

What is VeriCheck?

VeriCheck is a payments solutions provider that allows you to accept electronic payments for goods and services purchased via several methods, including mail order/telephone order and e-commerce website.

VeriCheck also allows you to collect paper checks and convert them into electronic checks, a process called Electronic Check Conversion.

An electronic payment works much like a regular check, only the customer provides you with the necessary payment information, allowing you to process the information electronically.

The VeriCheck solution uses the Automated Clearing House (ACH) Network to process fund transfers from customer bank accounts to your bank accounts. The ACH Network is an electronic network for financial transactions. VeriCheck transactions are strictly governed by ACH processing rules established by the National Automated Clearing House Association (NACHA), in addition to the Electronic Funds Transfer Act and Regulation E, as well as all applicable local, state and federal laws.

Who can use VeriCheck?

The VeriCheck solution is available to VeriCheck merchants that:

- Are U.S. citizens or residents that are at least 18 years of age and have been issued a social security number (SSN); **OR**
- Are United States corporations, (e.g., limited liability companies (LLCs), limited liability partnerships (LLPs) or sole proprietors) that only use the VeriCheck service for customers using U.S. bank accounts; **AND**
- Hold and maintain a bank account in the United States with a U.S. based financial institution.

Applying for VeriCheck

To use VeriCheck, you must first complete an application and go through the account underwriting process. Underwriting involves verifying your identity, evaluating your creditworthiness, and identifying any potential financial risks. The VeriCheck service requires underwriting because VeriCheck acts as the acquirer for ACH transactions. This is similar to a company providing you the ability to accept card payments.

The VeriCheck application is available on our website. You can access it by clicking on the Apply Now button on the home page or by clicking the following link: [VeriCheck Member Application and Service Agreement](#). You may also request an application from your reseller. Detailed instructions on how to complete and submit the application are included on the application.

Once the VeriCheck application and any other required documentation (e.g., financial and banking information) is submitted, VeriCheck begins the underwriting process. Upon completion of underwriting

and approval by VeriCheck, you will be notified. You can then log into your console and your gateway account is enabled.

Overview of the VeriCheck Transaction Process

When initiating a VeriCheck transaction, you will need to collect the following information from the customer:

- customer's bank's nine-digit ABA routing number
- customer's bank account number
- bank account type (checking or savings)
- the name on the bank account
- the transaction amount
- the check number (number is captured electronically from the check).

The customer can find their bank's ABA routing number and their bank account number at the bottom of one of their paper checks. This information can be given verbally (such as over the telephone for a call center transaction), or in writing, which includes electronically via the Internet (i.e., via a payment form on an e-commerce website). For transactions involving the actual paper check, a check reading device is used to collect the above information. For a list of check reading device providers, see VeriCheck's website or contact a VeriCheck reseller.

When accepting VeriCheck transactions from a website, you will need to provide your customers with an electronic check payment option on your website payment form. If electronic check is selected, then the payment form should prompt the customer for the necessary bank account information, including their bank's ABA routing number, their bank account number, bank account type (checking or savings), the name on the bank account, and transaction amount.

Certain VeriCheck transaction types may not be submitted via the Virtual Terminal or used to create recurring billing subscriptions. See the section of this document titled "Types of VeriCheck Transactions" for more information. You may also submit a batch of VeriCheck transactions using the Batch Uploads feature of your Console.

If you are processing recurring transactions, VeriCheck's Automated Recurring Billing (ARB) solution is ideal. Simply create a subscription that includes the customer's payment information, billing amount, and a specific billing interval and duration. VeriCheck does the rest, automatically generating the subsequent recurring transactions based on the schedule you set.

Once submitted, bank account information is encrypted and sent securely via the Internet to the VeriCheck payment servers.

NOTE: VeriCheck validates the ABA routing number against a commercially available list of valid routing numbers. To prevent transaction errors, WEB merchants should program their payment form to allow the customer to enter only nine digits for the ABA routing number. Information about collecting bank account

information on your website payment form can be found in the developer's section on your gateway's website.

