



How Electronic Representation of an NSF Check Works:

To use this free bounced check collection service, you must post a point-of-sale sign in your place of business or include language on your invoice, website or credit application stating that you will electronically collect non-sufficient funds checks by debit of the customer's bank account along with a service fee allowable by State Law.

Here is an example of how the system works:

1. Your customer purchases furniture for \$699 by check.
2. You, the merchant, display at the point-of-sale a sign stating that you will collect a non-sufficient funds (NSF) check by electronic debit of the customer's account. The language may also be placed on an invoice, website, or credit application.
3. The customer's check is returned to you by the bank for insufficient funds.
4. You, the merchant, have accepted the terms and submitted the Web Agreement to Electric Checks for approval. A user name and password has been assigned to you. You enter the bounced check information into the website for processing and the collection process begins.
5. The processor converts the NSF check into an electronic item, which is sent through the Automated Clearing House (ACH) and finally to the paying bank.
6. Paying bank receives and posts the ACH transaction to the customer account.
7. If there are funds available to cover the check, the funds in the amount of \$699 will be electronically transferred to your account after clearing the bank.
8. A service fee, allowable by state law, will also debited from the check writer's account.
9. Log onto the website so to follow the status of each check at any time.
10. You do not have to contact the check writer.
11. To be electronically processed, the NSF check must be a personal check that is less than \$2500.00 and less than six months old.
12. This is a free service to you because the bad check writer pays a service fee.