



Electronic Check Processing and Remote Deposit System

User Guide

TABLE OF CONTENTS

1.	EXPRESSCHECK21 - SECURE PAYMENT SYSTEMS ARC / CHECK 21 SOLUTION.....	4
2.	ABOUT SECURE PAYMENT SYSTEMS (SPS).....	5
2.1	THE COMPANY	5
2.2	CUSTOM TAILORED APPLICATIONS	5
2.3	SPS CONTACT LIST	5
3.	GETTING STARTED.....	6
3.1	CUSTOMER LOGIN	6
3.1.1	LOGIN PAGE	6
4.	SECURE PAYMENT SYSTEMS ELECTRONIC CHECK PROCESSING SYSTEM.....	7
4.1	ELECTRONIC CHECK PROCESSING SYSTEM.....	7
4.1.1	PREPARE CHECKS FOR SCANNING.....	7
4.2	HOW TO SCAN CHECKS USING THE TS230-65 AND TS350/400ES SCANNERS	9
4.2.1	READY TO SCAN CHECKS	9
4.2.2	SAVE CHECKS	10
4.3	HOW TO SCAN CHECKS USING THE MAGTEK SCANNER	12
4.3.1	READY TO SCAN CHECKS	12
4.3.2	READY TO SAVE CHECKS	14
5.	PROCESS SCANNED CHECKS.....	16
5.1	DATA ENTRY FIELD	16
5.1.1	ENTER CHECK DATA.....	17
5.1.2	INDIVIDUAL CHECK DATA WINDOW.....	17
6.	BATCH OUT	21
6.1	BATCH OUT FACILITY WINDOW.....	21
6.2	RECOVER UNSAVED ITEMS	23
6.2.1	SCAN MORE CHECKS	24
7.	EDIT/DELETE SCANNED CHECKS	25
7.1	TO EDIT AN ITEM.....	25
7.1.1	EDITABLE/NON-EDITABLE DATA FIELDS.....	26
8.	BASIC VIEWING AND SEARCH FEATURES	28
8.1	VIEW BATCHES.....	28
9.	VIEW RESULTS OF PROCESSED CHECKS.....	30
10.	SEARCH FOR SCANNED CHECKS	32
11.	ADVANCED FEATURES	34
11.1	CREATE A COMMA SEPARATED VALUE (CSV) FILE FOR DATA EXPORT OVERVIEW	34
11.1.1	HOW TO CREATE A COMMA SEPARATED VALUE (CSV) FILE:	34
11.2	COMBINED DAILY RETURNS (RETURN CHECK DETAILS)	36
12.	OPERATIONAL GUIDELINES.....	38
12.1	TIPS ON MANAGING THE CHECK SCANNING PROCESS	38
12.1.1	WHAT TO DO WITH THE CHECK AFTER IT'S BEEN SCANNED.....	38
12.1.2	RULES AND REGULATIONS	38
12.1.3	SCANNER OPERATIONS & MAINTENANCE.....	38

APPENDIX B BANKING RULES..... 39

12.2 EXAMPLE NOTIFICATION LANGUAGE..... 39

12.2.1 REQUIREMENTS NECESSARY TO ELECTRONICALLY RE-PRESENT RETURNED
ITEMS OR TO ELECTRONICALLY RECOVER A STATE ALLOWED NSF FEE 39

12.2.2 REQUIREMENTS NECESSARY TO CONVERT CONSUMER CHECKS TO
ELECTRONIC NACHA – ARC ITEMS 39

APPENDIX C NACHA RULES AND REGULATIONS..... 40

12.3 NACHA RULES AND REGULATIONS..... 40

APPENDIX D ACH FLOW 41

APPENDIX F ACH RULES ENFORCEMENT..... 42

1. EXPRESSCHECK21 SECURE PAYMENT SYSTEMS ARC / CHECK 21 SOLUTION

Our Accounts Receivable Conversion (ARC) / Check 21 solution in conjunction with our superior Image Replacement Document (IRD) technology, processes and deposits any type of paper check received via U. S. Mail or at payment locations, deposited as electronic transactions, all through a single point of entry system. Our ARC system converts paper checks into electronic transactions, and deposits the checks as electronic data – eliminating a trip to the bank.

Benefits:

- Easy-to-use solution, requiring a check scanner and internet access
- Speed up your check processing
- 24-48 hour funds availability*
- No more waiting on line at the Bank
- Faster advice of returned items, in 3-5 days vs. 7-10-14 days in paper form
- Reduce banking fees on returned items

Features:

- Retain customer specific data so that it does not have to be entered repeatedly
- Create an export data file that can be uploaded into your accounts receivable program
- 24/7 access to check images and data
- Ability to consolidate banking activity for multiple locations to single account

Digital Check Scanners



Digital Check TS-350/400ES

The **Digital Check TS-350/400ES** is a high volume scanner that accepts 100 checks at a time, processing 60-80 checks per minute, + or - 3,000 per day, and images both sides of checks in one pass.



Digital Check TS230-65

The **Digital Check TS230-65** is a mid volume scanner that accepts 25 checks at a time, processing up to 65 items per minute, + or – 500 per day, and images both sides of the checks in one pass.



Magtek Imager

The **Magtek Imager** is a low volume scanner that accepts 1 check at a time, processing + or – 30 checks per day, and images both sides of the checks in two passes.

*24 hour funding available for a nominal fee.

2. ABOUT SECURE PAYMENT SYSTEMS

2.1 THE COMPANY

Secure Payment Systems (SPS) is a transaction processing and risk management company that specializes in the needs of small and midsize businesses. In addition to traditional point-of-sale transaction processing, we offer electronic check conversion, gift and loyalty card processing, a proprietary ATM debit payroll / international funds transfer card, as well as an array of sophisticated Web-based products including a recurring debit and credit platform and the popular check21 solution. In other words, SPS provides you with affordable solutions that you need to compete with the retail elite.

SPS is helping business change the way it operates – implementing enhanced check fraud algorithms, focusing on new customer marketing strategies, maximizing untapped opportunity, protecting profits and increasing revenues. And that is no small change.

2.2 CUSTOM TAILORED APPLICATIONS

SPS products and services are highly scalable and adaptable within all business environments via our secure state-of-the-art, web based software. We understand that one size does not fit all. No matter what your business, SPS can custom tailor a payment solution to meet your specific needs so you can benefit from electronic processing technologies. We fully integrated and enhanced the functionality of our products and services to specifically meet the needs of merchants, banks, financial institutions, collection agencies, property management companies, and more.

2.3 SPS CONTACT LIST

For more information on our various solutions, contact a SPS representative at:
1.888.313.7842.

Technical Support


support@securepaymentsystems.com

Sales and Marketing

sales@securepaymentsystems.com

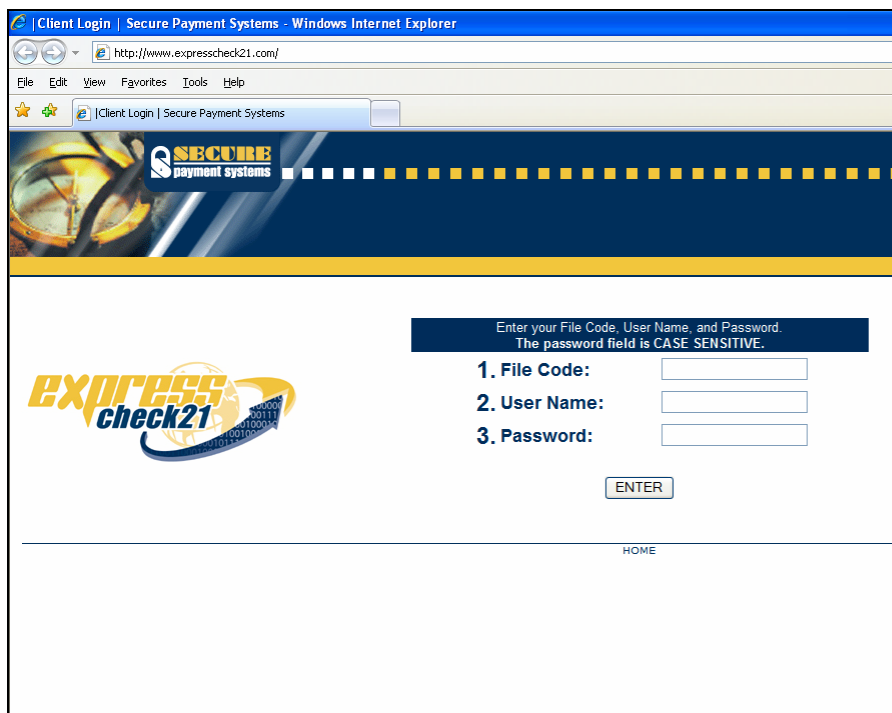
3. GETTING STARTED

3.1 CUSTOMER LOGIN



1. Turn on the scanner, then turn on your computer
2. Launch Internet Explorer
3. Go To →
www.securepaymentsystems.com
4. On the right hand side of page, click on
expresscheck21 Website

3.1.1 LOGIN PAGE



5. Enter your:
 - FileCode
 - UserName
 - Password

Note: Password is Case Sensitive, All Caps are required.

Select **Enter**

4. EXPRESSCHECK21 - ELECTRONIC CHECK PROCESSING SYSTEM

The following are detailed instructions that describe the process of scanning, processing and batching-out checks for deposit in your bank account.

4.1 EXPRESSCHECK21

<p>Secure Payment Systems User : PYAA</p> <p>System Messages</p> <p>User Manager</p> <p>Credits/Debits To Your Accounts</p> <p>Results</p> <p>Combined Daily Returns</p> <p>ARC System</p> <p>IRD System</p> <p>Support</p>	<p>Welcome to the Processing System.</p> <p>The current time at the server is 16:42:37 as p</p> <p>ACH Transactions Cutoff time for ACH transactions is 18:00:00 ACH transactions received before 18:00:00 I to be transmitted the same day. You have 1 Hr 17 Min 23 Sec left before the</p> <p>Draft Transactions Cutoff time for Draft transactions is 17:00:00 Eastern (5:00PM) Daily. Draft transactions received before 17:00:00 Daily are guaranteed to be transmitted the same day. You have 17 Min 23 Sec left before the next Draft Cutoff.</p> <p>Results Status : Results for today, Friday, February 23rd, 2007, are now available.</p>	<ol style="list-style-type: none"> 1. The Welcome to the Processing System page will appear. 2. Scroll to bottom left hand side of page, select your product solution ARC System or IRD System
---	--	--

4.1.1 PREPARE CHECKS FOR SCANNING

Below are instructions on how to load checks for a specific scanner.