When entering a transaction via the VeriCheck Virtual Terminal (the browser-based terminal included in your Merchant Console) or creating an Automated Recurring Billing (ARB) subscription, select the **Charge a Bank Account** option as the payment method.

General Limitations, Liabilities and Prohibited Activities

The following general limitations apply to VeriCheck:

- The VeriCheck service only processes transactions in U.S. dollars.
- Only U.S.-based checking and savings accounts may be used for processing VeriCheck transactions. Some banks may disallow certain types of these accounts from being used. Please contact your customer's bank to verify the types of accounts from which you may process VeriCheck transactions.
- ACH transactions are never authorized in real time. Additionally, VeriCheck transactions are not processed in real time. Special exceptions may apply.
- Because funds are not verified in real time, VeriCheck transactions are NOT guaranteed. For example, unauthorized transactions may result in returns, including unauthorized returns, also known as chargebacks. (For more information, see the section of this document titled "Returns.")
- You must present VeriCheck transactions within one (1) business day after the date of the transaction between you and the customer.
- You may NOT present any VeriCheck transactions for third parties or transactions that did not originate as a transaction between you and your customer. For example, you may not process a VeriCheck transaction to transfer funds to your merchant bank account from a friend's bank account, or transfer funds to or from your merchant bank account for any reason other than the purchase of or refund for goods or services provided by your business.
- VeriCheck sets your monthly processing dollar volume and per-transaction dollar amount limits based on the underwriting of your VeriCheck account.
- VeriCheck transaction proceeds are deposited to your bank account after the funds holding period established for your account by VeriCheck. The length of the funds holding period varies by merchant but is typically 3 business days.
- The VeriCheck service may NOT be used to attempt to collect on paper checks that have been returned by the bank NSF.

VeriCheck reserves the right to suspend or terminate your service in the event of a violation. In addition to the NACHA rules and all applicable local, state, and federal laws, VeriCheck merchants are subject to compliance with the VeriCheck merchant agreement, which further governs the use of all VeriCheck services. Please reference the following link to view our service agreement "[VeriCheck Member Application and Service Agreement](#)".

Payment Authorization and Authentication for VeriCheck Transactions

To process VeriCheck transactions, you are required to (1) obtain the proper payment authorization (electronically or hard copy) from the customer prior to submitting a charge transaction against their bank account, and (2) authenticate and verify the customer's identity.

Please see the following section titled "Types of VeriCheck Transactions" for information about specific authorization requirements for each transaction type.

In conjunction with the payment authorization, you must use a system that can authenticate the identity of a customer (the owner or signer on the bank account used for online payment).

A proper payment authorization must include all of the following elements:

1. Clear and conspicuous statement of the terms of the transaction, including amount
2. Written language displayed to the customer that is readily identifiable as an authorization by the customer to the transaction (i.e., "I authorize Merchant to charge my bank account"), and that is capable of being reproduced
3. Evidence of the customer's identity
4. The date the authorization was granted and the effective date of the transaction (the transaction may not be processed before the effective date)
5. The bank account number to be charged
6. The nine-digit ABA routing number of the customer's bank

For authentication purposes, you can establish accounts for repeat customers and issue a username and password or personal identification number (PIN) for online transactions at their site. These types of identity credentials should not be issued until the customer has sufficiently been identified such as through a credit check or review of identification.

The identity authentication and payment authorization must occur simultaneously. It is not acceptable to identify a customer at the time of logging in to a website and then later consider that login an authentication for the purposes of authorizing an ACH transaction.

Payment Authorization for Recurring Transactions

If you desire to use VeriCheck to accept recurring transactions for goods or services that are delivered or performed on a regular basis, the proper payment authorization must also include the following:

1. the frequency of the charge,
2. the duration of time for which the customer's payment authorization is granted,
3. written language indicating that the customer may revoke the authorization by notifying you as specified in the authorization.

To view samples of VeriCheck's transaction payment authorizations, see below. In addition, you are required to:

1. refrain from completing an initial or subsequent recurring transaction after receiving a cancellation notice from a customer; and
2. require a customer that elects to renew a recurring transaction (upon expiration of the original subscription) to complete and deliver a request and authorization for the renewal of such recurring transaction.

