



ACH 101

Direct Debit



Information Collected:

- Customer name and contact information
- Bank *Routing Number* – this can be found on a check from the customer's bank.
- Bank *Account number* – this is the customer's bank account number.
- Dollar amount of sale

Who uses Direct Debit Payments?

Almost anyone. All types of businesses can benefit from the efficiency and simplicity of First ACH Debit Payment. Some examples of how debits may be useful are:

- Collecting on corporate receivables
- Collecting recurring billing payments
- Collecting donations or tithes
- Collecting and consolidating funds from various offices, branches, or agents.

What is it?

The Direct Debit Entry or Request (aka Debit Entry, Debit Request, Debit) is a transaction the merchant initiates to collect funds from a paying customer for offered goods or services rendered. It is simply the transfer of the agreed upon payment of those funds from the paying customer's account to the merchant's account.

Requirements:

Written authorization for payment must be collected from the customer to apply a Debit Request. First ACH provides an official ACH Payment Authorization form [ACH Authorization Form](#) that can be used for this purpose. This form is in .pdf format and can be customized to suit your brand identity and business needs.



How does it work?

Once a sale is made and the amount agreed upon, the merchant must collect authorization from the paying customer providing permission for the merchant to send a Debit entry to their account. First ACH provides official authorization forms for this purpose that you as the merchant may provide to your customers to fill out and return (see *sample form*).

To make a Direct Debit request, simply enter your customer's contact, bank, and payment info into the First ACH Payment Gateway (see *screenshot*) and push the submit button. You can then print your confirmation that the transaction has been submitted for payment. The funds are then released three business days after the Effective Date (the business day the payment was submitted) of the sale when the transaction is deducted from your customer's account and deposited into yours. The customer will receive a full accounting on their bank statement for the payment.

Note: Debits may be requested as single transactions or recurring transactions (see *recurring transactions*) which, are automatically deducted at the increment you select and for as long as you like.

Benefits:

- Automatically deduct money from your customers' accounts.
- Setup Auto-Recurring Payments – daily, weekly, biweekly, monthly, quarterly, annually or semiannually. Use our Customer Database to save customer profiles and group them for greater manageability..
- Accept payments in person, over the phone, or online.
- Improved cash flow – with no more trips to the bank, the electronic method is fast, easy, and just plain better.
- Maximizes your effort – setup payments using auto-recurring billing. Enter info once and sit back.
- Offer payment options – customers don't have to use a credit card and have another method of choice.
- Increased customer satisfaction and loyalty – people like more options and greater convenience.
- Saves time and energy – no more buying, printing, mailing, or depositing paper checks.