

I'm not a bot



idea that the recipient does not depend until the written date. For instance, today is Jan. 1, but you actually write "Jan. 5" on the check. If I were to post-date a check, it would probably be fine, but you're probably not yet have enough funds in my checking account to cover the check amount. However, I do expect to have those funds by the date I wrote on the check. So, I post-date the check so that the check recipient knows not to deposit that check until that date. But what if the check recipient doesn't listen to my instruction and deposits the check before the written date? Quick answer: Surprisingly, if a deposit is attempted, the post-dated check will go through the clearing process as normal. I called a Wells Fargo branch to inquire about what would happen to the post-dated check if I am the person writing the check. A banker said, "Generally, we would try to pay out the fund on the check even if it was post-dated. If you wanted to avoid it, you should stress it to the person that receives the check, or just give the check to them when you actually have the money in your account." Upon further investigation, I found a clause in the Wells Fargo consumer account agreement that states: The Bank may, without inquiry or liability, pay one of your paper items even when due before: Special instructions written on the paper item indicate that the bank should refuse payment (e.g., "Void after 30 days," "Paid-in-full," or "Void over \$100") The paper item is stale-dated (i.e., it bears a date that is more than six months in the past), even if the Bank has knowledge of the date on the paper item The paper item is post-dated (i.e., it bears a date in the future) The paper item is not dated So, Wells Fargo may try to process the check, regardless of the date written on the check. Essentially, I don't see any point in post-dating a check – it is invalid from the moment that I sign it. Then, I spoke with a friend who happens to be a Chase banker, who generalized what a teller would do if a customer came in to deposit or cash a post-dated check before the date shown. A teller might not question a post-dated check that is being deposited early. "We'll treat it like any other check to see if it raises any flags. If it is post-dated, we'll still accept it," she said. "But, we'll tell them that it may bounce if the person writing the check doesn't have sufficient funds in their account." Additionally, at the bank's discretion, there could be a hold on the funds until the check clears. There's the incentive for banks to process a post-dated check when I want to deposit it early, but the check is returned for insufficient funds, which averages \$35.20 at the top 10 U.S. banks. Frustrated with your bank? Check out these new top banks that people are talking about: As you can see, there doesn't appear to be any major enforcement of a post-dated check, so it can just be treated as a regular check for the most part. So, yes, you can deposit a post-dated check before the date shown, but it isn't advised. Be prepared for the possibility that the check funds won't be available. Not only do you not want to incur an insufficient funds fee, you don't want to go through the trouble of obtaining a reissued check. If there are multiple occasions of failed check deposits, the bank could even close your account and report you to ChexSystems, a consumer reporting bureau that tracks negative banking history. Now, if you're the one writing a post-dated check, just know that it means nothing to post-date a check. There are no guarantees that the recipient will do the right thing by depositing the check on or after the date shown. Ideally, give the check only when you have the funds to cover the check amount. Cheques. Virtually every adult today would have come across this instrument while either paying for rent in advance or while finalizing a business deal or home loan. Those who are into a business most certainly have come across this important financial instrument in the business world. It won't be wrong to say that virtually everyone knows what a cheque is, except for millennials perhaps. It's not their fault, though, as digital payments are the most popular method of payment in this age of technology due to which cheques are used quite less for a deposit or withdrawal of money. What are Post-dated Cheques (PDC) This article addresses the concept of cheques, Post-dated Cheques (PDC) and everything related to it. Let's lay the foundation by understanding first what a simple bank cheque is. Bank Cheques A cheque is defined as an instruction to the bank asking to pay a stated sum from the owner's account to the cheque presenter or drawer. Cheques are written or printed in a specific format and in a form that is not easily replicable. The respective banks print the cheques, and in some cases, customize them with the name or account number of the person holding an account with the bank. A sample cheque from the State Bank of India is shown below. Components of a cheque Before we dive into the details about Post-dated Cheques, let's look at the components or parts of a cheque. As you can see in the image of a sample cheque above, several blanks need to be filled in before you send the cheque to be honoured by the bank. The first one is the blank labelled Pay. This field will hold the name of the recipient or beneficiary of the cheque amount. This can be any name of an individual, business having an account or can be left blank. The name can also be the name of the owner of this account. In such cases, it becomes what is called a Self-Cheque. In the case of a self-cheque, the name needs to be specifically mentioned as Self. The second blank you see labelled Rupees needs to be filled in with the word form of the amount you wish to pay. For example, if the amount is Rs. 100, this field will contain the worded form of 100, which is "One Hundred". This has to match with the numeral form in the box right after this blank. The bank usually prints out the box labelled account number before the cheque book is handed over to the customer. Finally, there is a place for a signature to the right bottom corner of the cheque. This has to be signed so that it should match your signature that is registered with the bank. If there is a difference between what you sign here and what is registered with the bank, the bank has the right to dishonour the cheque. The numbers at the bottom are printed in magnetic ink for clerical purposes when the cheques go through the bank for clearance. Those numbers are important for the bank to identify the bank code and bank account number. Lastly, you will have to fill in the date in the top right-hand corner. This is the date when the cheque will be honoured by the bank. This is an important aspect when it comes to PDC cheques. Also Read: Learn All Necessary Information About Cross Cheques What is a Post-dated cheque? With the concept of cheques now behind us, it should be much easier to understand the concept of Post-dated Cheques. So, what is a PDC cheque? Post-dated cheques are normal cheques with a future date written on them. The cheques cannot be honoured