Digital Check TS-350/400ES

TS-350/400ES align checks along the right side of the scanner.



Magtek Imager

Magtek MICRImage neatly align the checks along the bottom left hand edge one at a time.



Digital Check TS230-65

TS230-65 neatly align the checks along the bottom and left hand edge, loading them into the inboard hopper of the scanner until the sensor light turns on.



3. If you are scanning large volumes of checks, you may want to invest in a Check Jogger device that organizes and aligns checks in a neat and consistent manner, using a vibrating bin.

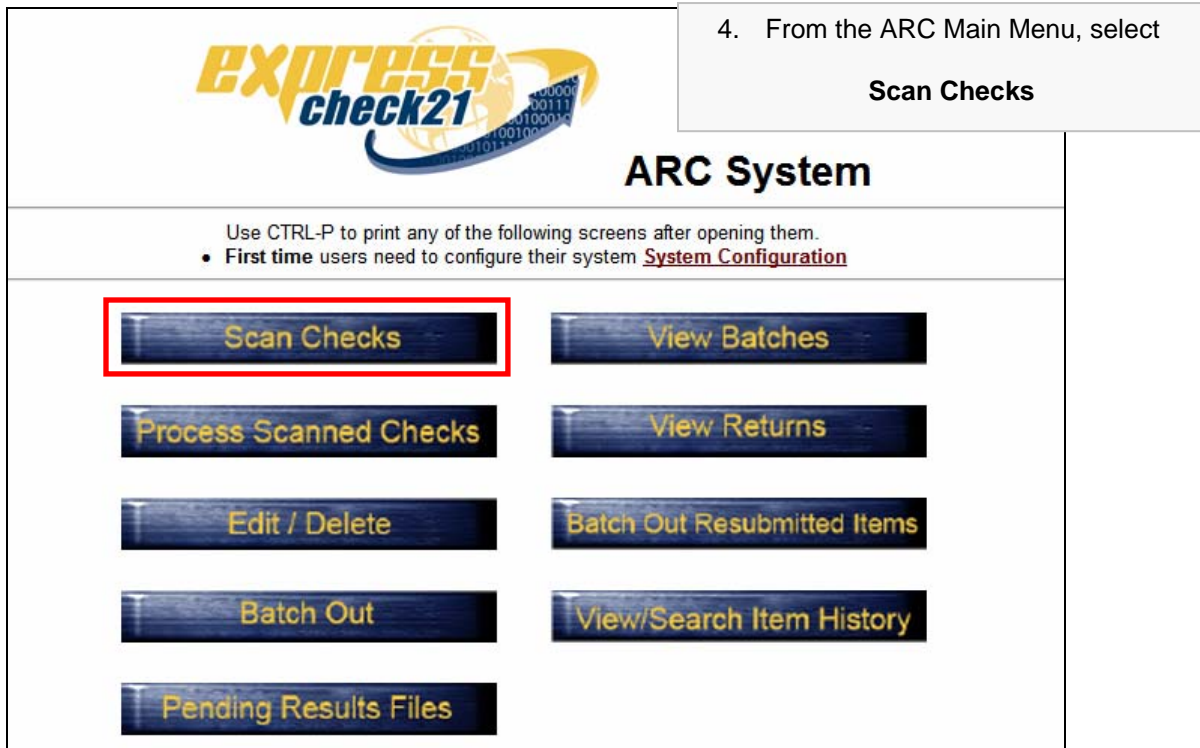
For more information on purchasing a Check Jogger contact SPS at 1.888.313.7842.

Ensure checks are aligned properly in the scanner.

4.2 HOW TO SCAN CHECKS USING THE TS230-65 and TS350 SCANNERS

This section is only for customers using the **TS230-65** and **TS350**.

NOTE: If you have the **Magtek scanner**, please skip this section and go to **Section 4.3 How to Scan Checks Using the Magtek Scanner on page 12.**



ARC System

Use CTRL-P to print any of the following screens after opening them.

- **First time** users need to configure their system [System Configuration](#)

Scan Checks (highlighted)

View Batches

Process Scanned Checks

View Returns

Edit / Delete

Batch Out Resubmitted Items

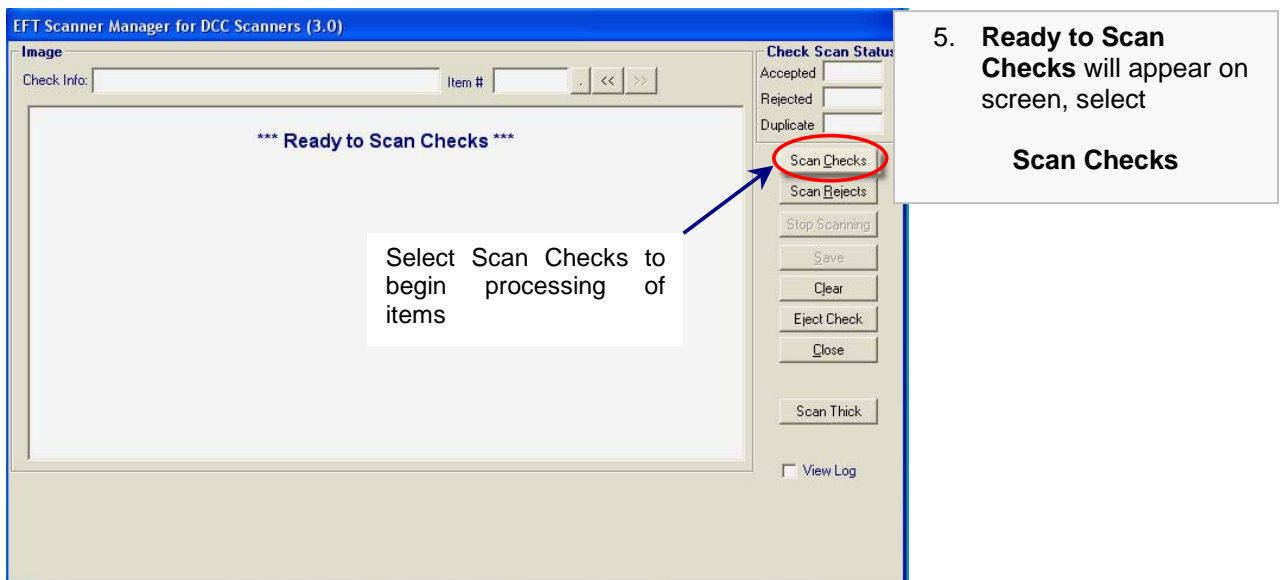
Batch Out

View/Search Item History

Pending Results Files

4. From the ARC Main Menu, select **Scan Checks**

4.2.1 READY TO SCAN CHECKS



EFT Scanner Manager for DCC Scanners (3.0)

Image

Check Info: [] Item #: [] << >>

*** Ready to Scan Checks ***

Select Scan Checks to begin processing of items

Check Scan Status

Accepted

Rejected

Duplicate

Scan Checks (highlighted)