Record Retention Requirements

All authorizations must be retained by you for two (2) years after the completion of a transaction, the completion of a final recurring transaction or after the revocation or termination of payment authorization, whichever occurs later. In the case of paper authorizations, the original authorization must be retained. For authentications made over the telephone or via the Internet, you must retain a copy of the authorization (audio recording and/or written as required) and a record of the authentication. For transactions that involve a paper check, a copy of the check must be kept for a minimum of two years as the signed check is the customer's authorization. Additional information about record retention requirements specific to the different VeriCheck transaction types is included in the section of this document titled "Types of VeriCheck Transactions."

Regulation E grants consumer customers 60 days to identify an unauthorized charge. If a customer identifies an unauthorized charge after the 60-day period, the customer's bank can request a copy of the original authorization for the transaction from you through the Originating Depository Financial Institution (ODFI). This process is referred to as a Proof of Authorization Request. If the appropriate authorization is not provided to the customer's bank within 10 banking days, the ODFI is permitted to allow the customer's bank to return the transaction, which will be debited from your account.

NOTE: Although NACHA and VeriCheck require record retention for customer authorization records for a period of two (2) years from the last transaction or termination/revocation of the authorization (whichever occurs later), the statute of limitations for state laws governing transaction disputes may dictate a period anywhere between two (2) to seven (7) years. VeriCheck recommends that you familiarize yourself with these laws.

If a customer requests a copy of such authorization, you must provide it within two business days. In addition, VeriCheck may request the original or a copy of a customer's payment authorization at any time.

See the following sections for information about any specific record retention requirements for the different VeriCheck transaction types.

Types of VeriCheck Transactions – Standard Entry Class (SEC) Codes

There are several ways for you to originate or receive VeriCheck transactions. Each of these transaction types is governed by certain processing conditions, specific payment authorization requirements and additional requirements and rules as established by NACHA.

Accessing the NACHA 2018 Basic Operating Rules is easy. You may purchase your copy of the NACHA Rules directly from NACHA’s website at www.nacha.org or obtain a free basic edition by following these steps:

1. Access the Basic Edition of the NACHA Rules by clicking www.nachaoperatingrulesonline.org
2. Click on “New User Sign Up” to register and create a new account (username & password)



3. Complete the Sign-Up form to create a new account then click Sign Up.

NACHA / User Account

Sign Up

Please use the form below to create a new account.

E-mail*

Password*

Password strength:

Verify password*

First Name*

Last Name*

Word verification*
Type in the characters you see in the picture below. If you have trouble reading the characters in the picture, click it to see a new one.

Click image for a new one.

Sign Up

Already have an Account?

Please login below.

Email:

Password:

Password is case sensitive

Login

Forgot your password?

- Once you've created your account, click "Claim Another Subscription".