by the banks before the date mentioned on the cheque. Strict guidelines have been framed around the issuance and honoring of post-dated cheques. Post-dated cheques are usually an instrument used to offset liability or to ensure payment of dues post-delivery of service. We shall get into the use cases of post-dated cheques in later sections. Validity of a post-dated cheque Post-dated cheques, like normal cheques, have a validity of 3 months from the date of issuance. The national bank of India, RBI (Reserve Bank of India), has reduced the validity period of all cheques from the previous 6 months to 3 months, effective April 1, 2012. However, there is a small technicality. The 3 months are not counted in the number of days, but the date of issuance. For example, if the cheque was issued or is payable on 01 Jan 2023, the cheque will be valid till 31st of Mar 2023, irrespective of the number of days in between. Use cases of Post-dated cheques Post-dated cheques are usually issued in one of the below cases. If you do not have enough funds currently in your account, but you are sure that your bank account will have enough funds at a future date mentioned on the post dated cheque. If you would like to assure the service provider or supplier of goods that you will clear their dues after the service is rendered or goods are delivered. In such cases, the final payment may be negotiable depending on the quality of service or product. Financial institutions use Post dated cheques as a tool to ensure that borrowers do not default on repayment of loans. Legal matters concerning Post-dated cheques Section 138 of the Negotiable Instruments Act applies to cheques and post-dated cheques alike. Under Section 138, Post-dated cheques should have an amount written with a future date for withdrawal. There have been incidents where blank post dated cheques have been issued, and the courts have promptly rejected these as the cheques become a bill of exchange only if a certain amount is mentioned on the post-dated cheque. It is important to note that a bounced or dishonoured cheque is considered a criminal offence, punishable by a jail term or fines under section 138 of the Negotiable Instruments Act. Legal implications of dishonouring a post dated cheque Under the provisions of the Negotiable Instruments Act, the legal penalty for the dishonour of a post dated cheque is: Jail term not more than 1yr. A fine equivalent to twice the amount specified on the post-dated cheque. Both of the above. As per the provisions of section 138 of the Negotiable Instruments Act, a legal notice should be issued within 30 days of the date the cheque bounced or was dishonoured. In the absence of a valid response from the respondent, the concerned party must file a case within 45 days from the date of the legal notice. Also Read: How to Cash a Cheque Conclusion Post dated cheques are a great way to enjoy products and services before you actually pay for such services and products. They can also be used as security for short term loans. It is also a quick way to continue business operations without having to stop for want of funds. It also ensures the quality of the product or service. You're writing a check to your landlord, but you don't have enough money in your account. So you date the check a few days in advance – also called postdating it – hoping your paycheck will clear by then.Bad news: The check date won't delay anything; your landlord can still cash the check as soon as they receive it. Here's what you need to know about postdating and what you can do instead.»MORE: How to write a check "From a criminal law perspective, there is nothing inherently illegal about postdating a check," says Eric Hintz, a criminal defense attorney in Sacramento, California.Hintz says that only criminal intent, such as intentionally not having enough money for a payment, can be grounds for check fraud.However, postdating a check can lead to inconveniences and ill feelings for the payee, such as when a tenant sends a rent check and may or may not have the funds ready to be withdrawn."It's kind of a tricky scenario," says Matt Foster, founder of the rental property search site iRent and a landlord in Ventura, California.He receives checks from some renters on the 28th or 29th of the month that are dated for the first of the next month. He suspects his tenants do this to keep him from cashing their rent checks before they've been paid, so their rent checks don't bounce.Luckily for them, Foster waits to cash postdated checks, but he isn't legally obligated. And in most cases, neither are banks.A savings account is a place where you can store money securely while earning interest.A savings account is a place where you can store money securely while earning interest.Forbright Bank Growth SavingsAPY.23%Annual Percentage Yield (APY) is accurate as of 01/09/2025. APY may change at any time before or after the account is opened. Not available only online.Axos ONE 4.66%The Axos ONE Savings account will earn a promotional rate of up to 4.66% APY for the statement cycle in which the requirements are met.Min. balance for APY\$1,500Varo Savings AccountAPV5.00%Annual Percentage Yield (APY) is accurate as of June 17th, 2025. Start earning 2.50% APY, then qualify to earn 5.00% APY on your balance up to \$5,000.00 and 2.50% APY on balances over \$5,000 next month by 1) Receiving direct deposit(s) totaling \$1,000 or more; and 2) Ending the month with a positive balance in all your Varo Accounts. No fees, no minimums required. Rates subject to change at any time.E*TRADE Premium SavingsAPY4.00%Annual Percentage Yield (APY) may change at any time and fees may reduce earnings. Please visit etrade.com/ratesheet for more information.The cash accounts combine services and features similar to checking, savings and/or investment accounts in one product. Cash management accounts are typically offered by non-bank financial institutions. These cash accounts combine services and features similar to checking, savings and/or investment accounts in one product. Cash management accounts are typically offered by non-bank financial institutions.Wealthfront Cash AccountBetterment Cash Reserve - Paid non-client promotionAPY4.50%Current promotional rate; annual percentage yield (variable) is 4.00% as of 12/27/24, plus a .50% boost available as a special offer with qualifying deposit. Terms apply: if the base APY increases or decreases, you'll get the .50% boost on the updated rate. Cash Reserve is only available to clients of Betterment LLC, which is not a bank; cash transfers to program banks (www.betterment.com/cash-portfolio) conducted through clients' brokerage accounts at Betterment Securities. FDIC insurance is subject to certain conditions.CDs (certificates of deposit) are a type of savings account with a fixed rate and term, and usually have higher interest rates than regular savings accounts.Marcus by Goldman Sachs High-Yield CDAPY4.10%4.10% APY (annual percentage yield) as of 07/08/2025Broad Savings® CDAPY4.45%All Broad Savings APYs are accurate as of 06/24/2025. APYs are subject to change at any time without notice. Offers apply to personal accounts