Scan Rejects

Stop Scanning

Save

Clear

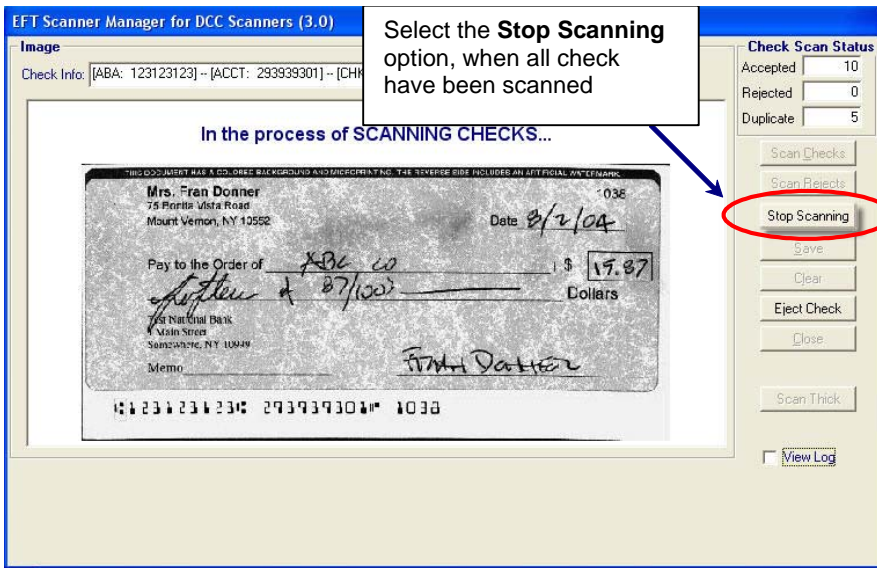
Eject Check

Close

Scan Thick

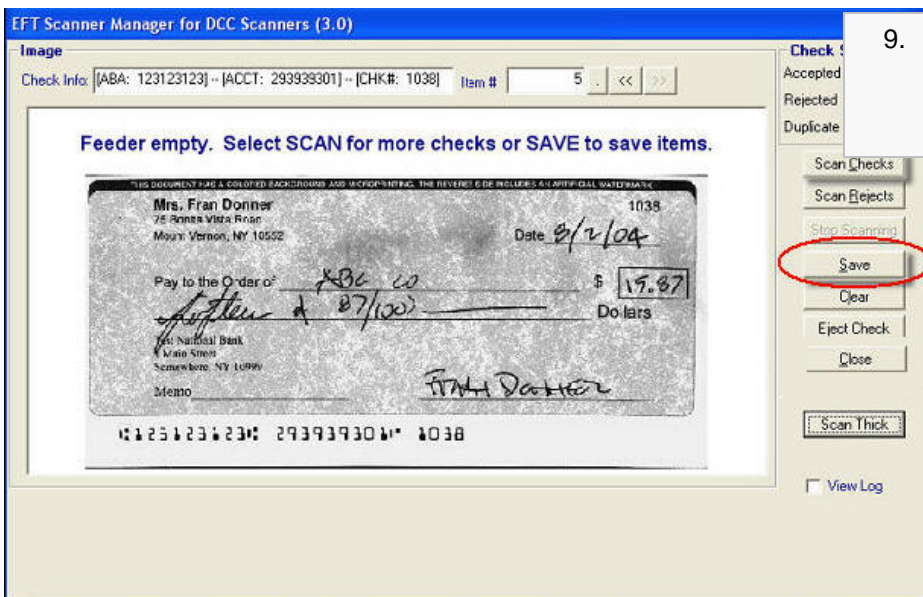
View Log

5. **Ready to Scan Checks** will appear on screen, select **Scan Checks**

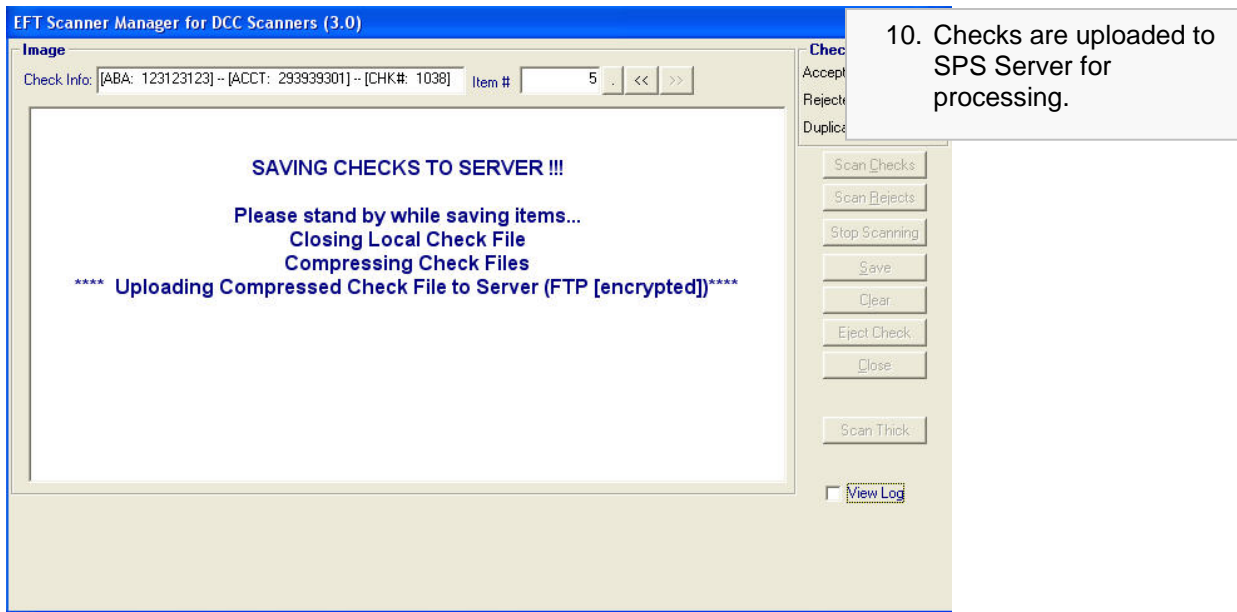


6. Checks will begin to feed through scanner.
7. Check images will begin to appear in window as checks are scanned.
8. When you are finished scanning checks, select **Stop Scanning**

4.2.2 SAVE CHECKS

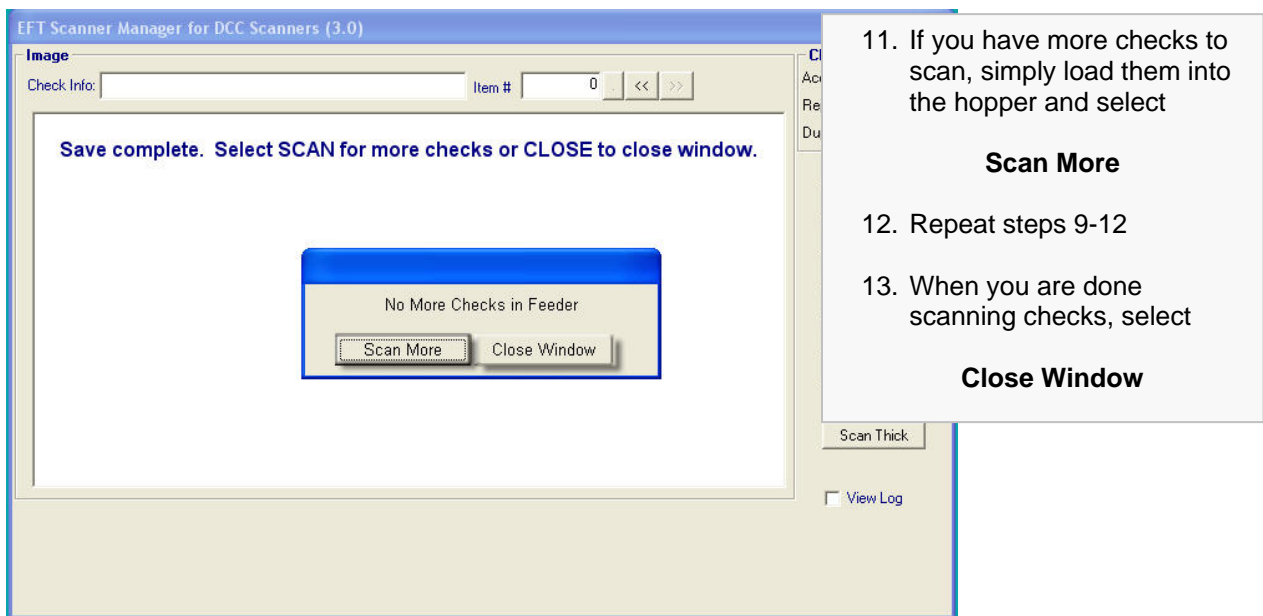


9. If you have completed scanning of items, select **Save**



NOTE: The **Save** button must be selected in order to proceed to the Process Checks step. If Step 9, is not completed and window is closed, please see [Section 6.2 Recover Unsaved Items](#).

Warning: If a check is scanned improperly, **DO NOT** select the Clear button; this will Clear **all** check in the buffer. To Delete a check, use the **Process Scanned Checks** or **Edit/Delete Functions**.



NOTE: **Section 4.2.2 Save Checks**, must be completed. If dialog box is closed and not saved, you will not be able to process any items. In order to process items, checks must be recovered first, see **Section 6.2 Recover Unsaved Items**.

When done, please proceed to **Section 5 Process Scanned Checks**

4.3 HOW TO SCAN CHECKS USING THE MAGTEK SCANNER

This section is only for customers using the **Magtek Scanner**.

NOTE: If you are using the **TS230-65** or **TS350**, please go back to **Section 4.2 How to Scan Checks Using the TS230-65 and TS350**.

ARC System

Use CTRL-P to print any of the following screens after opening them.

- First time users need to configure their system [System Configuration](#)

Buttons visible in the menu:

- Scan Checks (highlighted)
- View Batches
- Process Scanned Checks
- View Returns
- Edit / Delete
- Batch Out Resubmitted Items
- Batch Out
- View/Search Item History
- Pending Results Files

4.3.1 READY TO SCAN CHECKS

EFT BULK Scanner Manager for MagTek Scanner(1.4)

Image

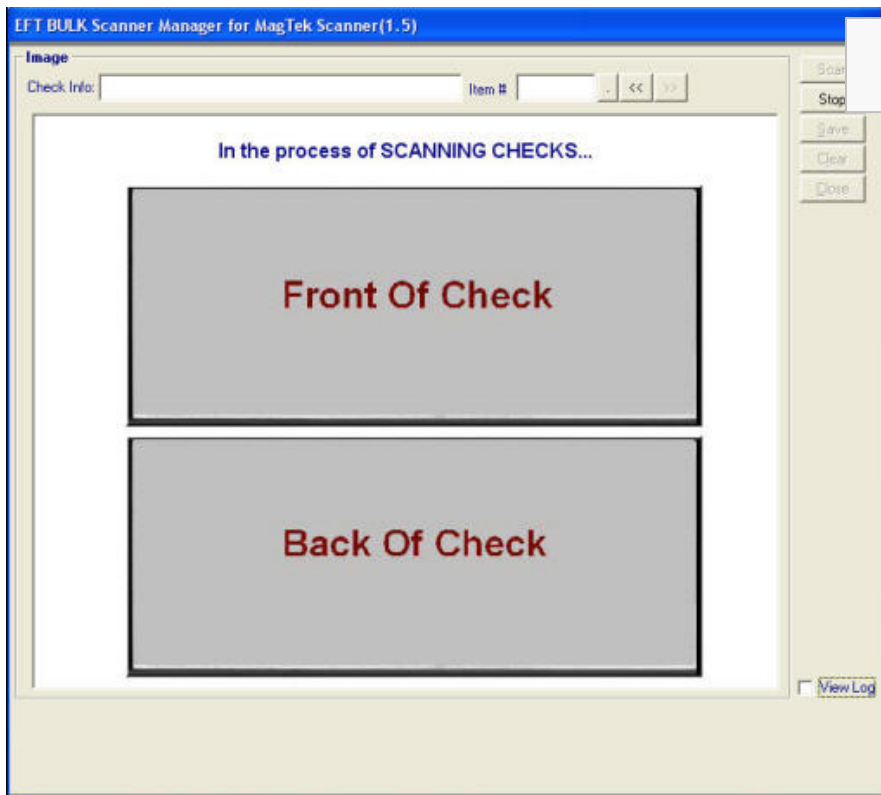
Check Info: [] Item #: [] [<<] [>>]

*** Ready to Scan Checks ***

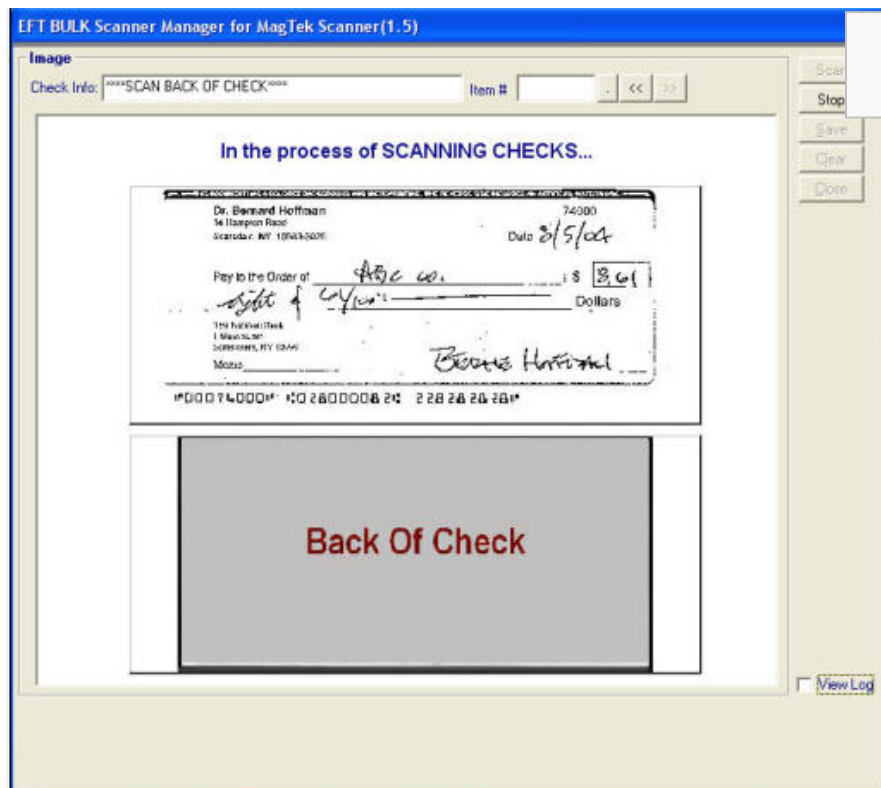
Select Scan to begin processing of items

