

Receiving Customer Checks Electronically

Does this sound all too familiar? Every month, your utility is receiving more and more paper checks from banking sites and payment programs.

Many utilities today are being burdened with paper checks coming in from banking sites or payment programs when customers pay online.

The customer sits at home with their utility bill. They log into their banking site (Wells Fargo, Bank of America, Chase, etc.) or they use Intuit Quicken or Microsoft Money and they want to pay their bill. They enter "ABC Utility" in the payee field, then the payment date and payment amount. As a result of the entry, the bank or payment program (Quicken/Money) processes the payment thru the banking/ACH system.

What happens next is the bank or processor does not know how to electronically distribute the payment. This is because the customer only entered the utility address and not the bank routing information. So on behalf of the customer, the bank/processor creates a paper check and forwards a paper check to the utility. When the utility receives the paper check from the customer, the utility has to determine what the billing account number(s) is and manually enter the check into **Utilit-e Connect**. Millions of companies have to process these types of checks every day and it causes extra work.

The real question of the day is how can the utility get setup for Electronic Distribution, meaning when the customer selects the utility from their payment site/program, the check/payment knows how to electronically get to the utility's bank account and to the utility so the check can be updated on the customer's account electronically. Well there is a way, but it does not have anything to do with PCS, but PCS can provide some tips on how this can be accomplished.

1. Your bank may have a recommended processor that can setup the utility for electronic distribution. PCS has assisted utilities that have gone through this process. However, this process may take a few calls on the part of the utility.
2. As an option, contact Fiserv or other agency (ProfitStars, etc) to assist in the setup. They may reserve the right to charge you to do this. Each company is different.

Included at the end of this letter is an outline from Fiserv which describes their process and benefits. This is an example of Fiserv, there are many companies providing this service.

In most cases the utility has a one-time short process to get setup. Once completed when the customer sits down to make a payment through the bank site/program, the customer will need to search for and then setup the utility as an electronic payee, again one-time.

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Add Payee

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Pay New Payee

Who are you paying?

Company Person

*Payee Name (payment recipient)
You may temporarily save a payee only and complete later.

*ZIP Code (where payments are sent) -

*Your Account Number (as listed on bill)
Please enter the account number from your statement excluding hyphens and spaces.

Find New Payee

Enter your payee's name and ZIP code or payee name only to search our directory.

Payee Name ZIP Code (as listed on bill) -

Select a payee from the list below. If your payee or billing address is not listed, you may [add your payee manually](#) or [begin a new search](#).

Search results for

[NORTHERN LIGHTS](#) > NORTHERN LIGHTS

Add Payee **Submit Payment**

1 2

Pay New Payee

Who are you paying?

Company Person

*Payee **NORTHERN LIGHTS** [Change](#)
 PO BOX 269
 SAGLE, ID 83860-0269
 (800) 326-9594

*Your Account Number (as listed on bill) x [I don't have an account number with this payee](#)
Please enter the account number from your statement excluding hyphens and spaces.

As the customer enters their payments; the bank site/program has all the information to route the payment electronically verses having to create paper checks. As these checks are electronically routed to the utility bank account, they are added to the deposit for the day. An email or fax is sent to the utility for each deposit outlining who paid and how much. So now the payments from many customers can be electronically routed to the utility bank account. If the processor forwards a file of the individual payments, these payments in many cases can be uploaded into the Cashiering module.

Please let PCS know if you have any questions about this process or would like additional information.

Overview of Fiserv

Get setup for electronic payment processing.

As a financially strong, client-oriented company, Fiserv helps its customers manage items and information technology efficiently and effectively. Fiserv assumes the risk associated with technology changes and remains committed to providing continued service excellence. Fiserv provides the products, services, and system enhancements needed to compete successfully in today’s fast-changing financial environment.

Because of its broad market presence, Fiserv offers a scope of products and services unmatched by other information technology providers. Through Fiserv’s expanded purchasing power, clients receive the greater benefits of improved quality, greater reliability, more effective business processes, increased integration, better technology, and improved business focus. In addition, the customer gains an established and dependable technology partner.

The information listed below will describe Fiserv’s; (Formerly CheckFree's) Electronic payment methods that we feel would maximize your electronic solution with Fiserv.

Single Deposit – Fiserv will create a lump sum deposit into a DDA account, with a fax or email remittance containing the customer’s name, account number, and amount paid. The fax/email remittance indicates each individual payment with a total deposit amount of all payments for that day. This information will need to be manually posted to the customer’s account. This email does not have an attachment it’s an internet email only.

Fee: A one-time implementation fee of \$xxx.00, no per transaction fee (this depends on relationship with Fiserv and the utility local bank).

Value of Fiserv’s Remittance Process to your Utility

Value	Benefit
Fiserv consolidates payments from approximately 3,000 payment origination sites we support.	Utility does not need to manage individual remittance streams from each bank, brokerage and portal and saves the personnel, legal and infrastructure costs.
Fiserv bears the cost of maintaining the infrastructure (database, ITO, connectivity to the Fed) to handle these payments.	Utility avoids these costs by having Fiserv as a business partner who performs these services with a high degree of expertise.
Fiserv maintains the rules, such as account schemes from the client, to produce clean payments. Manage to changes in new addresses and account schemes.	Utility does not need to have relationships with all 3,000 payment origination sites to develop and maintain their account scheming for customers paying online.
Fiserv has a department of associates responsible for corrections to data (bank or customer) that improve the electronic rate of payments (i.e., less paper, which is more expensive to process).	Utility avoids the cost of supporting FTEs to process incorrect payments manually. Utility also avoids a higher number of paper payments.

Reversibility

At the same time that we are depositing the funds for the payment into the account with your financial institution, we are debiting the person that is sending you the payment. The actual funds we are depositing

into your account are from Fiserv's corporate bank account and we go on good faith that the person paying you has the funds available in their bank account to reimburse us.

A Reversibility agreement states that after we deposit the funds into your account, if we are unable to successfully debit the funds from the customer, we will retrieve the funds back from you. We will attempt to debit the funds from the customer twice before retrieving the funds back from you. (The debit will come as a Trans Code 27 regardless of the type of account we are debiting.)

There are several ways that we can get the funds back from you:

- Auto debit - we retrieve the funds from an account at your financial institution
- Auto credit - you deposit the funds into a Fiserv account

For each method you will receive an email or a fax letting you know the customer information and the amount of the reversal item.

IMPORTANT NOTE: Fiserv will not debit your account at any time other than for a returned item, and only for the exact amount of the returned item.

To request the paperwork to setup the utility for electronic payment, the utility would need to provide the following information:

Corporate Name or Legal name
Corporate Physical Address, City, State and Zip
State Incorporated in
Person's name that will be signing contracts
Your Tax id #
Fax number

Which method would you like to use for reversed items, Fiserv to ACH Debit the utility bank account or would send Fiserv an ACH Credit?

The contact person at Fiserv (at the time) was:

Beth Smith
Remit Sales, Division Operations
Electronic Banking Services
Fiserv
Phone: 614-564-4254
Fax: 678-375-6175
www.fiserv.com

You can read more about Fiserv products and services at: <http://www.checkfreecorp.fiserv.com>