only. Fees may reduce earnings. To open a CD, a minimum of \$1,500 is required and must be deposited in a single transaction. A penalty will be imposed for early withdrawals on CDs. At maturity, your CD will automatically renew and earn the base interest rate in effect at that time. Rates are compared against competitor rates published by NerdWallet.com and the institutions themselves as of 06/24/2025. NerdWallet.com obtains the data from the various banks that it tracks and its accuracy cannot be guaranteed.Alliant Credit Union CertificateDiscover® CDAPY4.00%Annual Percentage Yield (APY) is accurate as of 06/26/2025Discover® Cashback DebitChime® Checking AccountVaro BankAccountE*TRADE Max-Rate CheckingAPY3.00%Annual Percentage Yield (APY). APY may change at any time and fees may reduce earnings. Please visit etrade.com/ratesheet for more information.Money market accounts pay rates similar to savings accounts and have some checking features.Discover® Money Market AccountBanks and credit unions generally state rules about postdated checks in their account disclosures. Some of the biggest banks, for example, note specifically that they can honor checks that are made out for future dates.The Uniform Commercial Code, a collection of business laws adopted or adapted by many states, gives financial institutions the right to process a correctly written check with a future date. But you can ask your bank to delay cashing a specific check, and, depending on your state and the bank, it might comply.»MORE: Understanding the parts of a check If you write a check and don't have enough money in your account when it's cashed – whether or not it's postdated – your bank can cover the payment or let the check bounce based on its overdraft policy. If the check goes through, you'll pay an overdraft fee. If it doesn't go through, the recipient might charge you late fees and a bounced-check fee. But usually it doesn't get much worse. If you are concerned about overdrafting – and your landlord's not – consider switching to a bank with a solid overdraft policy. All of these charge lower than average overdraft fees and offer ways to avoid that fee while still paying your bills. Overdraft fee / frequencyFree, automatic transfer from linked account? 4.NerdWallet rating NerdWallet's ratings are determined by our editorial team. The scoring formulas take into account multiple data points for each financial product and service.Yes, from a money market or online savings account4.8NerdWallet rating NerdWallet's ratings are determined by our editorial team. The scoring formulas take into account multiple data points for each financial product and service.\$35 / Up to four times per dayYes, from an online savings or brokerage accountEverBank (formerly TIAA Bank)4.5NerdWallet rating NerdWallet's ratings are determined by our editorial team. The scoring formulas take into account multiple data points for each financial product and service.\$30 / Up to twice per dayYes, from a money market or online savings accountConsider these three strategies:Talk to the recipient. Tell the person receiving your check – your landlord, a merchant, a friend or family member – about your situation. Find out if he or she will accept payment later.Schedule an electronic transfer, such as an online bill payment. This is a much more precise way to make future payments, and you won't risk sending money before you're ready.Request a stop payment. Your bank provides this service, usually for a steep fee, but you should get it notice. The amount of notice depends on your bank.»MORE: How to cancel a checkIt's risky to rely on postdating or processing delays to ensure your check clears. Financial institutions don't send digital pictures of checks to other financial institutions, so they can be cashed more quickly."In short," says Matthew Dahlberg, a financial advisor at Main Street Investments in Kansas City, Missouri, "if you don't have the money in your checking account, then don't write the check!"Spencer Tierney is a writer and NerdWallet's authority on certificates of deposit. His work has been featured by USA Today and the Los Angeles Times. See full bio. All BlogsBanking ResourcesPost Dated ChequesBanking Services and OperationsPayment InstrumentsBank Draft vs Certified CheckPayeeBanking Services and OperationsBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in just 6 Hours!Table Of Contents Post-dated check is a negotiable instrument that the payer writes for a specific future date before which the drawee cannot produce the same in the bank to get the desired amount. Whether check can be cashed or deposited before the mentioned date solely depends on the country. It implicitly means that the payer is committed to making the payment only on a future date. Post-dating makes sense only when the payer is specific that the payee will not encash the check or deposit it in the bank before the date appearing on the check. The main intention of this check remains a deliberate payment delay. Post dated check is an instrument with a future date and is negotiable. Simply put, a post-date check will be processed in the future. It has rules such as no fraud allowed; it is not a written agreement, and bank confirmation is essential. It functions as an installment payment system, allowing the payer to postpone paying the complete total at once or on the due date. In addition, it serves as a guarantee for both parties that the transaction will take place at a later time. The process of writing a post dated check is the same as writing a regular or standard check. The only distinction in writing a post-dated check is that the present date is replaced with a future one. Post dated check is drawn with a date mentioned on it that is in the future. This type of arrangement is only made if the drawer wants to make payment at a particular date in the future. Thus, the check can be deposited only on or after the mentioned date. A post dated check validity is normally 3 months but may vary with the rules and regulations of a country.Similarly, whether the check may be cashed before the mentioned date or not, also depends on the banking regulations of that country.A Canadian bank, for example, cannot process a post-dated check before the mentioned date, and if it does, it is treated as an error, and the bank will rectify the transaction. In the US and UK, a post dated check can be drawn at any time and, for example, if today's date is 19th June 2020 and the drawer wants to issue a check where they need the payee to receive the amount after a month, they will put the date as 19th July 2020 where the check can only be cashed or deposited in the bank on and after 19th July 2020. When the drawee has to cash post dated check, they should always ensure that one has enough funds to honor the check on the specified mentioned date and that there is no post dated check bounced. These will again lead to the payment of insufficient fund fees or overdraft fees which the bank will collect as a penalty from the check issuer or the payer. Banks in the US and UK will not need to check the check date unless the issuer has typically mentioned not to release