Buttons: Scan (circled), Stop, Save, Clear, Close

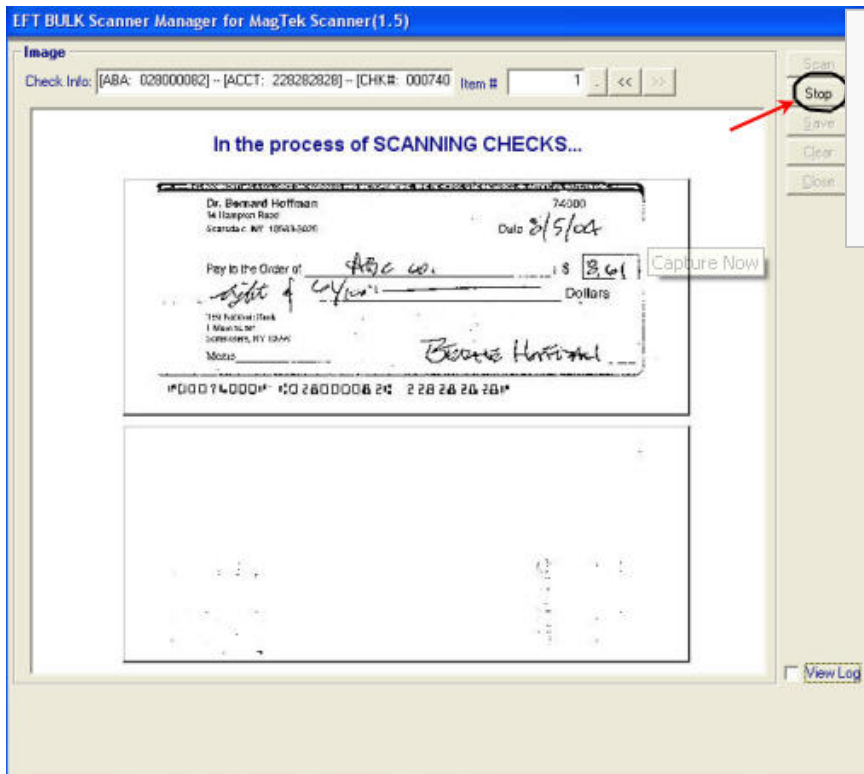
View Log []



The front and back of the check image will appear.



The front of the check will appear first.

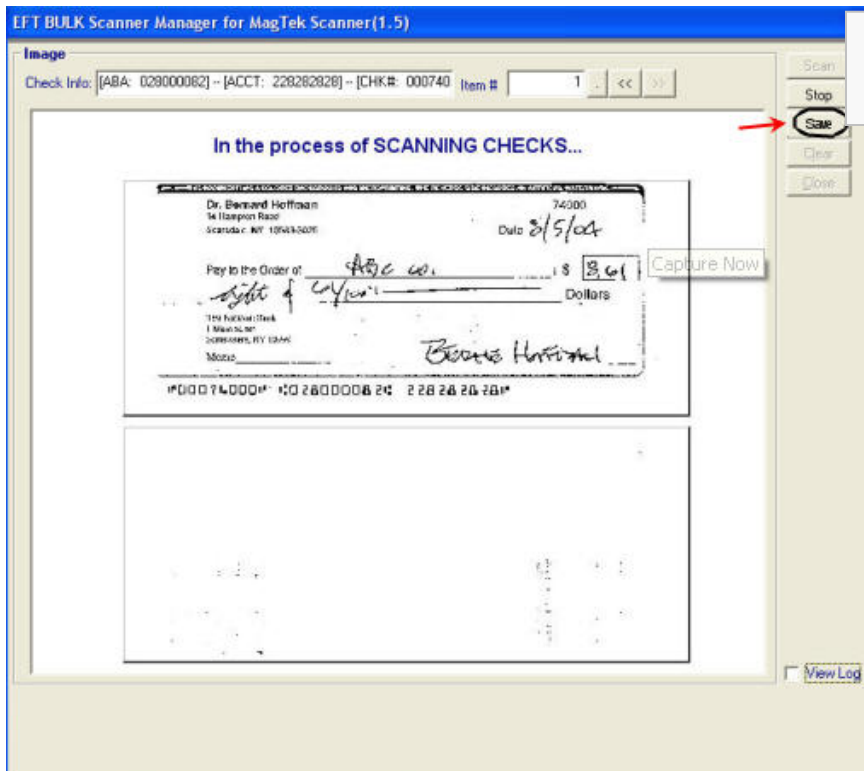


3. Image of the front and back of the check will appear.

Select

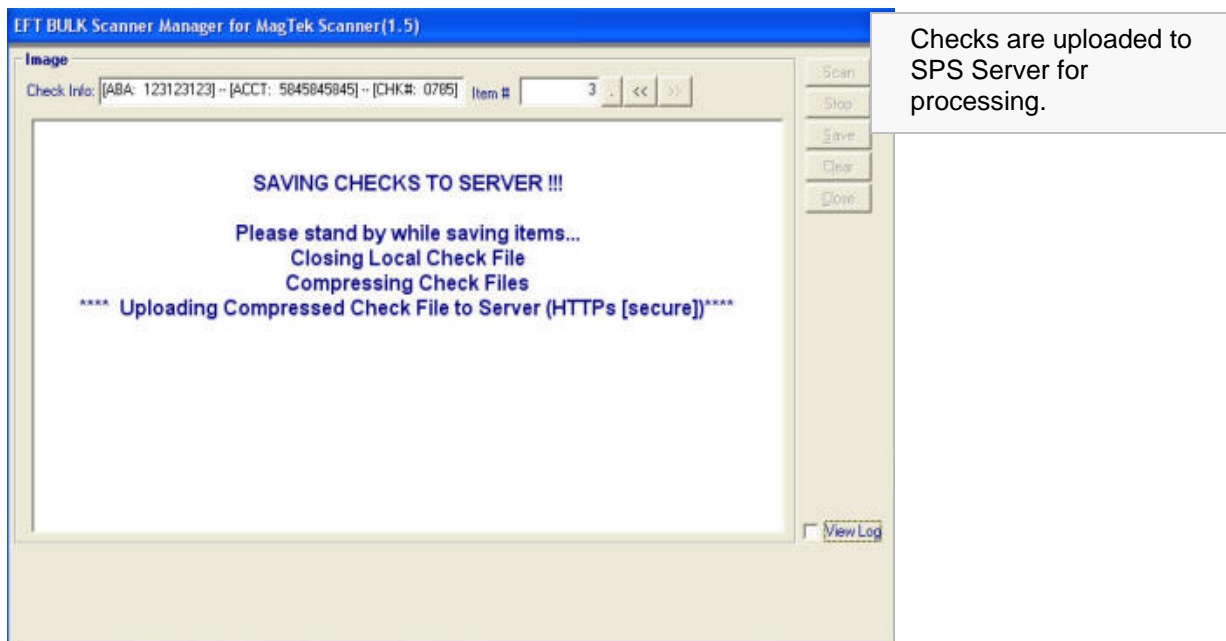
Stop

4.3.2 READY TO SAVE CHECKS



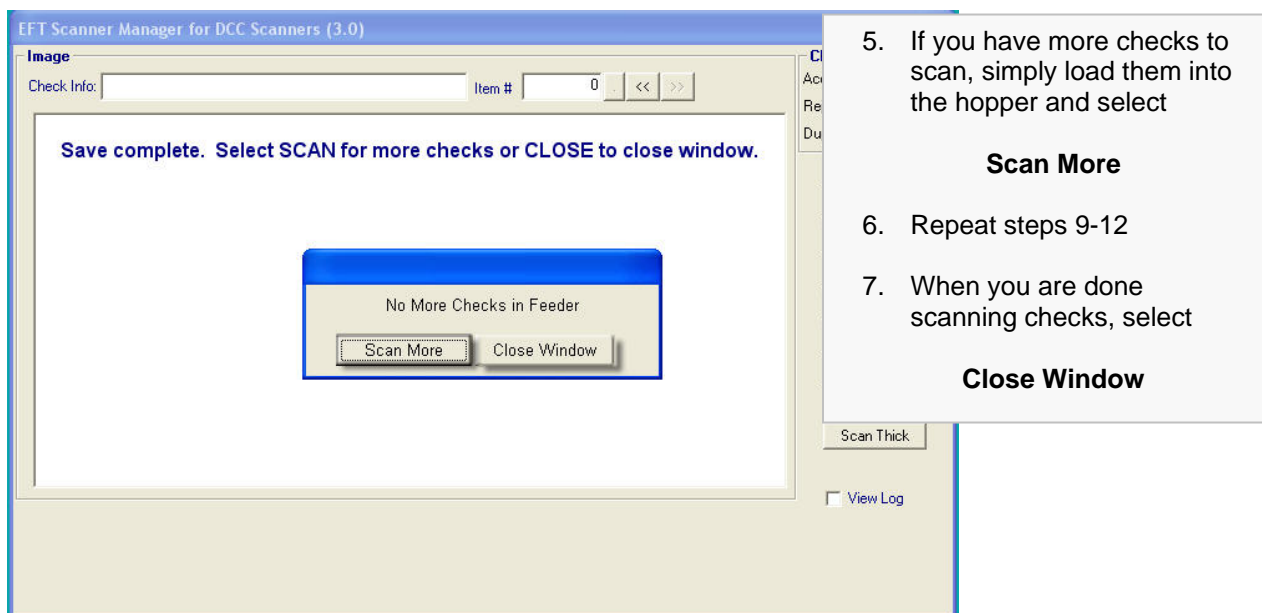
4. Select

Save



NOTE: The **Save** button must be selected in order to proceed to the Process Checks step. If Step 4, is not completed and window is closed, please see [Section 6.2 Recover Unsaved Items](#).

