

# **ACH Processing**

*ACH PAYMENT PROCESSING SOLUTION*



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# Harnessing the Full Power of Innovation using the E-Complish ACH Processor Solution

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The options for accepting digital payments have dramatically increased in recent years, but numerous merchants continue a reliance on accepting payments with checks. Merchants ranging from utility providers to real estate management and far beyond maintain this more historical method of payment acceptance. However, the latest advancements to the speed and convenience of electronic payments—including mobile and text-based methods—is influencing merchants' approach to accommodating check-based remittances. Merchants are also exploring check processes due to higher associated costs with credit and debit card transactions.

Payment solutions and service providers have responded to this trend. New technology for accepting checks is developing through the Automated Clearing House, commonly referred to as ACH. Innovations to the pace and efficiency of ACH are accelerating trends in the use of this system. Reports from leading payment experts have shown a 7.1% overall growth in volume from 2019 to the outset of 2020. More than 6 billion payments have used the ACH Network during the first quarter of this year.

We examine the rise and trends of ACH processing. This exploration covers the nuances of implementing an ACH processing solution and the benefits available to diverse types of merchants. Our analysis shows how employing advanced methods for ACH processing solutions will empower merchants to process checks electronically when accepting online payments for services and goods.

# Historical Context & Modernization

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Checks have been a core payment method since 1681. Landowners with cash flow problems began mortgaging their land to a fund against which they wrote “checks.” In 1762, a banker named Lawrence Childs reportedly introduced the first printed check.

Payments made by check were handled in paper-based form for many years. Consumers would write paper checks and either mail them to merchants or submit them in person. Merchants then deposited the checks into their bank account. This system was innovative for the time, but it entailed many inefficiencies. The processing and receipt of payments required several days and often involved delays. Many of these delays were a common occurrence for merchants relying on check payments being sent by U.S. mail.

The tide began to turn in 2001 when ACH payments became available online and by phone. This innovation provided Americans with a more efficient way to pay bills. Consumers could now initiate payments electronically from their checking accounts, relinquishing a dependence on writing paper checks. In addition, a brand-new option for payment became available to consumers. It had never before been available to make payments directly from their savings account. This development also afforded merchants a more efficient opportunity for processing check payments and accepting payments from savings accounts.

The development administration and governance of the ACH Network is managed by the National Automated Clearing House Association (NACHA). In recent years, NACHA has made continued progress in propelling electronic check processing forward. One of NACHA’s most significant initiatives has been the launch of Same Day ACH in 2016. This innovation in the Same Day ACH payments allows for debits and credits associated with checking accounts to be processed on the day they are initiated. The second phase of Same Day ACH kicked off in September 2017, adding debits and allowing same-day processing of virtually any ACH payment. Implementation of this same-day initiative permitted consumers the ability to pay their bills the precise day they are due, and merchants began to see faster availability of payments.



# Defining ACH Processing Solutions

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ACH processing solutions serve as fully functional payment processing centers accessible through the Internet. These ACH utilities allow consumers to electronically pay for merchandise and services through their checking or savings account, with funds automatically deposited into the merchants' bank account.

Options like E-Complish's ACH Processor can be used for various payment types, including consumer-to-business, business-to-consumer, and business-to-business payments and credits. To leverage these solutions, merchants obtain the ABA routing number and account number of the personal, savings, or business bank account from which funds will be taken or into which funds will be deposited. ABA information is provided to merchants by any means agreed upon by the customer, including phone, internet, and fax communication. Merchants then input the information into the ACH processing utility in one of several methods. A manual method can be used to scan and upload as part of a batch file. In the case of ACH Processor, a merchant can also use our DevConnect API.

Information received by the system is sent through the ACH Network and the Federal Reserve banking system. This process effectively transfers the payment from the remitter's bank account to the merchant's bank account. Merchants can also utilize the online interface to search and view past transactions, noting which transactions have been returned and which are still processing.

# E-Compish ACH Processor Solution Benefits

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**Lower fees top the list of these benefits for merchants. ACH payments command minimal fees per transaction, with no percentage of the payment total (interchange) added to the processing cost.** By contrast, credit card processing is a more expensive option, resulting from interchange fees. For example, it will cost \$11.50 for a merchant to process a credit card payment of \$500, assuming a 2.3 percent interchange fee. Processing an ACH transaction for the same amount costs a fraction of this total, at approximately 55 cents. By most estimates, utilizing an ACH processing platform yields a savings of 50 percent to 80 percent over traditional banking systems.