the payment before the said date. In contrast, this is different in India and Australia, and banks will only encash the check if the date mentioned in the check has been fulfilled.Let us understand the concept with an example.XYZ Ltd. is a private company dealing in computer accessories manufacturing. The company must purchase different components as raw materials to assemble them as the final product. The company is a bit short of cash and will soon pay its customers as the cash collection begins in a month. On the other hand, the company needs to purchase certain raw materials from its suppliers to lead the production cycle run as usual without any impact. Thus, the company buys raw materials from its suppliers for \$10,000 and makes the payment in two post-dated checks of \$5,000 each. The date mentioned in the first check is one month from now on, and the date in the other is two months from the current date. The supplier agrees to hold the check and only present them on the given dates with the commitment from the business that both checks will be honored and paid by the bank on the specific dates. Thus, the supplier should not debit cash and credit account receivables on the date the supplier received the check. This is because a post dated check cannot be considered cash before the date mentioned in the check, and the supplier should not send digital pictures of checks to other financial institutions, so they can be cashed more quickly."In short," says Matthew Dahlberg, a financial advisor at Main Street Investments in Kansas City, Missouri, "if you don't have the money in your checking account, then don't write the check!"Spencer Tierney is a writer and NerdWallet's authority on certificates of deposit. His work has been featured by USA Today and the Los Angeles Times. See full bio. All BlogsBanking ResourcesPost Dated ChequesBanking Services and OperationsPayment InstrumentsBank Draft vs Certified CheckPayeeBanking Services and OperationsBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in just 6 Hours!Table Of Contents Post-dated check is a negotiable instrument that the payer writes for a specific future date before which the drawee cannot produce the same in the bank to get the desired amount. Whether check can be cashed or deposited before the mentioned date solely depends on the country. It implicitly means that the payer is committed to making the payment only on a future date. Post-dating makes sense only when the payer is specific that the payee will not encash the check or deposit it in the bank before the date appearing on the check. The main intention of this check remains a deliberate payment delay. Post dated check is an instrument with a future date and is negotiable. Simply put, a post-date check will be processed in the future. It has rules such as no fraud allowed; it is not a written agreement, and bank confirmation is essential. It functions as an installment payment system, allowing the payer to postpone paying the complete total at once or on the due date. In addition, it serves as a guarantee for both parties that the transaction will take place at a later time. The process of writing a post dated check is the same as writing a regular or standard check. The only distinction in writing a post-dated check is that the present date is replaced with a future one. Post dated check is drawn with a date mentioned on it that is in the future. This type of arrangement is only made if the drawer wants to make payment at a particular date in the future. Thus, the check can be deposited only on or after the mentioned date. A post dated check validity is normally 3 months but may vary with the rules and regulations of a country.Similarly, whether the check may be cashed before the mentioned date or not, also depends on the banking regulations of that country.A Canadian bank, for example, cannot process a post-dated check before the mentioned date, and if it does, it is treated as an error, and the bank will rectify the transaction. In the US and UK, a post dated check can be drawn at any time and, for example, if today's date is 19th June 2020 and the drawer wants to issue a check where they need the payee to receive the amount after a month, they will put the date as 19th July 2020 where the check can only be cashed or deposited in the bank on and after 19th July 2020. When the drawee has to cash post dated check, they should always ensure that one has enough funds to honor the check on the specified mentioned date and that there is no post dated check bounced. These will again lead to the payment of insufficient fund fees or overdraft fees which the bank will collect as a penalty from the check issuer or the payer. Banks in the US and UK will not need to check the check date unless the issuer has typically mentioned not to release the payment before the said date. In contrast, this is different in India and Australia, and banks will only encash the check if the date mentioned in the check has been fulfilled.Let us understand the concept with an example.XYZ Ltd. is a private company dealing in computer accessories manufacturing. The company must purchase different components as raw materials to assemble them as the final product. The company is a bit short of cash and will soon pay its customers as the cash collection begins in a month. On the other hand, the company needs to purchase certain raw materials from its suppliers to lead the production cycle run as usual without any impact. Thus, the company buys raw materials from its suppliers for \$10,000 and makes the payment in two post-dated checks of \$5,000 each. The date mentioned in the first check is one month from now on, and the date in the other is two months from the current date. The supplier agrees to hold the check and only present them on the given dates with the commitment from the business that both checks will be honored and paid by the bank on the specific dates. Thus, the supplier should not debit cash and credit account receivables on the date the supplier received the check. This is because a post dated check cannot be considered cash before the date mentioned in the check, and the supplier should not send digital pictures of checks to other financial institutions, so they can be cashed more quickly."In short," says Matthew Dahlberg, a financial advisor at Main Street Investments in Kansas City, Missouri, "if you don't have the money in your checking account, then don't write the check!"Spencer Tierney is a writer and NerdWallet's authority on certificates of deposit. His work has been featured by USA Today and the Los Angeles Times. See full bio. All BlogsBanking ResourcesPost Dated ChequesBanking Services and OperationsPayment InstrumentsBank Draft vs Certified CheckPayeeBanking Services and OperationsBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in just 6 Hours!Table Of Contents Post-dated check is a negotiable instrument that the payer writes for a specific future date before which the drawee cannot produce the same in the bank to get the desired amount. Whether check can be cashed or deposited before the mentioned date solely depends on the country. It