

## KEY FACTS ABOUT BACK OFFICE CONVERSION (BOC)

- The new BOC rule will become effective on March 16, 2007.
- As of March 16, 2007, businesses will be able to accept checks from consumer and business customers at the point of sale (checkout counter, manned billing location, service call location) and convert them to ACH debits during back office processing.
- Businesses that will be converting checks using BOC must post a notice in a prominent and conspicuous location, and must provide a copy to the customer on the receipt or another takeaway at the time of the transaction.
- Both notices must reflect the following or substantially similar language:

“When you provide a check as payment, you authorize us either to use the information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries, please call <customer service phone number>.”
- Until January 1, 2010, the posted notice (only) will be required to contain the following additional language:

“When we use information from your check to make an electronic funds transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution.”
- Both notices must include a working customer service telephone number for customer inquiries, which is answered during normal business hours.
- The business is required to provide customers with an opt-out option.
- Customers authorize conversion of their checks by signing the checks after they have been provided with notification.
- The business retains the check – it is not handed back to the customer.
- Once the payment information is captured from the check, an image of the check retained for at least 2 years. The original check must be securely stored until destroyed.
- The originator must have procedures to identify ineligible items and process those items as presented.