NACHA / User Account

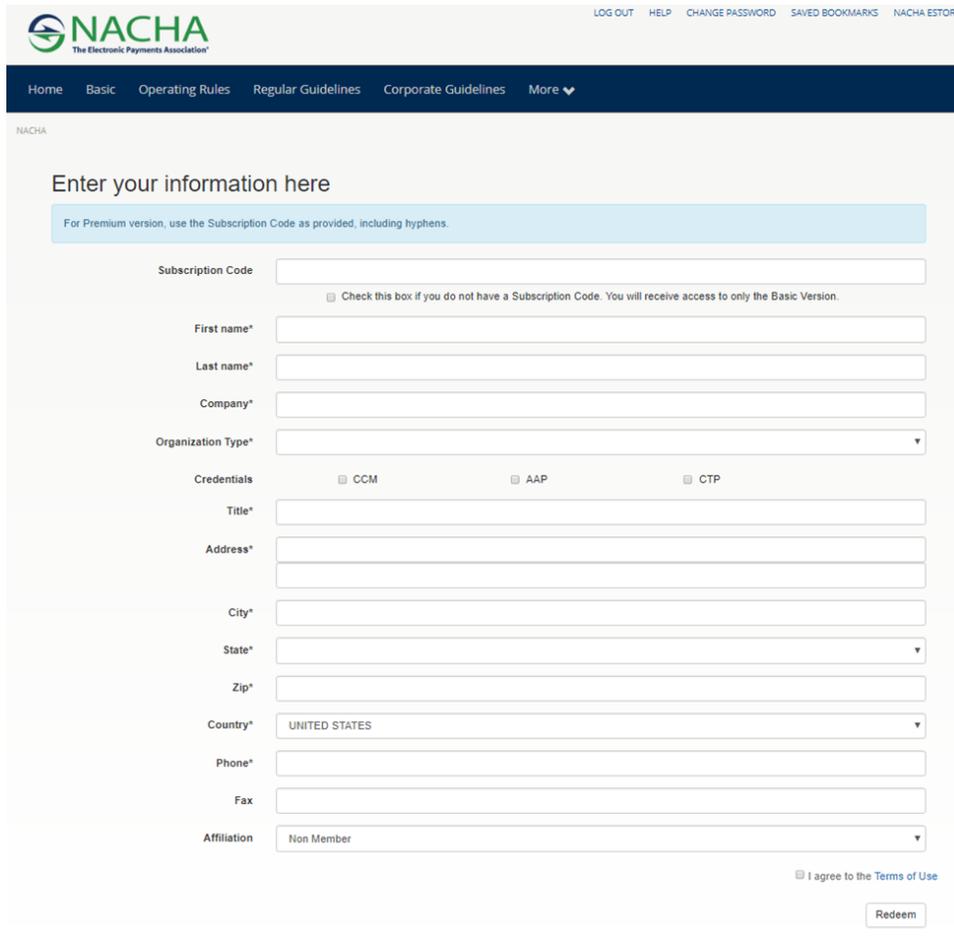
Thanks!

You have successfully registered and are now logged in.

My 2018 Subscription

CLAIM ANOTHER SUBSCRIPTION

- Check the box that says "Check this box if you do not have a Subscription Code. You will receive access to only the Basic Edition" and enter all the required information on the registration page then click Redeem.



NACHA The Electronic Payments Association

LOG OUT HELP CHANGE PASSWORD SAVED BOOKMARKS NACHA ESTORE

Home Basic Operating Rules Regular Guidelines Corporate Guidelines More ▾

NACHA

Enter your information here

For Premium version, use the Subscription Code as provided, including hyphens.

Subscription Code

Check this box if you do not have a Subscription Code. You will receive access to only the Basic Version.

First name*

Last name*

Company*

Organization Type*

Credentials CCM AAP CTP

Title*

Address*

City*

State*

Zip*

Country* UNITED STATES

Phone*

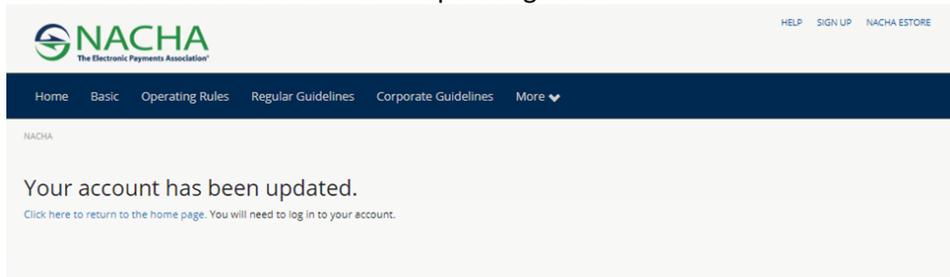
Fax

Affiliation Non Member

I agree to the Terms of Use

Redeem

- Click on return to the home page to access your account which will provide you with access to the Basic Version of the NACHA Operating Rules.



Your ability to process any or all VeriCheck transaction types depends on the underwriting and risk profile of your VeriCheck account. The type of VeriCheck transactions you will need to process also depends on your business model. For example, if you are a mail order/telephone order (MOTO) merchant, you may only need to process Telephone-Initiated Entries (TEL), whereas if you submit transactions to the VeriCheck Payment Gateway exclusively through your e-commerce website, you may need the ability to process many transaction types except for TEL.