implicitly means that the payer is committed to making the payment only on a future date. Post-dating makes sense only when the payer is specific that the payee will not encash the check or deposit it in the bank before the date appearing on the check. The main intention of this check remains a deliberate payment delay. Post dated check is an instrument with a future date and is negotiable. Simply put, a post-date check will be processed in the future. It has rules such as no fraud allowed; it is not a written agreement, and bank confirmation is essential. It functions as an installment payment system, allowing the payer to postpone paying the complete total at once or on the due date. In addition, it serves as a guarantee for both parties that the transaction will take place at a later time. The process of writing a post dated check is the same as writing a regular or standard check. The only distinction in writing a post-dated check is that the present date is replaced with a future one. Post dated check is drawn with a date mentioned on it that is in the future. This type of arrangement is only made if the drawer wants to make payment at a particular date in the future. Thus, the check can be deposited only on or after the mentioned date. A post dated check validity is normally 3 months but may vary with the rules and regulations of a country.Similarly, whether the check may be cashed before the mentioned date or not, also depends on the banking regulations of that country.A Canadian bank, for example, cannot process a post-dated check before the mentioned date, and if it does, it is treated as an error, and the bank will rectify the transaction. In the US and UK, a post dated check can be drawn at any time and, for example, if today's date is 19th June 2020 and the drawer wants to issue a check where they need the payee to receive the amount after a month, they will put the date as 19th July 2020 where the check can only be cashed or deposited in the bank on and after 19th July 2020. When the drawee has to cash post dated check, they should always ensure that one has enough funds to honor the check on the specified mentioned date and that there is no post dated check bounced. These will again lead to the payment of insufficient fund fees or overdraft fees which the bank will collect as a penalty from the check issuer or the payer. Banks in the US and UK will not need to check the check date unless the issuer has typically mentioned not to release the payment before the said date. In contrast, this is different in India and Australia, and banks will only encash the check if the date mentioned in the check has been fulfilled.Let us understand the concept with an example.XYZ Ltd. is a private company dealing in computer accessories manufacturing. The company must purchase different components as raw materials to assemble them as the final product. The company is a bit short of cash and will soon pay its customers as the cash collection begins in a month. On the other hand, the company needs to purchase certain raw materials from its suppliers to lead the production cycle run as usual without any impact. Thus, the company buys raw materials from its suppliers for \$10,000 and makes the payment in two post-dated checks of \$5,000 each. The date mentioned in the first check is one month from now on, and the date in the other is two months from the current date. The supplier agrees to hold the check and only present them on the given dates with the commitment from the business that both checks will be honored and paid by the bank on the specific dates. Thus, the supplier should not debit cash and credit account receivables on the date the supplier received the check. This is because a post dated check cannot be considered cash before the date mentioned in the check, and the supplier should not send digital pictures of checks to other financial institutions, so they can be cashed more quickly."In short," says Matthew Dahlberg, a financial advisor at Main Street Investments in Kansas City, Missouri, "if you don't have the money in your checking account, then don't write the check!"Spencer Tierney is a writer and NerdWallet's authority on certificates of deposit. His work has been featured by USA Today and the Los Angeles Times. See full bio. All BlogsBanking ResourcesPost Dated ChequesBanking Services and OperationsPayment InstrumentsBank Draft vs Certified CheckPayeeBanking Services and OperationsBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in just 6 Hours!Table Of Contents Post-dated check is a negotiable instrument that the payer writes for a specific future date before which the drawee cannot produce the same in the bank to get the desired amount. Whether check can be cashed or deposited before the mentioned date solely depends on the country. It implicitly means that the payer is committed to making the payment only on a future date. Post-dating makes sense only when the payer is specific that the payee will not encash the check or deposit it in the bank before the date appearing on the check. The main intention of this check remains a deliberate payment delay. Post dated check is an instrument with a future date and is negotiable. Simply put, a post-date check will be processed in the future. It has rules such as no fraud allowed; it is not a written agreement, and bank confirmation is essential. It functions as an installment payment system, allowing the payer to postpone paying the complete total at once or on the due date. In addition, it serves as a guarantee for both parties that the transaction will take place at a later time. The process of writing a post dated check is the same as writing a regular or standard check. The only distinction in writing a post-dated check is that the present date is replaced with a future one. Post dated check is drawn with a date mentioned on it that is in the future. This type of arrangement is only made if the drawer wants to make payment at a particular date in the future. Thus, the check can be deposited only on or after the mentioned date. A post dated check validity is normally 3 months but may vary with the rules and regulations of a country.Similarly, whether the check may be cashed before the mentioned date or not, also depends on the banking regulations of that country.A Canadian bank, for example, cannot process a post-dated check before the mentioned date, and if it does, it is treated as an error, and the bank will rectify the transaction. In the US and UK, a post dated check can be drawn at any time and, for example, if today's date is 19th June 2020 and the drawer wants to issue a check where they need the payee to receive the amount after a month, they will put the date as 19th July 2020 where the check can only be cashed or deposited in the bank on and after 19th July 2020. When the drawee has to cash post dated check, they should always ensure that one has enough funds to honor the check on the specified mentioned date and that there is no post dated check bounced. These will again lead to the payment of insufficient fund fees or overdraft fees which the bank will collect as a penalty from the