount(s) contained in the scan line
3. A check digit covering the entire scan line

These check digits are essential in providing a self-checking code to minimize misreads. Regions will provide calculation assistance upon request. Detailed check digit calculation information is located below.

Note: A LockBox OCR Line Format Form must be completed by the client and returned to Treasury Management Implementations.

## CHECK DIGIT – MOD 10

When using Modular 10 arithmetic (Mod 10) to calculate a check digit, it is best to follow the method described below:

1. Using the entire field number, start at the far right digit and multiply it by 2, the adjacent number by 1, and so on.
2. Continue this multiplication swapping the weights between ones and twos throughout the field number (see figure 1).

### Figure 1

Field: 000000044415  
Weights: 121212121212

3. If a field subtotal is greater than 9, subtract 9 from the subtotal.
4. Add up all subtotal values and divide by 10.
5. Subtract the remainder from 10. This number will be the check digit (see figure 2).

Note: If the number is 10, the check digit will be 0.

### Figure 2

$5 \times 2 = 1 (10 - 9)$   
 $1 \times 1 = 1$   
 $4 \times 2 = 8$   
 $4 \times 1 = 4$   
 $4 \times 2 = 8$   
 $0 \times 2 = 0$   
Sum = 22  
 $22/10 = 2$  with a remainder of 2  
 $10 - 2 = 8$   
Check Digit = 8

The scan line including the check digit should now read: 0000000444158

## CHECK DIGIT – MOD 11

When using Modular 11 arithmetic (Mod 11) to calculate a check digit, it is best to follow the method described below:

1. Using the entire field number, start at the far right digit and multiply it by 2, the adjacent number by 3, and so on.
2. Continue adding 1 to the multiplier each time until it becomes 10.
3. At this point the 10 becomes a 2.
4. This method is continued throughout the field number (see Figure 1).

**Figure 1**

Field:	042206752	000000000000444158	00000001008
Weights:	765432987	654329876543298765	43298765432

5. Total all of the values and divide by 11.
6. Subtract the remainder from 11. If the resultant, which is the check digit, is 10, then the check digit equals 0; if it is 11, then the check digit equals 1 (see Figure 2).

**Figure 2**

$8 \times 2 = 16$   
 $0 \times 3 = 0$   
 $0 \times 4 = 0$   
 $1 \times 5 = 5$   
 $0 \times 7 = 0$   
 Sum = 345  
 $345/11 = 31$  with a remainder of 4  
 $11 - 4 = 7$   
 Check Digit = 7

The scan line including the check digit should now read:

042206752      000000000000444158      000000010087





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