

Check Conversion & Guarantee - Training

What is check conversion?

Check conversion is the presentment of a paper check turned into a electronic debit from the check writers checking account.

How does check conversion work?

A customer presents a check to the cashier, the check is then run thru a check reader and all bank account information is captured electronically. The check reader along with the POS (point of sale) equipment automatically combines bank account information with sale amount and sends it to the processing center for approval. The processing center sends back a Decline or Approval for the transaction. The cashier then returns the check and a duplicate receipt to the customer. The transaction will clear the customers account later just like a paper check.

The customer signs a receipt just like a credit card receipt authorizing the electronic debit from their checking account. The merchant retains a copy of that receipt.

At the end of the day the merchant will close the batch just like the credit cards, the POS terminal will then transmit the information to the processing center, the processing center then collects the funds for the merchant and deposits the funds directly to the merchant's bank account. The whole process takes approximately 3 days or 72 hours.

What is check guarantee?

Check guarantee is a process of verifying the check writer thru negative data bases and also thru ATM networks, this process allows the processing center to verify if the check writer has written a bad check in the past and also allows them to check the bank account information.

How does check guarantee work?

Every transaction can be verified thru the POS by being submitted for pre-authorization. Returned items are reported electronically, and can be resubmitted electronically, eliminating paper processing of returned items and resulting in faster access of funds. The processing center deposits their own money into the merchants bank account, and in the event of returned items not being collected on a resubmitted check, the processing center starts the

collection process for the merchant resulting in fast collections and guaranteed payment to the merchant. All electronic submittals hold priority over paper checks.

Sales Points:

- ◆ Eliminates paper check handling
- ◆ Makes faster checkout times
- ◆ Accelerates availability of funds
- ◆ Reduces bad check and collection costs
- ◆ Helps increase sales, encourages repeat customers
- ◆ Automated recovery
- ◆ Sales reports
- ◆ Batch close reports
- ◆ Detailed statements