

*“Enables Merchants to accept & process checks similar to a credit card transaction!”*

## Procedure at the Point of Sale

1. Merchant will swipe check through a check reader and input driver's license # and amount of sale.
2. If transaction is approved a duplicate receipt will print and consumer completes receipt.
3. The check is stamped "ACH Processed" and check along with the receipt are handed back to the consumer.
4. Check Processing Company will fund merchant on transaction in 48-72 hours – similar to a credit card. (Consumer still experiences a 2 day float)
5. Merchant will not be charged back for any returned checks. (As long as proper procedures were followed)

- Check Guarantee and Conversion program at the Point of Sale
- Face-to-face transaction required
- Check is handed back to consumer



## Merchant Responsibilities

1. The receipt must have consumer's signature, printed name and phone number.
2. Driver's license # must be entered into terminal.
3. Merchant must batch out daily and provide copy of receipt within 48 hours of Check Processing Company requesting it.

REFER TO MERCHANT QUICK TIPS FOR DETAILED REQUIREMENTS

## ISO Requirements to setup

1. Electronic Check Service Agreement (**blue application**) – fax in application OK, original in house within 7 days)
2. Copy of Voided check
3. Terminal needs to be programmed
4. See equipment compatibility page list of certified terminals (Imager recommended)
5. Check Processing Company will send merchant a welcome kit to include: ACH Stamp, Decals, and Terminal Instruction Guide.

### UNACCEPTABLE BUSINESSES

- Criminal & Bankruptcy Attorneys
- Used Auto Sales (if not combined with new dealership. Used Auto Addendum Required)
- Unlicensed Massage Parlors
- Check Cashing & Payroll Advance
- Credit Counseling
- Adult Related Businesses
- Investment Opportunities
- Travel Agency
- Gambling (Charity Bingo is acceptable)
- Bail Bondsmen

## Merchant Benefits

- Increase sales by accepting all types of checks including out of state checks
- Eliminate bad checks
- Faster availability of funds
- Eliminate NSF and deposit fees from local bank
- Eliminate the sorting and depositing of paper checks
- Process is simple to use because it mirrors a credit card transaction
- No paper claims file for bad checks
- Detailed online reporting available

## What are the advantages of a merchant using a check imager and is it required?

Check Processing Company does not require an imager for the program but it is highly recommended for the following reasons:

- Check Processing Company will be able to offer a higher check limit for merchant.
- Dramatically decreases the number of times Check Processing Company will have to call merchant to request a copy of signed receipt.
- If merchant neglects to follow any guidelines, Check Processing Company will be in a better position to collect check by using the image.

## What is the merchant's check limit?

- ISO is to state on merchant application the highest check limit merchant will require and 90% of the time, the Check Processing Company will be able to accommodate merchant's request.
- Check Processing Company will issue the check limit when merchant is approved and will be posted on the *Merchant Approval Form*.

## Does the terminal verify that the checking account is open or that there is money in the account?

No. The terminal is checking against a national negative database of bad check writers.

## Are business checks acceptable?

Yes. Most business checks are now acceptable for guarantee and conversion. The terminal will determine eligibility of the check.

## Is the check writer debited immediately?

No. Check Writer will still experience about a 2 day "float" before funds are withdrawn. (about the same as if the check was deposited manually at the merchant's bank)

## What happens if a bad check is written?

- The Check Processing Company funds the merchant with their own money, before they know if the check has cleared.
- The Check Processing Company will call the merchant and ask for a copy of the signed receipt. (see right) If the merchant is using a check imager, they will simply use the data on the check image, without having to call the merchant. Merchant is still required obtain required info and keep the receipt on file.
- If the check does not clear, The Check Processing Company is responsible for collecting from the check writer (As long as merchant follows requirements.)

## ➤ Frequently Asked Questions



## What is required on the receipt?

1. Signature
2. Printed Name
3. Phone #


GLOBAL E TELECOM  
35008 EMERALD COAST PK44Y  
DESTIN FL 32541

05/27/2003 11:20  
CHECK

Transaction # 1  
MICR: \*\*\*\*\*4034  
CHECK 1.00  
CONVERSION  
Respon. AUTH NUM 280-914  
MICR: \*\*\*\* 4034  
Driver Lic.: FL-\*\*\*\*2222  
Trans: Check Truncated

I authorize the merchant to convert my check to an Electronic Funds Transfer or paper draft, and to debit my account for the amount of the transaction.

In the event that my draft or EFT is returned unpaid, I agree that a fee as allowable by law may be charged to my account via draft or EFT.

  
SIGNATURE  
John Doe  
(Printed Name)  
850-555-5555  
(Phone Number)