check issuer or the payer. Banks in the US and UK will not need to check the check date unless the issuer has typically mentioned not to release the payment before the said date. In contrast, this is different in India and Australia, and banks will only encash the check if the date mentioned in the check has been fulfilled.Let us understand the concept with an example.XYZ Ltd. is a private company dealing in computer accessories manufacturing. The company must purchase different components as raw materials to assemble them as the final product. The company is a bit short of cash and will soon pay its customers as the cash collection begins in a month. On the other hand, the company needs to purchase certain raw materials from its suppliers to lead the production cycle run as usual without any impact. Thus, the company buys raw materials from its suppliers for \$10,000 and makes the payment in two post-dated checks of \$5,000 each. The date mentioned in the first check is one month from now on, and the date in the other is two months from the current date. The supplier agrees to hold the check and only present them on the given dates with the commitment from the business that both checks will be honored and paid by the bank on the specific dates. Thus, the supplier should not debit cash and credit account receivables on the date the supplier received the check. This is because a post dated check cannot be considered cash before the date mentioned in the check, and the supplier should not send digital pictures of checks to other financial institutions, so they can be cashed more quickly."In short," says Matthew Dahlberg, a financial advisor at Main Street Investments in Kansas City, Missouri, "if you don't have the money in your checking account, then don't write the check!"Spencer Tierney is a writer and NerdWallet's authority on certificates of deposit. His work has been featured by USA Today and the Los Angeles Times. See full bio. All BlogsBanking ResourcesPost Dated ChequesBanking Services and OperationsPayment InstrumentsBank Draft vs Certified CheckPayeeBanking Services and OperationsBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in just 6 Hours!Table Of Contents Post-dated check is a negotiable instrument that the payer writes for a specific future date before which the drawee cannot produce the same in the bank to get the desired amount. Whether check can be cashed or deposited before the mentioned date solely depends on the country. It implicitly means that the payer is committed to making the payment only on a future date. Post-dating makes sense only when the payer is specific that the payee will not encash the check or deposit it in the bank before the date appearing on the check. The main intention of this check remains a deliberate payment delay. Post dated check is an instrument with a future date and is negotiable. Simply put, a post-date check will be processed in the future. It has rules such as no fraud allowed; it is not a written agreement, and bank confirmation is essential. It functions as an installment payment system, allowing the payer to postpone paying the complete total at once or on the due date. In addition, it serves as a guarantee for both parties that the transaction will take place at a later time. The process of writing a post dated check is the same as writing a regular or standard check. The only distinction in writing a post-dated check is that the present date is replaced with a future one. Post dated check is drawn with a date mentioned on it that is in the future. This type of arrangement is only made if the drawer wants to make payment at a particular date in the future. Thus, the check can be deposited only on or after the mentioned date. A post dated check validity is normally 3 months but may vary with the rules and regulations of a country.Similarly, whether the check may be cashed before the mentioned date or not, also depends on the banking regulations of that country.A Canadian bank, for example, cannot process a post-dated check before the mentioned date, and if it does, it is treated as an error, and the bank will rectify the transaction. In the US and UK, a post dated check can be drawn at any time and, for example, if today's date is 19th June 2020 and the drawer wants to issue a check where they need the payee to receive the amount after a month, they will put the date as 19th July 2020 where the check can only be cashed or deposited in the bank on and after 19th July 2020. When the drawee has to cash post dated check, they should always ensure that one has enough funds to honor the check on the specified mentioned date and that there is no post dated check bounced. These will again lead to the payment of insufficient fund fees or overdraft fees which the bank will collect as a penalty from the check issuer or the payer. Banks in the US and UK will not need to check the check date unless the issuer has typically mentioned not to release the payment before the said date. In contrast, this is different in India and Australia, and banks will only encash the check if the date mentioned in the check has been fulfilled.Let us understand the concept with an example.XYZ Ltd. is a private company dealing in computer accessories manufacturing. The company must purchase different components as raw materials to assemble them as the final product. The company is a bit short of cash and will soon pay its customers as the cash collection begins in a month. On the other hand, the company needs to purchase certain raw materials from its suppliers to lead the production cycle run as usual without any impact. Thus, the company buys raw materials from its suppliers for \$10,000 and makes the payment in two post-dated checks of \$5,000 each. The date mentioned in the first check is one month from now on, and the date in the other is two months from the current date. The supplier agrees to hold the check and only present them on the given dates with the commitment from the business that both checks will be honored and paid by the bank on the specific dates. Thus, the supplier should not debit cash and credit account receivables on the date the supplier received the check. This is because a post dated check cannot be considered cash before the date mentioned in the check, and the supplier should not send digital pictures of checks to other financial institutions, so they can be cashed more quickly."In short," says Matthew Dahlberg, a financial advisor at Main Street Investments in Kansas City, Missouri, "if you don't have the money in your checking account, then don't write the check!"Spencer Tierney is a writer and NerdWallet's authority on certificates of deposit. His work has been featured by USA Today and the Los Angeles Times. See full bio. All BlogsBanking ResourcesPost Dated ChequesBanking Services and OperationsPayment InstrumentsBank Draft vs Certified CheckPayeeBanking Services and OperationsBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in just 6 Hours!Table Of Contents Post-dated check is a negotiable instrument that the payer writes for a specific future date before which the drawee cannot produce the same