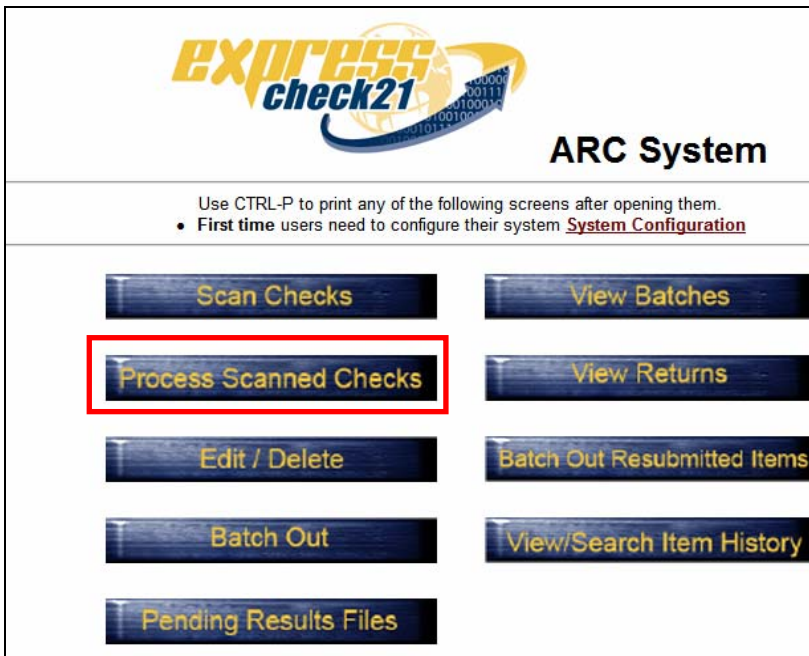
Warning: If a check is scanned improperly, ***DO NOT*** select the Clear button; this will Clear **all** check in the buffer. To Delete a check, use the **Process Scanned Checks** or **Edit/Delete Functions**.



NOTE: **Section 4.3.2 Save Checks**, must be completed. If dialog box is closed and not saved, you will not be able to process any items. In order to process items, checks must be recovered first, see **Section 6.2 Recover Unsaved Items**.

When done, please proceed to **Section 5 Process Scanned Checks**.

5. PROCESS SCANNED CHECKS



- From the Main Menu select **Process Scanned Checks**

NOTE: **Process Scanned Checks** option must be completed before any subsequent functions can be performed.

5.1 DATA ENTRY FIELD

Users with **CAR/LAR technology**, will automatically see their data entry field populated with MICR data information from the captured check images, alleviating manual data entry work.

Item	Status	Type	Image	Check Amount	Routing	Account #	Check
1	OK	C		<input type="text"/>	123123123	293939301	
2	OK	C		<input type="text"/>	021000021	2845845804	
3	OK	NC		<input type="text"/>	000008002	06888144745	
4	OK	NC		<input type="text"/>	021000021	228282828	0002
5	OK	NC		<input type="text"/>	021309379	601865041	1345
6	OK	C		<input type="text"/>	021000021	293939303	

Enter dollar amount in **Data Entry Window**.
Do not enter dollar signs

The **Scanned ARC Transactions** window will appear.

Each check image will appear, displaying the dollar amount with a blank **Data Entry Field** next to each check image.

- Select the **Data Entry Field** and type in the dollar amount of the check payment.
 - Do not enter dollar signs
 - Enter the dollar amount, followed by a period and cents
 - If the check is for '00' cents, it is not necessary to type cents
- On your keyboard select **TAB** or **Enter** to advance to the next **Data Entry Field**.

NOTE: If you have scanned checks but do not see any of your items listed in the data entry field see **Section 6.2 Recover Unsaved Items**.

5.1.1 ENTER CHECK DATA

Scan Status							
Item	Status	Type	Image	Check Amount	Routing	Account #	
1	OK	C		\$500.00	123123123	293939301	1038
2	OK	C		\$1,500.00	021000021	2845845804	2764
3	OK	NC		\$1.00	000008002	06888144745	0000
4	OK	NC		\$70.00	021000021		
5	OK	NC		\$33.50	021309379	601865041	13454270
6	OK	C		\$10.50	021000021	293939303	2000

4. Continue entering data until you have entered amounts for all checks.

Enter dollar amounts in data entry windows.
Do not enter dollar signs

5.1.2 INDIVIDUAL CHECK DATA WINDOW

Scan Status							
Item	Status	Type	Image	Check Amount	Routing	Account #	
1	OK	C		\$500.00	123123123	293939301	1038
2	OK	C		\$1,500.00	021000021	2845845804	2764
3	OK	NC		\$1.00	000008002	06888144745	0000
4	OK	NC		\$70.00	021000021	228282828	00024225
5	OK	NC		\$33.50	021309379	601865041	13454270
6	OK	C		\$10.50	021000021	293939303	2000

Edit/Delete individual items by selecting the highlighted **Item Number**

5. To open an individual check to make changes or see more information, **Double Click on the Item Number.**

Scan Status							
Item	Status	Type	Image	Check Amount	Routing	Account #	Ch
1	OK	C		\$500.00	123123123	Select Sa	
2	OK	C		\$1,500.00	021000021	2845845804	2764
3	OK	NC		\$1.00	000008002	06888144745	0000
4	OK	NC		\$70.00	021000021	228282828	00024225
5	OK	NC		\$33.50	021309379	601865041	13454270
6	OK	C		\$10.50	021000021	293939303	2000

6. When complete select **Save**

7. From the Check Data Window you can **Delete Check**

8. Confirm Deletion

Delete Check

The screenshot shows a 'Check Images' window with a check image on the left and a 'Check Information' form on the right. The form contains the following data:

Check Information							
Check Type:	<input checked="" type="radio"/> Consumer	Routing Number:	123123123	Account Number:	293939301	Check Number:	1038
Check Date:	04/03/05	Raw MICR:	DCC[TS400]123123123:293939301<1038				
Check Writer Information							
Unique ID:		Customer ID:		Customary Amt:	500		
Name:		Merchant:					
Address:		City:		State:		Zip:	
Phone:							

At the bottom of the form, there are three buttons: 'Save Changes', 'Delete Check', and 'Cancel'. The 'Delete Check' button is circled in red.

3	DUP	C			123123123
4	DEL	NC	CHECK DELETED		021000021
5	DUP	C			123123123
6	OK	C		<input type="text"/>	123123123
7	OK	NC		<input type="text"/>	063000021

Status Legend
 OK = Check is good
 DUP = Duplicate Check
 REJ = Rejected item
 DEL = Deleted check

If a check is deleted, the snippet of the check will no longer be visible, but the status will show DELETED, until these items are Batched Out.

If a check was rejected and then processed manually, the check will now show a status of "OK".

Scanned ARC Transactions

Confirm Save

Dollar amount of checks to be processed →

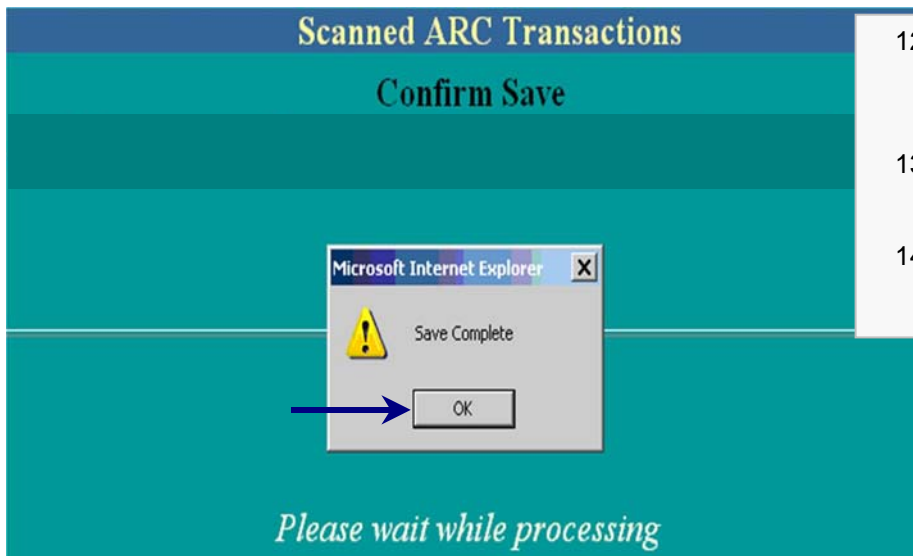
of checks to be processed →

Verify Checks Entered →

Cancel →

Please wait while processing

9. You will be prompted with a dialogue window to verify,
 - The total number items being processed
 - The sum total amount of the batch of checks being processed
10. If all data is correct select **OK**
11. If not select **Cancel**



- 12. You will return to the Scanned ARC Transactions Screen.
- 13. Make your necessary changes
- 14. Once corrected, select **OK**

6. BATCH OUT

You must **Batch-out** your checks for transmission to SPS. Follow these instructions and your checks will be transmitted to SPS for processing through our nations electronic banking network, known as the ACH. Checks will be cleared through this network, with the funds deposited to your bank account.

ARC System

Use CTRL-P to print any of the following screens after opening them.

- First time users need to configure their system [System Configuration](#)

Buttons available in the menu:

- Scan Checks
- View Batches
- Process Scanned Checks
- View Returns
- Edit / Delete
- Batch Out Resubmitted Items
- Batch Out** (highlighted)
- View/Search Item History
- Pending Results Files

1. From the **Main Menu** select **Batch Out**

6.1 Batch Out Facility Window

Batch Out Facility

Consumer check transactions -- TERZ0404.LBA

Item #	Customer ID	Unique ID	Check Writer	Date	Check Amount	Check #	Routing #	Account #
1				04/03/05	\$500.00	2238	123123123	293939301
2				04/03/05	\$1,500.00	2264	021000021	284584504
3				04/03/05	\$10.50	2000	021000021	293939303
Totals (3 items)					\$2,010.50			

Non-Consumer check transactions -- TERZ0404.BCA

Item #	Customer ID	Unique ID	Check Writer	Date	Check Amount	Check #	Routing #	Account #
1				04/03/05	\$1.00	0000	000000002	0600144745
2				04/03/05	\$70.00	00005924	021000021	228282828
3				04/03/05	\$33.50	12454200	021309279	601865041
Totals (3 items)					\$104.50			

Summary

Total Items	Due Date	Total Dollars
6	04/05/05	\$2,115.00

Buttons: Print, Download, **Submit Batch**, Cancel

Select **Submit Batch** if all data is correct.

Select **Cancel** to correct any errors. Repeat steps in Section 5.

