

# 10-5. Why Decrease Use of Convenience Checks?

- a. **No Refunds.** Check transactions do not receive refunds otherwise provided on by use of the GPC.
- b. **Minimized fraud.** Checks often do not require signature verification, which could lead to fraudulent transactions. In addition, they do not carry the same “paper trail” as other electronic payment methods, which may lead to misuse.
- c. **Streamlined processes.** Electronic payments, like the GPC, help facilitate smoother transactions, enhance transparency, save time, and lead to improved data monitoring capabilities.
- d. **Green initiatives.** Electronic payments help reduce paper usage and aid agencies in meeting their sustainability goals. Records also reside in a central location which will make it easier to locate and verify information.
- e. **Increased consumer protection.** The GPC provides the opportunity for a much quicker reimbursement to a customer who may be unsatisfied with a product or service or who is charged incorrectly.
- f. **Less hassle.** Check transactions must be reported to the IRS using a 1099 form. Alternatively, in accordance with Section 6050W of the Housing Assistance Tax Act (Public Law 110-289), agencies are no longer required to report charge card transactions to the IRS using the 1099 form.
- g. **Time and Cost Savings.** Utilizing a GPC instead of a convenience check delivers tremendous time and cost savings, leaving more time for mission-critical activities.
- h. **Improved merchant-client relationship.** When a GPC is used, merchants are paid within three days of the transaction. They receive a guaranteed payment and as a result, are able to provide greater security, reports, and data to the customer. This increases satisfaction on both sides of the transaction.

**Parent topic:** [Chapter 10 - Convenience Checks and Foreign Draft Checks](#)