



New bank charges for copies of checks

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By **Karin Price Mueller/The Star-Ledger**

Q. My bank was taken over by another bank, and I just received my first checking account statement from the new bank. I used to get copies of the fronts of my checks but the new bank gives only the check numbers. Because I normally itemize our income taxes, will this present a problem for me with the IRS if I get audited? The new bank charges for copies of checks and it could get expensive. Would it be better to get a checkbook in which there were carbons? We use a desk checkbook so we can't easily misplace it.

— *Absent-minded*

A. It may be time to find another bank.

If you happen to be the target of an IRS audit, you're going to need proof of all your deductions.

Normally, a cancelled check will satisfy an IRS agent, said **Bernie Kiely**, a certified financial planner and certified public accountant with **Kiely Capital Management** in Morristown.

"If you had carbon copies of the checks and a bank statement that said the check number cleared, it might not persuade an IRS agent that the payment was legitimate," Kiely said. "Think about it. Someone could write a check payable to a grocery store and classify it on the carbon copy as a payment to their church."

Kiely said auditors are skeptical, as they should be. He said when he worked as an auditor in public accounting, he always needed to see the evidence and he could not simply take someone's word for it.

The IRS occasionally selects a taxpayer for a compliance audit, Kiely said, and it uses the results from these compliance audits to formulate statistics for normal audits.

"Recently a colleague who is also a CPA was the subject of a compliance audit," he said. "She had to prove everything on her return. She even had to prove she owned her home. Needless to say, I don't think the auditor would have accepted carbon copies of checks."

Steven Levine, a certified public accountant with Levine, Jacobs & Co. in Livingston, said you should ask the bank if it would provide copies of the checks at no charge to you should you need them if you're ever audited.

"If you are comfortable using a computer, it is possible to obtain a copy of your checks online," Levine said. "You might want to ask your new bank about obtaining online service of your account."

If that doesn't work for you, it's time to start looking for a bank that will provide you with copies free of charge.

"My bank scans the checks into their computer," Kiely said. "When they send me my statement they send me copies of the checks, ten to a page."

Banks are looking for ways to cut costs, and eliminating the extra paper and printing for check copies is just one method. But there are banks that still offer check copies. Start shopping!

Karin Price Mueller

E-mail your questions to askbiz@starledger.com.

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