VeriCheck supports the following types of ACH transactions: ARC, BOC, CCD, POP, PPD, TEL, WEB.

Accounts Receivable Conversion (ARC)

ARC is a onetime charge against a customer's checking account. ARC allows you to collect payments received in the mail or left in a drop-box and convert them to an electronic payment later. You do not return the check to the customer or present it to the bank for payment.

Reference: NACHA Rules SUBSECTION 2.5.1 Specific Provisions for ARC Entries (Accounts Receivable Entry)

ARC Restrictions

ARC transactions may only be submitted if the customer's original check has been sent through the U.S. mail or left in a drop box or received in person for payment of a bill at a manned location. You must use a check reading device to capture the MICR line (routing number, account number and check serial number), but may key in the transaction amount manually. ARC transactions may only be submitted to the payment gateway through a batch upload transaction or through an Application Programming Interface (API).

Check Requirements

To submit an ARC entry, the check must:

1. Contain a pre-printed serial number
2. Not contain an Auxiliary On-Us Field in the MICR line (positioned to the left of the routing number or the external processing code)
3. Be in the amount of \$25,000 or less
4. Be completed and signed by the customer

Checks that may not be used for ARC entries include:

- Checks that contain an Auxiliary On-Us Field in the MICR line
- Checks in an amount greater than \$25,000
- Third-party checks
- Demand drafts and third-party drafts that do not contain the signature of the customer
- Checks provided by a credit card issuer for purposes of accessing a credit account or checks drawn on home equity lines of credit
- Checks drawn on an investment company as defined in the Investment Company Act of 1940
- Obligations of a financial institution (e.g. traveler's checks, cashier's checks, official checks, money orders, etc.)
- Checks drawn on the U.S. Treasury, a Federal Reserve Bank, or Federal Home Loan Bank
- Checks drawn on a state or local government that are not payable through, or at, a participating Depository Financial Institution
- Checks payable in a medium other than U.S. currency

Notice Requirements

Before accepting checks that will be used for ARC entries, you must provide your customers with a clear and readily understandable notice. The notice must be provided at the time of the transaction if received in person at a manned location or in advance of receiving the check. The notice must provide the following, or substantially similar language:

"When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction."

The notice must be provided in a clear and conspicuous manner, meaning it must be easily accessible to customers.

The following language, or substantially similar language, must also be included to ensure that customers understand that their checks are being converted to an electronic payment that will clear their account faster than standard electronic check processing.

"When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment, and you will not receive your check back from your financial institution."

Storage Requirements

Once the payment information is captured from the check, you must retain an image or copy of the face of the check for at least two years from the settlement date (the date the ARC entry posts to the customer's account) and destroy the original check. The face of the copy of the check must state that it is a copy. Upon written request from the RDFI, you must provide a copy of the check, with "Copy" written on its face, and at no charge within 10 business days of receiving the request. The physical check may not be re-presented for payment. All storage and retention must be in a secure manner in compliance with all data security requirements.

Back Office Conversion (BOC)

BOC is a one-time charge transaction against a customer's checking account. BOC allows you to collect a check written at a point of sale (checkout counter, manned bill payment location, service call location) and convert it to an ACH debit during back office processing. You do not return the check to the customer nor present it to the bank for payment.

Reference: NACHA Rules SUBSECTION 2.5.2 Specific Provisions for BOC Entries (Back Office Conversion Entry)

BOC Restrictions

BOC transactions may only be submitted if the original check has been provided at either the point of purchase or a manned bill payment location. You must use a check reading device to capture the MICR line (routing number, account number and check serial number), but may key in the transaction amount manually. BOC transactions may only be submitted to the payment gateway through a batch upload transaction or through an Application Programming Interface (API).

