

ACCOUNTS RECEIVABLE ENTRY ARC CHECK CONVERSION



Any Company, USA Customer Service Training for Billing Companies

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electronicpayments.org

ACCOUNTS RECEIVABLE ENTRY ARC CHECK CONVERSION

Overview

Introducing ARC

Frequently Asked Questions

Addressing Complaints

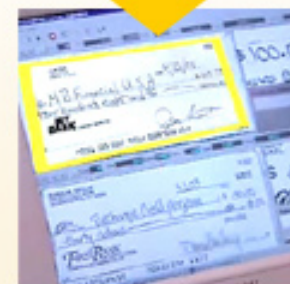
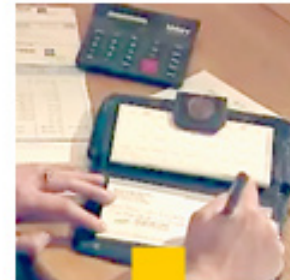
Summary

What is Accounts Receivable Entry (ARC)?

- ✓ ARC allows billers to convert checks received through the mail or at a bill payment dropbox to electronic payments.

What's New About ARC?

- ✓ On March 16, 2007, changes in the notification and check destruction requirements associated with ARC will be in effect.



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Types of Check Conversion Applications

All check conversions are processed through the ACH Network – the same network that is used for billions of secure payments – payments such as Direct Deposit.

- - - checks by mail or dropbox - - -

- - - - - checks at the point of sale - - - - -

ARC

(Accounts Receivable Entry)

Checks are converted when a customer mails a paper check to pay a bill OR drops a bill payment check at a “dropbox.” Beginning 03/16/07, checks will be imaged and securely stored until destroyed.

BOC

(Back Office Conversion)

New Rule: March 16, 2007

Checks are accepted at a point of sale and converted later in the “back office.” Checks are not returned to customers.

POP

(Point-of-Purchase)

Checks are converted at a point of sale, voided and returned to customers as they finish checking out.

Be prepared!

People are becoming increasingly familiar with check conversion. However, they may have questions about the process that you will need to address.

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The Customer/Business Experience of ARC

Stage	Who	Does What
1	Biller	Provides “clear and conspicuous” notification to customers (via an enclosure or statement on a bill) that their checks may be electronically converted.
2	Customer	Writes a paper check and mails it to the business, or drops it in a bill payment dropbox. <i>(Customer authorizes conversion by writing the check after receiving notification.)</i>
3	Biller / Processor	Captures payment data from the customer’s paper check to present to the financial institution, which debits the customer account.
4	Biller / Processor	Makes an image of the original check and retains it for at least 2 years. Beginning on March 16, 2007, the business or processor must then securely store the original paper check, using commercially reasonable means, until it is destroyed.
5	Customer	Reviews his or her account statement. The statement from the financial institution will detail the payment, which may appear similar to a check listing, or show up as an Electronic Funds Transfer (EFT), similar to an ATM withdrawal or Direct Payment.

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ARC Notification Requirements are Changing

Beginning on March 16, 2007, billers will be required to provide notification to customers in a “clear and conspicuous” manner. The notification must include the following points:

- ✓ By providing a check after receiving notification that the check may be converted, the customer is authorizing electronic processing.
- ✓ Funds will clear the customer’s account quickly, and the check will not be returned to the customer by the financial institution.

Paying By Check Notice

When you provide a check, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process this transaction as a check. If you wish to be excluded from this process, please call 1-888-xxx-xxxx.

When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment, and you will not receive your check back from your financial institution.

Be prepared!

It is possible that some customers will miss this information. Acknowledge the customers’ surprise and let them know where the information appears on their billing statement.