in the bank to get the desired amount. Whether check can be cashed or deposited before the mentioned date solely depends on the country. It implicitly means that the payer is committed to making the payment only on a future date. Post-dating makes sense only when the payer is specific that the payee will not encash the check or deposit it in the bank before the date appearing on the check. The main intention of this check remains a deliberate payment delay. Post dated check is an instrument with a future date and is negotiable. Simply put, a post-date check will be processed in the future. It has rules such as no fraud allowed; it is not a written agreement, and bank confirmation is essential. It functions as an installment payment system, allowing the payer to postpone paying the complete total at once or on the due date. In addition, it serves as a guarantee for both parties that the transaction will take place at a later time. The process of writing a post dated check is the same as writing a regular or standard check. The only distinction in writing a post-dated check is that the present date is replaced with a future one. Post dated check is drawn with a date mentioned on it that is in the future. This type of arrangement is only made if the drawer wants to make payment at a particular date in the future. Thus, the check can be deposited only on or after the mentioned date. A post dated check validity is normally 3 months but may vary with the rules and regulations of a country.Similarly, whether the check may be cashed before the mentioned date or not, also depends on the banking regulations of that country.A Canadian bank, for example, cannot process a post-dated check before the mentioned date, and if it does, it is treated as an error, and the bank will rectify the transaction. In the US and UK, a post dated check can be drawn at any time and, for example, if today's date is 19th June 2020 and the drawer wants to issue a check where they need the payee to receive the amount after a month, they will put the date as 19th July 2020 where the check can only be cashed or deposited in the bank on and after 19th July 2020. When the drawee has to cash post dated check, they should always ensure that one has enough funds to honor the check on the specified mentioned date and that there is no post dated check bounced. These will again lead to the payment of insufficient fund fees or overdraft fees which the bank will collect as a penalty from the check issuer or the payer. Banks in the US and UK will not need to check the check date unless the issuer has typically mentioned not to release the payment before the said date. In contrast, this is different in India and Australia, and banks will only encash the check if the date mentioned in the check has been fulfilled.Let us understand the concept with an example.XYZ Ltd. is a private company dealing in computer accessories manufacturing. The company must purchase different components as raw materials to assemble them as the final product. The company is a bit short of cash and will soon pay its customers as the cash collection begins in a month. On the other hand, the company needs to purchase certain raw materials from its suppliers to lead the production cycle run as usual without any impact. Thus, the company buys raw materials from its suppliers for \$10,000 and makes the payment in two post-dated checks of \$5,000 each. The date mentioned in the first check is one month from now on, and the date in the other is two months from the current date. The supplier agrees to hold the check and only present them on the given dates with the commitment from the business that both checks will be honored and paid by the bank on the specific dates. Thus, the supplier should not debit cash and credit account receivables on the date the supplier received the check. This is because a post dated check cannot be considered cash before the date mentioned in the check, and the supplier should not send digital pictures of checks to other financial institutions, so they can be cashed more quickly."In short," says Matthew Dahlberg, a financial advisor at Main Street Investments in Kansas City, Missouri, "if you don't have the money in your checking account, then don't write the check!"Spencer Tierney is a writer and NerdWallet's authority on certificates of deposit. His work has been featured by USA Today and the Los Angeles Times. See full bio. All BlogsBanking ResourcesPost Dated ChequesBanking Services and OperationsPayment InstrumentsBank Draft vs Certified CheckPayeeBanking Services and OperationsBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in just 6 Hours!Table Of Contents Post-dated check is a negotiable instrument that the payer writes for a specific future date before which the drawee cannot produce the same in the bank to get the desired amount. Whether check can be cashed or deposited before the mentioned date solely depends on the country. It implicitly means that the payer is committed to making the payment only on a future date. Post-dating makes sense only when the payer is specific that the payee will not encash the check or deposit it in the bank before the date appearing on the check. The main intention of this check remains a deliberate payment delay. Post dated check is an instrument with a future date and is negotiable. Simply put, a post-date check will be processed in the future. It has rules such as no fraud allowed; it is not a written agreement, and bank confirmation is essential. It functions as an installment payment system, allowing the payer to postpone paying the complete total at once or on the due date. In addition, it serves as a guarantee for both parties that the transaction will take place at a later time. The process of writing a post dated check is the same as writing a regular or standard check. The only distinction in writing a post-dated check is that the present date is replaced with a future one. Post dated check is drawn with a date mentioned on it that is in the future. This type of arrangement is only made if the drawer wants to make payment at a particular date in the future. Thus, the check can be deposited only on or after the mentioned date. A post dated check validity is normally 3 months but may vary with the rules and regulations of a country.Similarly, whether the check may be cashed before the mentioned date or not, also depends on the banking regulations of that country.A Canadian bank, for example, cannot process a post-dated check before the mentioned date, and if it does, it is treated as an error, and the bank will rectify the transaction. In the US and UK, a post dated check can be drawn at any time and, for example, if today's date is 19th June 2020 and the drawer wants to issue a check where they need the payee to receive the amount after a month, they will put the date as 19th July 2020 where the check can only be cashed or deposited in the bank on and after 19th July 2020. When the drawee has to cash post dated check, they should always ensure that one has enough funds to honor the check on the specified mentioned date and that there is no post dated check