**Savings on time and labor are also significant for the merchant.** Accepting and processing payments electronically through the ACH as opposed to paper-based methods allows merchants to process multiple payments in large batches during specified daily intervals. Merchants are also empowered to execute these methods on-site, removing the time-intensive process of manually handling checks. ACH processes occur quickly and efficiently, potentially diminishing any need for travel to make bank deposits.

**Our ACH Processor solution also produces faster settlements by empowering merchants to take full advantage of Same Day ACH.** This process is executed by three daily clearing windows—regular recurring intervals that enable credit and debit payments to settle promptly within one business day. This is a critical improvement on standard settlement times. ACH credits historically required two or three business days prior to the introduction of Same Day ACH.

# E-Compish ACH Processor Solution Benefits Cont'd

**Merchants also experience enhancement to their collections and cash flow with web based ACH processing.** Even when consumers pay bills at the last minute, payments can be received on time and without delay. Merchants can also offer consumers the option to authorize recurring ACH payments from a designated bank account. These recurring payments eliminate payment receipt delays that occur when consumers forget to pay a bill. Delays resulting from mail processing issues and lost mail are also eliminated. Non-sufficient funds (NSF) have also consistently plagued traditional payment processes. The earlier notification of NSF checks associated with our ACH Processor solution also reduces the number of NSF checks passed.

**ACH payment processing utilities also boost the bottom line by expanding merchants' customer base and overall appeal to consumers.** Consumers demand options when paying for services or merchandise. Many crave online payment convenience, but they want to use their checking or savings account rather than a credit or debit card to pay for goods and services. They want to reduce or eliminate the time, effort, hassles, and expenses involved with printing checks, purchasing postage, and driving to the post office to mail paper check payments. Consumers have also tired of the headaches entailed in remembering to write and mail checks with enough time to meet payment due dates.

**Harnessing technological advancements such as ACH payments enables merchants to generate greater loyalty from customers.** Adopting these advances contributes to a brighter financial picture for merchants, and it provides a competitive edge over merchants that don't offer an ACH payment option.

**Finally, ACH payments significantly reduce the risk of fraud.** ACH processing involves a consumer's private and personal information such as bank account details, but anti-fraud systems and stringent security measures leveraged by solutions providers dramatically reduce any opportunity for criminals to obtain sensitive data. These security measures range from encryption to multiple password access and user-level personal identification numbers (PIN). Federal government regulation of the ACH Network also contributes to reducing threat and improving security.

# E-Complish ACH Processor Solution Features

ACH Processor has a wealth of features for businesses of all types, including:

## Our Print ACH Solution Features:

- **Easy, extensive access:**  
No software installation is required, and the platform operates 24 hours a day, seven days a week.
- **Hassle-free integration of system web services:**  
Utilizing our DevConnect API.
- **Flexible integration options:**  
ACH Processor integrates with E-Complish's DirectPay/IVR system and our HostPay system and VirtualPay representative-facing solution. It also offers direct data processing integration with hundreds of customer relationship management (CRM) and collection systems.
- **Accommodates a wide breadth of ACH transactions:**  
This includes all ACH SEC codes and types of ACH transactions.
- **Top-tier security:**  
Secure transactions occur through 128-bit encryption.
- **Comprehensive reporting options:**  
ACH Processor offers web-based reporting for easy access, with automatic settling of batches, searchable transaction history, and easy availability of settlement history and sales reports.
- **Multiple data download options:**  
Data may be downloaded as PDF, Excel, or comma-delimited files.





# Who Should Use ACH Processor Solution?

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ACH Processor is an excellent fit for any public entity or private-sector business that wants to accept ACH payments. Retailers can benefit from using our ACH Processor to allow customers to pay for merchandise purchased online using a bank account rather than a credit or debit card.

Utility providers, real estate management companies, government entities, educational institutions, and a diversity of other organizations can offer ACH payments to consumers. This applies to consumers who want to make payments by check or a bank account while maintaining the option to remit payment using traditional checks.

# About E-Complish

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E-Complish has been dedicated to expertise in making payment processing easy and secure for over 20 years. We have used this extensive experience to take full advantage of the innovations made to ACH payment processes.

Studies we have conducted inform an understanding that payment processing needs to be personalized and customized. This is why we employ in-house programmers to make every solution look, feel, and sound customized to an individual business.

Our service also provides in-house support staff dedicated to helping customers solve problems and make the most of their payment services. We accomplish our goals by remaining flexible to the variety of moving parts involved in payment processing. E-Complish automates tasks so our customers can spend their time focusing on the more important things—like growing the business.

We continue a tradition and commitment to innovation, integration, and progressive technological solutions in the creation of our ACH Processor.



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