Check Requirements

To submit a BOC entry, the check must:

1. Contain a pre-printed serial number;

2. Not contain an Auxiliary On-Us Field in the MICR line (positioned to the left of the routing number)
3. Be an amount of \$25,000 or less
4. Be completed and signed by the customer

Once the payment information is captured from the check, you must retain an image or copy of the face of the check for at least two years from the settlement date (the date the BOC entry posts to the customer's account) and destroy the original check. The face of the copy of the check must state that it is a copy. Upon written request from the RDFI, you must provide a copy of the check, with "Copy" written on its face, and at no charge within 10 business days of receiving the request. The physical check may not be re-presented for payment.

BOC Authorization Requirements

If you receive a customer's signed check after you have posted the appropriate notices in a conspicuous location at the point of sale and on the customer's receipt or other takeaway, they have the customer's authorization to process a BOC entry.

Notice Requirements

Before accepting checks that will be used for BOC entries, you must provide your customers with a clear and readily understandable notice. The notice must be posted and provided to the customer at the time of the transaction. The notice must provide the following, or substantially similar language:

"When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries please call ###-###-####"

The notice must be provided in a clear and conspicuous manner, meaning it must be easily accessible to customers. Additionally, a copy of the notice must be provided to the customer.

Commercial Credit or Debit (CCD)

CCD is a charge or credit transaction against a customer's business checking account. One-time or recurring CCD transactions are typically fund transfers to or from corporate entities.

Reference: NACHA Rules SUBSECTION 2.5.3 General Rule for CCD Entries (Corporate Credit or Debit Entry)

CCD Restrictions

CCD transactions may only be submitted against business or corporate checking accounts.

CCD Authorization Requirements

An authorization agreement from the corporate customer is required for CCD transactions.

Point of Purchase (POP)

The Point of Purchase (POP) entry format will allow an integration with a point of purchase or swipe terminal, providing an alternative to accepting consumer checks as a method of payment.

POP allows for a single entry ACH debit transaction for in-person purchases made at the point of purchase. A source document is required for written authorization and account information at the point of purchase.

The consumer presents a check or share draft that has not been previously voided or negotiated. You use a check reading device to capture the MICR information from the check. The amount is keyed in. The source document is voided and returned to the customer.

The POP entry is subject to NACHA operating rules, the Electronic Funds Transfer Act and Regulation E. The POP entry is an ACH transaction throughout the processing of the payment and does not need to abide by Check law or the Uniform Commercial Code.

Reference: NACHA Rules SUBSECTION 2.5.10 Specific Provisions for POP Entries (Point-of-Purchase Entry)

POP Restrictions

An item must comply to the following, if the item is to be eligible as a POP entry:

- The check or source document has not been previously negotiated.
- The check or share draft has not been previously voided.
- The check or share draft contains a pre-printed serial number.
- The check or share draft is drawn only a consumer account.
- The check or share draft is not a corporate check, third party check, credit card check, money order or travelers check.

POP Authorization Requirements

You must obtain authorization of the payment through compliance with NACHA guidelines and a copy is to be provided to the customer. The authorization is required to:

1. be in writing, signed or similarly authenticated by you.
2. be identifiable as an ACH debit authorization.
3. clearly state the terms.
4. state that the check will not be processed.

Note: The method to revoke authorization does not need to be included.

POP Receipt Requirement

You must provide a receipt that contains the following information:

- Your name
- Your telephone number
- The date of the transaction
- The transaction amount
- The check serial number
- A merchant number or some unique number that identifies the location of the transaction
- Terminal city
- Terminal state

Prearranged Payment and Deposit Entry (PPD)

PPD is a charge or credit transaction initiated by you against a customer's personal checking or savings account.

Reference: NACHA Rules SUBSECTION 2.5.12 General Rule for PPD Entries (Prearranged Payment and Deposit Entry)

PPD Restrictions

PPD transactions may only be submitted against personal checking and savings accounts. PPD transactions may only be originated when payment and deposit terms between you and the customer are prearranged and in writing; meaning that the terms and transaction schedule are arranged between the customer and you in advance of the actual date and time the transaction is submitted. In addition, a PPD transaction cannot be used for telephone-initiated or Internet-initiated transactions, or for converting a paper check into an electronic payment. In other words, the customer's payment authorization may not be received by telephone or by internet or by check.