2. The **Batch Out Facility** screen will appear, allowing you to review all items scanned.

3. If all data is correct select **Submit Batch**

4. If there are any errors, select **Cancel**

Batch Out Confirmation

File Code TELX **Processed On** 11/22/05 10:47:42 AM

Batched Out Consumer Checks


File Created : TELX1122.LBA
Total number of checks : 2
Total dollar amount of checks : \$540.50

Batched Out Non-Consumer Checks

File Created : TELX1122.BCA
Total number of checks : 3
Total dollar amount of checks : \$839.51

Grand Totals

Total number of checks : 5
Total dollar amount of checks : \$1,380.01



After selecting **Batch Out**, the **Batch-Out Confirmation** screen will appear.

5. Select

Print

6. Select


Close

The Bath Out Confirmation Screen confirms that the batch you have sent has been received by SPS for processing.

7. Items have been uploaded to SPS for processing.

6.2 RECOVER UNSAVED ITEMS

If attempting to process checks after scanning, and there are no checks visible in the Processed Scanned Checks section as shown in Section 3, it is possible that checks were not saved after scanning. To recover unsaved checks:



ARC System

Use CTRL-P to print any of the following screens after opening them.

- First time users need to configure their system [System Configuration](#)

1. From the ARC Main Menu, select

Scan Checks

Scan Checks

View Batches

Process Scanned Checks

View Returns

Edit / Delete

Batch Out Resubmitted Items

Batch Out

View/Search Item History

Pending Results Files

EFT Scanner Manager for DCC Scanners (3.0)

Image

Check Info: Item #: << >>

RECOVERY REQUIRED

Checks scanned in previous session
where NOT saved on the EFT SYSTEM

*** Click on [Recover Button] to restore the last session ***

*** Click on [Clear Button] to discard the last session. ***

Select the **Recover** option to restore unsaved items.

Check Scanned

Accepted

Rejected

Duplicate

Scan Done

Scan Rejects

Stop Scanning

Save

Clear

Eject Check

Close

Recover

Scan Trick

View Log

2. You will be prompted to Recover unsaved by items by selecting

Recover

7. EDIT/DELETE SCANNED CHECKS

The **Edit/Delete** function allows the user to **Edit** or **Delete** a processed check with customer data that would not otherwise be brought into the software during the scanning process. Edit or Delete may only be performed prior to submitting them to SPS for processing.

ARC System

Use CTRL-P to print any of the following screens after opening them.

- First time users need to configure their system [System Configuration](#)

Buttons available in the menu:

- Scan Checks
- View Batches
- Process Scanned Checks
- View Returns
- Edit / Delete** (highlighted)
- Batch Out Resubmitted Items
- Batch Out
- View/Search Item History
- Pending Results Files

1. From the Main Menu, Select:
Edit/Delete

7.1 TO EDIT AN ITEM

Unbatched ARC Transactions

Double click on row to view Detail Screen

Item	Customer ID	Unique ID	Writer	Date	Check #	Routing #	Account #	Amount
1				05/13/05	1038	123123123	293939301	\$5
2				05/13/05	2764	021000021	2845845804	\$1.5
3				05/13/05	0000	000008002	05973886945	
4				05/13/05	00024225	021000021	228282828	\$
5				05/13/05	13248310	021309379	601865041	\$
6				05/13/05	2000	021000021	293939303	\$10.50 Consumer

Total Items: 6 Total Amount: \$2,130.38

2. The **Unbatched ARC Transactions** will appear.

3. Double click on the desired **Item Number** to be edited.

Select the **Item Number** of the check to see check detail.

7.1.1 EDITABLE/NON-EDITABLE DATA FIELDS

The screenshot displays the 'Check Image' section at the top, showing a check from Mrs. Fran Donner dated 10/1/04 for \$500. Below this is the 'Check Information' section with the following data:

Routing Number	123123123	Account Number	5845845845	Check Number	10001	Check Amt	130.50
Check Date	07/24/06	Raw MICR	@@@TS400 123123123:5845845845< 0785				

The 'Check Writer Information' section includes a 'SPLIT' button in the Unique ID field. Below the form are buttons for 'Save Changes', 'Delete Check', 'Cancel', 'Previous', and 'Save/Next'.

Non-editable Fields

Select the **Split** button to enter multiple invoice #'s and amounts.

Enter Optional Check Writer Information

When any changes are made, select **Save Changes** to confirm the change

To delete an item, select **Delete Check**

To proceed to the next item and save your current changes, select **Save/Next**

Check Images

Mrs. Fran Donner
75 Bonita Vista Road
Mount Vernon, NY 10582

Date 10/1/04

Pay to the Order of *XRC Co* \$ 500.00
Fran Donner

First National Bank
1 Main Street
Saratoga, NY 12159

Micro 101-520AC *Fran Donner*

1231231231 293939301< 1038

Check Information

Check Type: Consumer Non-Consumer Routing Number: 123123123 Account Number: 293939301 Check Number: 1038 Check Ant: 500.00

Check Date: 04/03/05 Raw MICR: @CQTS400123123123:293939301<1038

Check Writer Information

Unique ID: Customer ID: Customary Amt: 500

Name: Fran Donner Merchant: ABC Company

Address: 75 Bonita Vista Road City: Mount Vernon State: NY Zip: 10582

Phone: 914-123-4567

Save Changes Delete Check Cancel

FileCode: TERZ Status: Ready

4. Select **OK** if you are satisfied with the changes
5. Select **Cancel** if you wish to make additional changes.

Mrs. Fran Donner
75 Bonita Vista Road
Mount Vernon, NY 10582

Date 10/1/04

Pay to the Order of *XRC Co* \$ 500.00
Fran Donner

First National Bank
1 Main Street
Saratoga, NY 12159

Micro 101-520AC *Fran Donner*

1231231231 293939301< 1038

Check Information

Check Type: Consumer Non-Consumer Routing Number: 123123123 Account Number: 293939301 Check Number: 1038 Check Ant: 500.00

Check Date: 04/03/05 Raw MICR: @CQTS400123123123:293939301<1038

Check Writer Information

Unique ID: Customer ID: Customary Amt: 500

Name: Fran Donner Merchant: ABC Company

Address: 75 Bonita Vista Road City: Mount Vernon State: NY Zip: 10582

Phone: 914-123-4567

Save Changes Delete Check Cancel

FileCode: TERZ Status: Ready

6. To verify changes select **OK**

8. BASIC VIEWING AND SEARCH FEATURES

The following are detailed instructions that describe the process of how to view checks that have already been scanned and batched out for processing.

8.1 VIEW BATCHES

ARC System

Use CTRL-P to print any of the following screens after opening them.

- First time users need to configure their system [System Configuration](#)

Buttons available in the menu:

- Scan Checks
- View Batches** (highlighted)
- Process Scanned Checks
- View Returns
- Edit / Delete
- Batch Out Resubmitted Items
- Batch Out
- View/Search Item History
- Pending Results Files

1. From the ARC Main Menu, select **View Batches**

View Batches

Date	Filename	Lines	Checks	Check Total	View Details	View Confirmation
12/02/05	TELX1202.LBA	3	3	\$127.96	View Details	View Confirmation
12/02/05	TELX1202.BCA	3	3	\$74.41	View Details	View Confirmation

[Back to Main Page](#)

Batch Filenames are automatically generated by the EFT System. Filenames are structured by:

1. Customer Filename,
2. Date file was Batched Out,
3. By File Type (Consumer/Non-Consumer)
4. Number of Batches Processed that Day.

Example:

TELX1202-BC A

1 2 3 4

Click on the **View Details** to reveal detailed information about that checks that comprise each batch. This information will include the

- Routing Number
- Account Number
- Serial Number
- Amount and Date

If entered during the Data Entry Process, the data will also show the field for

- Unique ID
- Customer ID and Customer Name

A summary screen will appear, showing each day's batch of scanned and processed checks.

Each line will represent a specific batch of checks that was processed and batched out.

The data will include the batch Filename, which itself is composed of the FileCode, followed by the check processing date, followed by a suffix.

LB = Consumer Item
BC = Non-Consumer Item

You may enter **Control + P** to print this image to your connected printer.

View Batch Details

Batch: TELX1201.LL

To view a check, simply select the check number.

Click on a column heading to sort by that column.

Customer ID	UniqueID	Check Writer	Date	Check Amount	Check Number	Routing Number	Account Number
			12/01/05	\$73.86	3700	123123123	2845845806
			12/01/05	\$34.23	1745	123123123	2845845802
			12/01/05	\$19.87	1038	123123123	293939301
Totals (3 items)				\$127.96			

Back to Batch List
Print this Report
Download CSV File
Breakdown CSV File



Front and back image of the check.

9. VIEW RESULTS OF PROCESSED CHECKS

Secure Payment Systems
User : PYAA

[System Messages](#)
[User Manager](#)
[Credits/Debits To Your Accounts](#)
[Results](#)
[Combined Daily Returns](#)
[ARC System](#)
[IRD System](#)
[Support](#)
[Logout](#)

Welcome to the Processing System.

The current time at the server is 16:42:37 as per the Atomic Clock

ACH Transactions
Cutoff time for ACH transactions is 18:00:00 Eastern (6:00PM) Daily.
ACH transactions received before 18:00:00 Daily are guaranteed to be transmitted the same day.
You have 1 Hr 17 Min 23 Sec left before the next ACH Cutoff.

Draft Transactions
Cutoff time for Draft transactions is 17:00:00 Eastern (5:00PM) Daily.
Draft transactions received before 17:00:00 Daily are guaranteed to be transmitted the same day.
You have 17 Min 23 Sec left before the next Draft Cutoff.

Results Status : Results for today, Friday, February 23rd, 2007, are now available.

System Messages :
The current server processing date is : 2/23/07
Transactions submitted now will be processed on this date.

1. From the **Main System Menu**, select **Results**

Files for : FILENAME_DATE.BUA

Showing files of type : ALL
Showing files for all dates
Click to show files of type : [ALL](#) [RCK](#) [EFT](#) [LBX](#) [CRD](#)

Results file to search for :

Filter by date range
Start Date :
End Date :


File	Download	Results
FILENAME_DATE.BUA	<input type="button" value="Download"/>	<input type="button" value="Results"/>
FILENAME_DATE.BUA	<input type="button" value="Download"/>	<input type="button" value="Results"/>
FILENAME_DATE.BUA	<input type="button" value="Download"/>	<input type="button" value="Results"/>


From the Results window, you will see a listing of all batches by filename, which have been settled.

2. Select the **Results** option next to the Filename you wish to view.

Results for file FILENAME

ALL ITEMS





[All](#) [Paid List](#) [R01 List](#) [OTHER List](#)

Click on a column heading to sort by that column.