bounced. These will again lead to the payment of insufficient fund fees or overdraft fees which the bank will collect as a penalty from the check issuer or the payer. Banks in the US and UK will not need to check the check date unless the issuer has typically mentioned not to release the payment before the said date. In contrast, this is different in India and Australia, and banks will only encash the check if the date mentioned in the check has been fulfilled.Let us understand the concept with an example.XYZ Ltd. is a private company dealing in computer accessories manufacturing. The company must purchase different components as raw materials to assemble them as the final product. The company is a bit short of cash and will soon pay its customers as the cash collection begins in a month. On the other hand, the company needs to purchase certain raw materials from its suppliers to lead the production cycle run as usual without any impact. Thus, the company buys raw materials from its suppliers for \$10,000 and makes the payment in two post-dated checks of \$5,000 each. The date mentioned in the first check is one month from now on, and the date in the other is two months from the current date. The supplier agrees to hold the check and only present them on the given dates with the commitment from the business that both checks will be honored and paid by the bank on the specific dates. Thus, the supplier should not debit cash and credit account receivables on the date the supplier received the check. This is because a post dated check cannot be considered cash before the date mentioned in the check, and the supplier should not send digital pictures of checks to other financial institutions, so they can be cashed more quickly."In short," says Matthew Dahlberg, a financial advisor at Main Street Investments in Kansas City, Missouri, "if you don't have the money in your checking account, then don't write the check!"Spencer Tierney is a writer and NerdWallet's authority on certificates of deposit. His work has been featured by USA Today and the Los Angeles Times. See full bio. All BlogsBanking ResourcesPost Dated ChequesBanking Services and OperationsPayment InstrumentsBank Draft vs Certified CheckPayeeBanking Services and OperationsBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in just 6 Hours!Table Of Contents Post-dated check is a negotiable instrument that the payer writes for a specific future date before which the drawee cannot produce the same in the bank to get the desired amount. Whether check can be cashed or deposited before the mentioned date solely depends on the country. It implicitly means that the payer is committed to making the payment only on a future date. Post-dating makes sense only when the payer is specific that the payee will not encash the check or deposit it in the bank before the date appearing on the check. The main intention of this check remains a deliberate payment delay. Post dated check is an instrument with a future date and is negotiable. Simply put, a post-date check will be processed in the future. It has rules such as no fraud allowed; it is not a written agreement, and bank confirmation is essential. It functions as an installment payment system, allowing the payer to postpone paying the complete total at once or on the due date. In addition, it serves as a guarantee for both parties that the transaction will take place at a later time. The process of writing a post dated check is the same as writing a regular or standard check. The only distinction in writing a post-dated check is that the present date is replaced with a future one. Post dated check is drawn with a date mentioned on it that is in the future. This type of arrangement is only made if the drawer wants to make payment at a particular date in the future. Thus, the check can be deposited only on or after the mentioned date. A post dated check validity is normally 3 months but may vary with the rules and regulations of a country.Similarly, whether the check may be cashed before the mentioned date or not, also depends on the banking regulations of that country.A Canadian bank, for example, cannot process a post-dated check before the mentioned date, and if it does, it is treated as an error, and the bank will rectify the transaction. In the US and UK, a post dated check can be drawn at any time and, for example, if today's date is 19th June 2020 and the drawer wants to issue a check where they need the payee to receive the amount after a month, they will put the date as 19th July 2020 where the check can only be cashed or deposited in the bank on and after 19th July 2020. When the drawee has to cash post dated check, they should always ensure that one has enough funds to honor the check on the specified mentioned date and that there is no post dated check bounced. These will again lead to the payment of insufficient fund fees or overdraft fees which the bank will collect as a penalty from the check issuer or the payer. Banks in the US and UK will not need to check the check date unless the issuer has typically mentioned not to release the payment before the said date. In contrast, this is different in India and Australia, and banks will only encash the check if the date mentioned in the check has been fulfilled.Let us understand the concept with an example.XYZ Ltd. is a private company dealing in computer accessories manufacturing. The company must purchase different components as raw materials to assemble them as the final product. The company is a bit short of cash and will soon pay its customers as the cash collection begins in a month. On the other hand, the company needs to purchase certain raw materials from its suppliers to lead the production cycle run as usual without any impact. Thus, the company buys raw materials from its suppliers for \$10,000 and makes the payment in two post-dated checks of \$5,000 each. The date mentioned in the first check is one month from now on, and the date in the other is two months from the current date. The supplier agrees to hold the check and only present them on the given dates with the commitment from the business that both checks will be honored and paid by the bank on the specific dates. Thus, the supplier should not debit cash and credit account receivables on the date the supplier received the check. This is because a post dated check cannot be considered cash before the date mentioned in the check, and the supplier should not send digital pictures of checks to other financial institutions, so they can be cashed more quickly."In short," says Matthew Dahlberg, a financial advisor at Main Street Investments in Kansas City, Missouri, "if you don't have the money in your checking account, then don't write the check!"Spencer Tierney is a writer and NerdWallet's authority on certificates of deposit. His work has been featured by USA Today and the Los Angeles Times. See full bio. All BlogsBanking ResourcesPost Dated ChequesBanking Services and OperationsPayment InstrumentsBank Draft vs Certified CheckPayeeBanking Services and OperationsBOOT CAMP - Financial Modeling (6 Hrs)Boot Camp: LEARN Financial Modeling in just 6 Hours