PPD Authorization Requirements

A written paper authorization from the customer is required for one-time transactions and a written paper authorization agreement indicating that the customer is authorizing a recurring charge to their bank account is required for recurring transactions.

For recurring PPD transactions, the customer may revoke the standing payment authorization by notifying you as specified in the payment authorization (e.g., calling a given telephone number, writing to a given address, etc.).

In addition, for recurring PPD transactions, you are required to notify consumer receivers via written notification any changes in date or amount debited under the following circumstances:

- Seven (7) calendar days notice for a change of date.
- Ten (10) calendar days notice for a change in amount.

Telephone-Initiated Entry (TEL)

TEL is a one-time charge transaction against a customer's personal checking or savings account.

Reference: NACHA Rules SUBSECTION 2.5.15 Specific Provisions for TEL Entries (Telephone-Initiated Entry)

TEL Restrictions

TEL transactions may only be submitted against personal checking and savings accounts. TEL transactions may only be originated when a business relationship between you and the customer already exist; or if no relationship exists, *only when* the customer initiates the telephone call to you.

An existing "business relationship" is defined as:

1. When a written agreement is in place between you and the customer, or

2. If the customer has purchased goods or services from you within the past two years. Your affiliates or partners are NOT considered to have an existing relationship with a customer by association. You may not use a TEL transaction when there is no existing relationship between you and the customer and you have initiated the telephone call.

TEL Authorization Requirements

Payment authorization is obtained from the customer via the telephone for a TEL transaction. A TEL transaction can be a single or reoccurring entry.

Single Entry (not reoccurring) authorizations must be either:

1. provided to the customer in written form prior to initiating the VeriCheck transaction, or
2. audio recorded by you

For an oral authorization obtained over the telephone to be valid, you must record the following:

1. a clear statement that the customer is authorizing a charge to his or her bank account
2. the terms of the authorization in a clear manner, including:
 - the customer's name
 - the date the authorization is given
 - the date on or after which the customer's banking account will be charged
 - the amount of the transaction to be charged
 - the customer's account number
 - a telephone number that is available to the customer and that is answered during normal business hours for customer inquiries

In addition to the Regulation E requirements regarding preauthorized transfers, the following minimum information must be disclosed to the customer and audio recorded by you in order to authorize a Recurring TEL entry:

1. the amount of the transaction to be charged
2. the date on or after which the customer's banking account will be charged as well as the frequency and/or number of transactions
3. the customer's name
4. the customer's account number
5. a telephone number that is available to the customer and that is answered during normal business hours for customer inquiries
6. the date the authorization is given

A copy or the original audio recording of the authorization and/or the written notice of authorization must be retained for two (2) years from the termination or revocation of the authorization or the date of authorization, whichever occurs later.

Internet-Initiated Entry (WEB)

WEB is a charge transaction against a customer's personal checking or savings account. One-time or recurring WEB transactions may be originated via the Internet.

Reference: NACHA Rules SUBSECTION 2.5.17 Specific Provisions for WEB Entries (Internet-Initiated/Mobile Entry)

WEB Restrictions

WEB transactions may only be submitted against personal checking and savings accounts. You are responsible for preventing potentially fraudulent transactions by ensuring that WEB transactions are received from customers whose identities are authenticated, whether it is a PIN at the time of checkout or some other means you require.

WEB Authorization Requirements

For a WEB entry, authorization is obtained from the customer via the Internet during the payment or checkout process. Implementation of payment authorization language is up to you provided it complies with the authorization requirements stated below. It is also recommended that payment authorization language appear on the same page that collects the customer's banking account information.

The customer's payment authorization must:

1. be capable of display on a computer screen or other visual display that permits the customer to read and/or print it,
2. be readily identifiable as an authorization, and
3. clearly and conspicuously state its terms including the dollar amount, the effective date of the transfer, and whether the authorization is for a one-time purchase or for a recurring transaction.

An authorization statement combined with a clickable button, clearly stating that by clicking the customer is providing authorization, should be considered for obtaining payment authorizations associated with WEB transactions.