Identifier	Name	Check Date	Check Number	Routing Number	Account Number	Amount	Merchant Name	Face Results
		12/15/2005	5010	123456789	369850008	743.08	CUSTOMER NAME	PAID
		12/15/2005	001376	123456789	36789505	536.17	CUSTOMER NAME	PAID
		12/15/2005	1386	123456789	3814610	1605.86	CUSTOMER NAME	PAID
		12/15/2005	00004443	123456789	3698500089	780.61	CUSTOMER NAME	PAID
		12/15/2005	00001016	123456789	983092689	577.68	CUSTOMER NAME	PAID
		12/15/2005	0146	123456789	628551	754.43	CUSTOMER NAME	PAID
		12/15/2005	8728	123456789	0542237	112.63	CUSTOMER NAME	PAID
		12/15/2005	003062	123456789	5768305	1992	CUSTOMER NAME	PAID
		12/15/2005	1173	123456789	4528403639	636.3	CUSTOMER NAME	PAID
		12/15/2005	6022	123456789	0444760029	348.07	CUSTOMER NAME	PAID
Totals:						\$12,456.57		

Reconciliation amount for bank statement.

A detailed listing of all items within the selected batch will appear, including the total amount which will appear on your bank statement as a deposit.

 3. Select **Ctrl + P** to print

10. SEARCH FOR SCANNED CHECKS

express check21

ARC System

Use CTRL-P to print any of the following screens after opening them.

- First time users need to configure their system [System Configuration](#)

Buttons displayed on the screen:

- Scan Checks
- View Batches
- Process Scanned Checks
- View Returns
- Edit / Delete
- Batch Out Resubmitted Items
- Batch Out
- View/Search Item History** (highlighted with a red box)
- Pending Results Files

1. From the ARC Main Menu, select

View/Search Item History

Search Item History

Routing Number	<input type="text" value="123123123"/>
Account Number	<input type="text"/>
Check Number	<input type="text"/>
Amount	<input type="text"/>

To search for any previously scanned and processed checks.

2. Select any of the displayed windows and enter the appropriate data to search for a specific check using that parameter.

NOTE: Wildcard searches cannot be done, please ensure that all data is entered into search criteria field/s.

3. Select

Search

Search Item History

Routing Number

Account Number

Check Number

Amount

Item	Customer ID	UniqueID	Routing Number	Account Number	Check Num	
1			123123123	2845845802	1745	
2			123123123	2845845806	3700	
3			123123123	293939301	1038	\$19.87

Search Item History window will appear.

4. Double Click on

- **Item Number** To view **Batch Details**
- **Check Number** To view an image of the check front & back.

Select the **Item Number** to view details of that batch.

Click on a highlighted **Check Number** to view an image of the check front and back.

Search Item History

Customer ID	UniqueID	Routing Number	Account Number	Check Number	Face Amount	FeeAmount	Check Writer	Check Date	Merchant Images
		123123123	2845845802	1745	\$34.23	\$0.00		12/02/05	Check

Date Entered	12/2/05 12:51:48 PM
Batch File	TELX1202.LBA
File Submitted to EFT	12/02/05
Results Available on	12/05/05

Back to Search Results Page

Batch Details

11. ADVANCED FEATURES

11.1 CREATE A COMMA SEPARATED VALUE (CSV) FILE FOR DATA EXPORT OVERVIEW

It is possible to create a data file for export out of the program. This data file can then be imported or uploaded into any number of accounting or data processing programs.

If you are going to create a CSV file, we generally recommend that the CSV file be created AFTER the [Batch Out](#) function has been performed, as defined in Section 6.

11.1.1 HOW TO CREATE A COMMA SEPARATED VALUE (CSV) FILE:

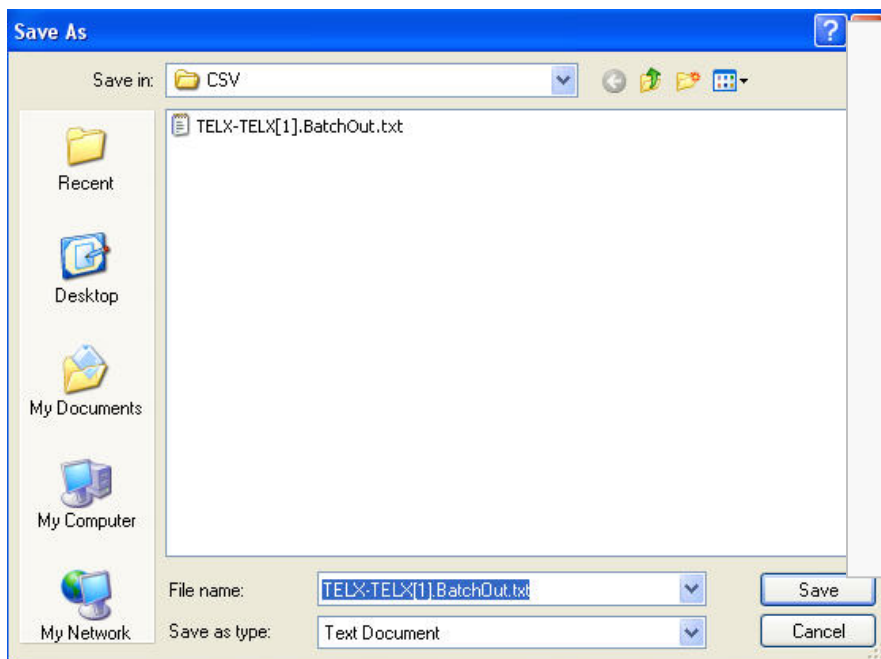
The screenshot shows the 'ARC System' main menu. At the top left is the 'Express check21' logo. Below it, the text 'ARC System' is displayed. A note says 'Use CTRL-P to print any of the following screens after opening them.' followed by a bullet point: 'First time users need to configure their system [System Configuration](#)'. The main menu consists of several buttons: 'Scan Checks', 'View Batches' (highlighted with a red box), 'Process Scanned Checks', 'View Returns', 'Edit / Delete', 'Batch Out Resubmitted Items', 'Batch Out', 'View/Search Item History', and 'Pending Results Files'. To the right of the screenshot, a callout box contains the text: '6. From ARC System Menu, select View Batches'.

The screenshot shows the 'View Batch Details' page for batch 'TELX1201.LBA'. It includes a table with columns: Customer ID, UniqueID, Check Writer, Date, Check Amount, Check Number, Routing Number, and Account Number. The table contains three rows of data and a 'Totals (3 items)' row. Below the table are four buttons: 'Back to Batch List', 'Print this Report', 'Download CSV File' (circled in red with a blue arrow pointing to it), and 'Breakdown CSV File'. To the right of the screenshot, a callout box contains the text: '7. Select Download CSV File'.

Customer ID	UniqueID	Check Writer	Date	Check Amount	Check Number	Routing Number	Account Number
			12/01/05	\$73.86	3700	123123123	2845845806
			12/01/05	\$34.23	1745	123123123	2845845802
			12/01/05	\$19.87	1038	123123123	293939301
Totals (3 items)				\$127.96			



8. Select **Save**



9. Browse for location to Save file on your computer, select

Save

File is now ready to import to in-house system. The CSV file will automatically be named per the batch name of the specific batch of checks.

10. To rename this file, type the new filename into the file name field and select

Save

11.2 COMBINED DAILY RETURNS (RETURN CHECK DETAILS)

SECURE PAYMENT SYSTEMS
 User : PYAA

[System Messages](#)

[User Manager](#)

[Credits/Debits To Your Accounts](#)

[Results](#)

[Combined Daily Returns](#)

[Support](#)

[Logout](#)

Combined Daily Returns

including clients
[Change to Not include Clients](#)

R, I, and C Codes
[Change to filter out C Codes \(show R & I Codes only\)](#)

Click on date to choose

Sun	Mon	Tue	Wed	Thu	Fri	Sat
March 2007						
	26	27	28	29	30	31
April 2007						
01	02	03	04	05	06	07
08	09	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25			

[Forward 30 days](#)
[Back 30 days](#)

1. From the Main Menu, select **Combined Daily Returns**
2. Choose the date to see check return details

Combined Daily Returns for PYAA
 Date : 04/10/07

[Download this report in CSV format](#)

FileName	Transaction Type	UniquelD	Name	Transaction Date	Routing Number	Account Number	Check Number	Amount	Return Code	Date Return Received	Corrected Routing	Corrected Account
PYAC0404.BCA	LBXDRAFT			4/4/07	0000123456	00001234567890	00004561 [ORIGINAL IMAGE]	\$560.87	RET [RETURN IMAGE]	4/10/07	REVERSAL	
R Code Totals (1 items)								\$560.87				
Grand Totals (1 items)								\$560.87				

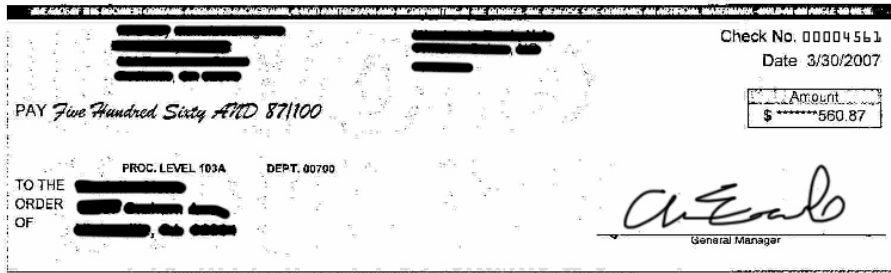
[Back to Calendar](#)

3. A summary screen will appear, showing File Name, Transaction Type, Transaction Date, Routing Number, Account Number, Check Number, Amount, Return Code, and Return Date.
4. You can view the original check image (Front and Back) by clicking on the check number.
5. The returned check image and the reason for return can be viewed by clicking on RET

Use CTRL-P to print this page

View Image(s) Full Size

Original Check Image



⑈0000123456⑈ ⑆000012345⑆ ⑆00001234567890⑈

THE FOLLOWING SECURITY FEATURES MUST BE PRESENT IN THIS DOCUMENT:

Microprint border
Security lines on back
5-star type font
Security watermark
Security window on back
Security window on front

