



ACH 101

TEL Telephone Initiated Entries



Who Uses TEL?

TEL payments are prevalent and valuable for industry types such as:

- Call Centers and Help Desks
- Non-profit Organizations
- Property Management Companies
- Health Care Providers
- Lenders
- Credit Card Companies
- Utilities

In fact, any company that wishes to or must receive payment by phone is a great candidate for the value and benefits that TEL can provide.

Information Collected:

- Consumer name and contact info, including phone number during business hours
- Dollar amount of transaction and the Effective Date of the transaction
- The date of the consumer's verbal agreement (authorization)
- Statement by the merchant that the authorization is for a single-entry ACH debit
- Bank **Routing Number**

What is it?

TEL transactions are Telephone Initiated Entries. This is an electronic funds transfer method in which payment is initiated by the consumer over the phone and then submitted by the merchant through the First ACH Payment Gateway. TEL entries require that an authorization be obtained by voice recording over the phone. This type of debit request will appear on a consumer account statement as an "ACH" transaction.

Requirements:

TEL transactions may only be used for single-entry debits to a consumer's account. A separate authorization must be obtained from the consumer for each transaction. TEL entries may not have a standing authorization to debit the consumer account. TEL entries may only be carried out if the consumer is the one to initiate the call or if there is an existing relationship between the First ACH merchant and their consumer. An existing relationship requires that either a written agreement exists between the merchant and their consumer, or the consumer has purchased goods or services from the merchant within the last two years. Rules require that the authorization be readily identifiable as such and must clearly and conspicuously state the terms of the authorization. TEL processing is standard to all plans. However, businesses which primarily process transactions based on voice-recorded authorizations must enroll for a Corporate plan and are subject to a one-time TEL setup fee and a TEL monthly fee, in addition to the setup and monthly plan fees. All TEL transactions will incur a surcharge.

Note: key-entered responses by a consumer, such as voice response unit (VRU) or automated response unit (ARU) touchtone systems, do not qualify as verbal authorizations.

How does it work?

Consumers wishing to make a purchase or a payment make a phone call to you. The transaction details are agreed upon, and you record their authorization for payment digitally over the phone. You save this recording or a copy of it for your records for two years. Once the authorization is recorded for payment from a consumer, a TEL payment can be initiated by logging into the First ACH Payment Gateway. The consumer's contact, bank, and payment info are entered and the transaction is submitted for payment. The primary active components other than basic consumer information and payment amount are the bank **routing number** and the bank **account number**, both of which can be found at the bottom of a paper check on hand. Funds are initially deducted from the consumer's account on the Effective Date and released to your account two business days later. The consumer will receive a full accounting on their bank statement for the payment.

Benefits:

- Payments received by phone and converted electronically are processed faster and therefore more likely to be received, and received sooner.
- Offer the fast, easy, and convenient payment method of direct debit transactions over the phone.
- Accept payments without face to face contact or the need for emailed or faxed authorizations.
- Errors are less likely when using electronic format vs. processing checks manually.
- Save money by reducing the expense of dealing with conventional paper items.
- Get notification on returned checks faster. First ACH provides notification in 2 business days or less.
- Accounts receivable reporting is more efficient as electronic conversion allows for streamlining.
- No more trips to the bank!