For recurring WEB transactions, you must also provide a notice that the customer may revoke the standing payment authorization by notifying you as specified in the payment authorization (e.g., calling a given telephone number, writing to a given address, etc.). You are required to notify customers at least 10 calendar days in advance of when the date or amount of a recurring VeriCheck transaction is changed.

There are certain requirements if payments are being accepted via the Internet which includes, but is not limited to, the existence of a Privacy Policy, Terms and Conditions, Customer Service Contact Information, etc.

ACH Transaction Cycle

The ACH transaction cycle is comprised of five steps:

1. **Initiation Day:** The day the transaction is entered into an ACH batch.
2. **Effective Date:** The date the transaction clears the ACH network.
3. **Funding Time:** The time it takes the transaction to clear through the ACH network, less standard returns, and your holding period.
4. **Settlement Date:** The date the deposit is made by VeriCheck to your bank account.

5. Posting Day: The day deposits appear in your bank account and the day VeriCheck updates the status of the transaction to “Settled”.

When your VeriCheck ACH merchant account is approved, you will be provided with your funding time. You may qualify for 3-day funding, but certain factors (risk of industry, time in business, limits, etc.) may qualify you for 5-day, 10-day or 30-day funding.

Your cutoff time is when VeriCheck pulls all of your transactions for the day, changes the status from “Pending” to “Submitted” and submits them to the ACH Network for processing. Your cutoff time is 6:00 pm ET. Transactions are no longer voidable after the cut-off time.

Because VeriCheck payments are made from a customer’s bank account, the settlement process is different from credit card transaction processing.

Settlement for VeriCheck transactions occurs each business day (excluding bank holidays). Transactions settled before your daily Transaction Cut-Off Time are posted the following business day. The settlement time for each batch of transactions marks the beginning of the VeriCheck funds hold period. Transfer of VeriCheck proceeds to your merchant bank account occurs on the business day after the transactions are considered collected by the system.

Because the availability of funds is not verified in real time, you should wait at least the same amount of time as your funds holding period before shipping or providing access to merchandise purchased using VeriCheck.

Funding refers to the transfer of VeriCheck proceeds from VeriCheck to your merchant bank account, following the funds’ holding period. Funding may be delayed due to circumstances of non-compliance.

Settlement and Funding Example

Funding Time	Initiation Day	Settlement Date	Posting Day
3	Monday	Tuesday	Friday
3	Tuesday	Wednesday	Monday
5	Monday	Second Monday	Second Tuesday
5	Tuesday	Second Tuesday	Second Wednesday

Rejected Entries

VeriCheck transactions may be rejected during initial data verification checks by VeriCheck, and can be rejected for several reasons, including but not limited to:

- Invalid routing number or account number

- Fails Notification of Change check (meaning that the transaction includes outdated customer or payment information that was updated in a Notification of Change issued for a previous transaction for the same customer)
- Amount exceeds your per-transaction limit
- Transactions submitted in the current calendar month have exceeded your monthly processing limit
- You are not enabled for the VeriCheck transaction type submitted.
- Refund rejected for exceeding the original charge
- Typically, rejected transactions are given the status of “Error.”

VeriCheck Settlement Statement

The VeriCheck Settlement statement manages all funds for VeriCheck transactions processed and lists the following information for each entry:

- **Date** – The date of the statement entry.
- **Type** – The type of entry or action taking place. For example, Settlement or Transfer.
- **Item** – The item field further describes the type of entry or action taking place. For example, a Settlement may be Charge Transaction Chargeback, meaning that a chargeback has been received.
- **Item Description** – The type of action that is occurring and the funds being deposited or transferred. For example, if a Batch Settlement has occurred, the Item Description will include the number of transactions included in the batch and the date and time of the batch settlement.
- **Amount** – Indicates the amount being deposited or transferred from your VeriCheck Settlement sub-account.
- **Account Balance** – The current dollar amount in your VeriCheck Settlement sub-account. A negative balance indicates funds owed to VeriCheck. A positive balance indicates funds owed to you.

You may view the VeriCheck Settlement reports and statements in your Console (only users with the appropriate permissions will be able to access this setting).

1. Click **Batches** in the main menu
2. Click **Check Manager**