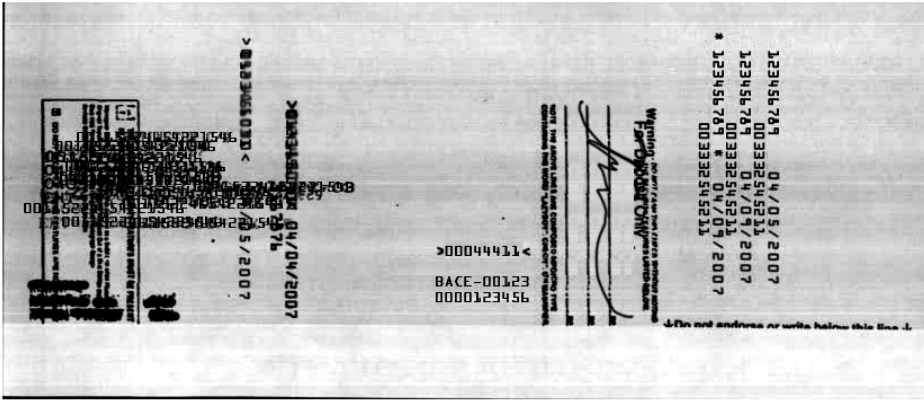
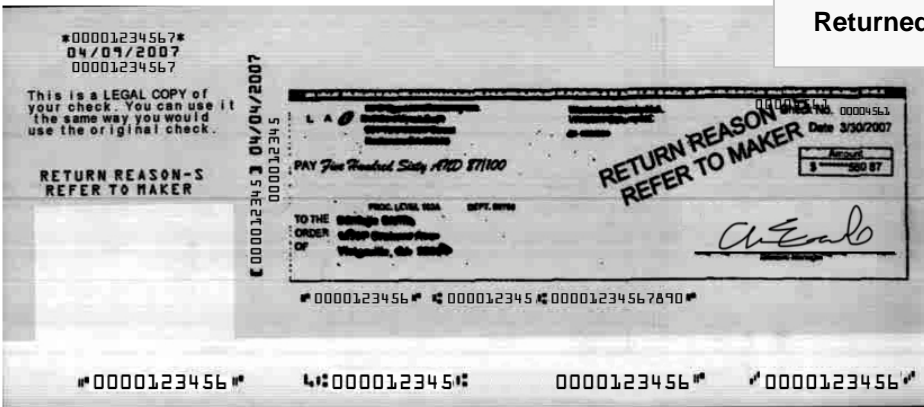
DO NOT ACCEPT IF THESE FEATURES ARE NOT PRESENT

WARNING: DO NOT CASH THIS CHECK WITHOUT NOTING THE SECURITY FEATURES LISTED BELOW.

NOTE: THE ABOVE LINES ARE COMPOSED OF MICRO TYPE CONTAINING THE WORD "CHECK" WITH MICROPRINT.

RESIZE

Returned Check Image



12. OPERATIONAL GUIDELINES

12.1 TIPS ON MANAGING THE CHECK SCANNING PROCESS

12.1.1 WHAT TO DO WITH THE CHECK AFTER IT'S BEEN SCANNED

Per banking regulations, after scanning and batching your checks, they must be either destroyed or otherwise marked to prevent them from re-entering the physical bank deposit process. This means that after 'Batching Out' ([Section 6.0](#)), you must either destroy the checks or imprint or stamp them. Most customers find that shredding the checks is an effective, sure method to destroy scanned/processed checks. Alternatively, you may also stamp or imprint the front all scanned/processed checks with a stamp containing the words 'Void', 'ACH processed', or Check 21 processed'. Please contact SPS Customer Service if you would like assistance with acquiring a stamp. Remember that after 'Batching Out', images of all scanned checks can be retrieved, viewed and printed if desired. [See Section 6.0](#).

12.1.2 RULES AND REGULATIONS

The Rules are Regulations pertaining to the conversion of paper checks to electronic transactions are simple and well defined.

Remember; check conversion operates within two distinct environments:

- NACHA's Accounts Receivable Conversion (A.R.C.) Program
- Federal Check 21 Program

NACHA's A.R.C. Program Rules and Regulations include the Following:

1. The program only permits the conversion of a CONSUMER or PERSONAL type check and small format business check (with no auxiliary on-us field). No other types of check may be converted under the A.R.C. program.
2. Only Consumer or Personal type checks that are received by the biller or merchant via mail, messenger or a 'drop-box' are eligible for conversion.
3. Consumers must be provided with NOTIFICATION that their check is subject to being converted to an electronic transaction.
4. Consumers must be afforded an 'Opt-Out' option if they do not wish to have their personal check converted.
5. The check must be destroyed no later than 14 calendar days after it has been scanned or converted to an electronic transaction.

12.1.3 SCANNER OPERATIONS & MAINTENANCE

While not required to process checks for deposit, it is possible to enter additional data for a specific check payment.

APPENDIX B BANKING RULES

12.2 EXAMPLE NOTIFICATION LANGUAGE

12.2.1 REQUIREMENTS NECESSARY TO ELECTRONICALLY RE-PRESENT RETURNED ITEMS OR TO ELECTRONICALLY RECOVER A STATE ALLOWED NSF FEE:

The banking rules require that the consumer be provided with NOTIFICATION that any of their returned payments are subject to electronic re-presentation. The following language will fulfill this requirement, and can be added to the above language if the Merchant or Biller is going to electronically re-present returned items:

“In the unlikely event your check (payment) is returned unpaid, we may elect to electronically (or by paper draft) re-present your check (payment) up to two more times.”

In the event that the Merchant or Biller also wishes to electronically recover a state allowed NSF fee, the banking rules require that some form of authorization be secured from the consumer. This authorization may take a variety of forms, depending on the particulars of how the Merchant or Biller engages their customers. At a minimum, the following will fulfill this requirement. Please call SPS Customer Service to discuss further details.

“You also understand and agree that we may collect a return processing charge by the same means, in an amount not to exceed that as permitted by state law.”

12.2.2 REQUIREMENTS NECESSARY TO CONVERT CONSUMER CHECKS TO ELECTRONIC NACHA – ARC ITEMS:

NACHA’s ARC program is a very effective payment processing system, requiring that everyone follow some simple rules. The primary rules are (1) that a Consumer be provided with NOTIFICATION that their personal/consumer check is going to be converted (a definitive statement, not an ‘if’ or ‘may’) and (2) an OPT-OUT provision, if the Consumer does NOT want their personal/consumer check converted. Therefore, if the following language is incorporated in the Merchant or Biller’s invoices, these requirements will be met.

“Payments received by check will be electronically deposited, unless you pay by non-consumer type check. You may opt out of this conversion program by paying with a money order or a travelers check.”

The Merchant or Biller should note that all non-consumer type checks will be processed as Check 21 IRD’s (as a Check 21 type item), which requires NO Consumer notification or opt-out provisions whatsoever.

APPENDIX C NACHA RULES AND REGULATIONS

12.3 NACHA RULES AND REGULATIONS

Below are the network participants as they are identified in the ACH Rules along with a brief description of their role:

Originator agrees to initiate ACH entries into the payment system according to an arrangement with the Receiver.

Originating Depository Financial Institution (ODFI) receives payment instructions from Originators and forwards the entries to the ACH Operator.

ACH Operator is the central clearing facility operated by the Federal Reserve Bank or Electronic Payments Network on behalf of the DFIs, to or from which Participating DFIs transmit or receive ACH entries.

Receiving Depository Financial Institution (RDFI) receives ACH entries from the ACH Operator and posts the entries to the accounts of its depositors (Receivers).

Receiver is a natural person or an organization that has authorized an Originator to initiate an ACH entry to the receiver's account with the RDFI.

Third-Party Processor which processes ACH files and/or items on behalf of one for the participants in the ACH Network.

Third-Party Sender authorizes an ODFI to transmit debits or credits to the account of a Receiver but which is not an Originator. In these situations the Third-party Sender acts as an intermediary between the Originator and the ODFI and there is no contractual agreement between them.

APPENDIX D ACH FLOW

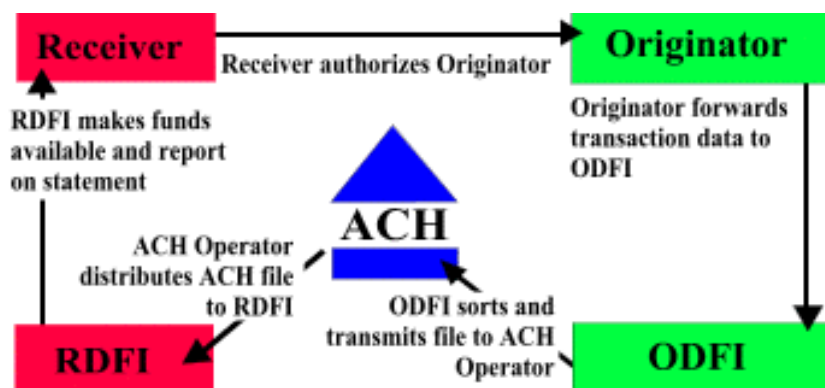
The Originator provides notification to a Receiver or obtains authorization from a Receiver to initiate ACH transactions to a Receiver's account.

The Originator initiates a NACHA formatted file of transactions and presents the file to its Originating Depository Financial Institution (ODFI).

The ODFI collects ACH transactions from participating Originators, verifies the validity of the files and consolidates the files into one file to transmit to the ACH Operator. The ODFI may retain entries for its own account holders.

The ACH Operator receives files from ODFIs, edits the files to make sure they are formatted properly and distributes files/transactions to the Receiving Depository Financial Institution (RDFI).

The RDFI receives the files of entries from the ACH Operator for its customers. Entries are posted based upon the settlement date and account number. Periodic statements are provided to the Receiver with descriptive information about the ACH entry.



APPENDIX F ACH RULES ENFORCEMENT

An amendment to the ACH Rules was approved in 1998 to establish a formal process for the documentation and investigation of alleged violations of the rule. The objective of the rules enforcement process is to maintain the continued quality of ACH services and ensure compliance with the provision of the ACH Rules.

Any Participant in the ACH Network may complete a Report of Possible Rules Violation for any alleged violations. A party to the transaction is ninety (90) days from the occurrence of the rules violation(s) being asserted to submit a report. The Report of Possible Rules Violations must include copies of supporting documentation necessary to support the claim of the rules violation and be signed by an officer.

Upon receipt of a Report of Possible Rules Violation NACHA will review the report and supporting documentation. If it is determined that a rules violation may have taken place, a Notice of Possible Rules Violation will be sent to the ACH Manager at the financial institution against which the Report was filed. The financial institution that receives the Report will have 15 banking days to respond. The response must either 1) acknowledge the violation and state when the problem will be corrected, or 2) refute the allegation and attach supporting documentation.

If no response is received in 15 banking days of a Notice of Possible Rules Violations, a Notice of Possible Fine will be sent to the ACH Manager and the CEO at the financial institution against which the Report was filed. The financial institution will have 10 banking days to respond. The response must either 1) acknowledge the violations and state when the problem can be corrected, or 2) refute the allegation and attach supporting documentation.

If no response is received (willful disregard) or recurrence of the same problem occurs within a one-year period, fines may be assessed. Fines range from \$250 up to \$10,000.