



Direct Recovery Merchant Q & A

Question: Must I obtain written authorization to collect the face value of each check?

Answer: No. To collect the face value of any dishonored check via electronic means, all you need is posted notice of this policy at the point-of-sale. We will provide these stickers to you at no cost.

Question: What do I need to do in order to collect the state allowed recovery fee?

Answer: Written authorization must be received from every customer in order to recover any fees electronically. To enable this we can provide you self inking authorizations stamps to apply to every check you receive. If you bill by invoice you do have the ability to include this authorization language on the invoice.

Question: What if I have a contract with my client? Can I include the authorization into the verbiage of a signed contract and not have to have each check authorized?

Answer: Yes. For example, if your business is a Health Club and you receive monthly payments for the membership, you can include the authorization verbiage in your original contract.

Question: How many times will you re-present these items?

Answer: Federal Regulations allow us to re-present two additional times after the initial rejection. Also, all electronic transactions have preference over paper transactions. In other words, your re-presented electronic check will be processed at the bank before a paper check that was written and received to be processed the same day.

Question: What procedure does ACH Direct employ to re-present two additional times after the initial rejection.

Answer: We use our proprietary Electronic Account Monitoring System (EAMS). EAMS uses the ATM network to monitor the accounts of the bad-check writers and immediately sends out a debit when funds are available.

Question: What happens to the check if you are unsuccessful?

Answer: It's your option to use our traditional and/or attorney network partners or you can have the checks returned back to you. There is no charge to you the merchant for this option.

Question: What happens if we receive checks that are "Account Closed" if the merchant does not participate in your Traditional or Attorney Network?

Answer: We will immediately send them back to the merchant. The same will happen to “Frozen Account” or “Stop Payment” checks.

Question: When do we get paid for the checks that are successfully collected?

Answer: Payments will be made every Friday for checks collected that week.

Question: When does the merchant get paid the rebate for each fee collected?

Answer: Rebates also get paid every Friday for fees collected that week.

Question: Why do you fund the collected check and the rebate at separate times?

Answer: Our first priority is to collect the face value of the NSF check for the merchant. After this has been collected, we then process and collect the NSF fee.

Question: How old can the check be in order to try electronic collections?

Answer: The check cannot be more than 180 days old.

Question: Am I allowed to try and collect NSF checks that were received before we started with Direct Recovery?

Answer: Yes. As long as the check is not more that 180 days old and has not been presented a total of 3 times. There is a place for manual entries on the Reports Log-On.

Question: What if our customer brings in cash for the NSF check. Can I stop the process?

Answer: Yes. On your Reports Log-on, there is a place to stop the collection of the NSF check and a place for comments. However, you must advise your customer that the speed of collection thru the Electronic Representment is very quick and it is possible that the NSF check has already been presented to their bank and they may be paying twice.

Question: What type of reporting is available?

Answer: We know that reporting of all NSF transactions are very important to the merchant. We have at your disposal a multitude of reports which will track, give past and current history, and even graphs of the collection ratio to you at No Charge to the merchant. All reporting is available on-line at...

https://www.paymentsgateway.net/direct_recovery/login.asp

For additional questions, contact SFarmer@e-sfb.com