

# **Bullet Scan™ ACH-Check Conversion and Automated Remittance-Processing Solutions**



**Increase your back-office automation and reduce staff time with our total check conversion and image-archive system.**

**eCheck2000 –**

**Simplifying Payments - Electronically**

**1-800-979-2242**

## Product Summary

Bullet Scan™ is a modular Check Conversion and Remittance Processing software system. Designed to integrate with industry-standard Core-processing systems and provide all the necessary components to support high volume check conversion and/or remittance processing, this system will allow you to add or streamline check processing and increase your ACH volume, while more efficiently managing risk and profitability, using most standard bank equipment, transports and check scanners. The system supports complete ARC and RCK check conversion, using a variety of high-speed transport devices, and may be used for “traditional” lockbox processing for items that are ineligible for ACH, while adding the benefit of total image-conversion and archiving.

The system supports centralized location processing or, by utilizing the built-in Web browser interface, multiple locations may image and convert checks, collecting payment information at the host system for centralized payment handling and reporting. Total automation can be achieved, using the CAR/LAR (Courtesy Amount Recognition and Legal Amount Recognition) capabilities...operator input can be reduced to only Exception items – lowering operator errors and dramatically increasing profit from existing operations.

The modular-design-architecture allows us to interface components of the application into existing systems for companies or financial institutions that need additional functionality to enhance their existing system capabilities.

The three individual modules are:

- Capture
- ACH Processing Engine
- Web Interface

In summary, the three modules support check imaging, MICR capture, conversion decision, remittance document imaging and information capture, complete ACH processing from origination through return handling and a user friendly web interface for setup, remote scanning and capture, item research, transaction status inquiry and return item reporting.

A more in-depth explanation of the features and functionality of each module are provided in the enclosed product sheets.

## Bullet Scan™ ACH Capture Module

**Bullet Scan™ allows ODFIs to automate Check and Remittance conversion. This system, in concert with existing bank equipment, will capture images of scanned checks and/or remittance documents, collect the necessary data from these documents and make the conversion decision on ACH-eligible items. Captured payment data is passed to the ACH Processing Engine for formatting and processing.**

### Capture Device Options

This module supports capture by a variety of transport devices designed for high volume processing. These include but are not limited to NCR®, Unisys®, Banktec® and Panini®.

Each transport will have its own limitations and capabilities. Bullet Scan™ can be configured to support any available hardware features. Depending on hardware scanning capabilities, the system will assign each company or group of companies a source-document-scan-configuration. This may be MICR read, Barcode read, OCR, CAR, LAR or a mixture.

### General Overview

Depending on hardware imaging capabilities, CAR engine presence, as well as payment document handling before scanning (manual envelope opening and presorting versus machine presorting), the system will support two pass scanning and sorting for faster bulk document processing as well as one pass work flow for operator controlled scanning and processing. Upstream imaging hardware capabilities are required for two-pass workflow whereas downstream imaging will be sufficient for one pass scanning and image archival.

Depending on nature of processed items and chosen workflow, the operator will deal with scanning exceptions either at the end of first scan phase (two pass) or as each exception happens (one pass). A processor will also be able to review and edit or cancel a single payment or a scanned document at the end of first scan phase (two pass) or at the end of each payment (one pass). Cancellation of a whole payment batch can be performed at any time.

Based on each company validations on routing number and account number, using Thomson's® Routing &

Transit file and Epiqware® software. In addition the system will query the system database for possible negative accounts data supplied by the company, imported into the system for the purpose of identifying customers whose checks should not be converted. The ACH processing engine will provide data regarding ACH returns and Notifications of Change (NOCs) to the systems swap table. Configured properly, the system will utilize the swap table to make corrections when possible. After all attempts for validation and correction have been exhausted, the system will reject ineligible items.

In case of missing coupon or coupon misread (or check misread in case of bill-pay service – home banking), the system will attempt to suggest possible posting information from stored data. This data may be obtained through an import file supplied by the company or historical payment information using ABA, checking account and payment id combination.

The physical document sorting and pocket assignment will be done per batch scan configuration. For instance, the physical items with scan exceptions, (ACHable, Non-ACHable, with invalid ABAs, or matching negative file entry), will be directed to different pockets.

Encoding and endorsement will be performed if hardware features are available and such functionality is required by company configuration.

### Capture Feature & Functionality Summary

Although designed as part of the overall Bullet Scan™ software solution, it may be used independently or interfaced into other systems. The system will determine the eligibility of each item for ACH conversion by performing

## **The Bullet Scan<sup>®</sup> Capture features:**

### **Company Configuration**

- The system is configurable to accept payments from different businesses with different payment document styles. The scanning and reporting interface changes according to the requirements of the currently processed business. (This will allow wholesale items to be processed by the same system.)

### **Group Configuration**

- The system allows user-defined groups, with the same document scanning requirements (coupon style, custom payment validations, encoding/endorsing, etc.) Payments within each scanning group do not need to be separated by company as long as the company information can be read from the coupon. (This eliminates the need of presorting payments by company).

### **ACH Validation**

The system is configurable to perform valid MICR data check using Thompson tables and EpiqWare™. *(This assures the correct payment data is being collected and submitted to an RDFI, tremendously reducing administrative returns of converted items).*

### **Stop Payment & Negative Item Validation**

The system is configurable to prevent payments from being processed that have been stopped by the company because of cancellation or because of past NSF experience.

- Stop file data can be updated by a company by uploading data to the system's web site. (This eliminates the need for manual stop file data retrieval and update).
- Return information from the processing engine may be used to stop payments from being processed from customers with past NSF history.

### **Swap Capability**

- The system maintains a table of previous payments returned with NOC information, correcting information during the capture process to prevent future administrative returns.
- Swaps may also be performed during the ACH validation process, using the Thomson Verification tools.

### **Check Conversion Decision**

- After all validations are complete, the system converts eligible payments to ACH transactions and submits the converted items to the ACH processing engine for further processing.
- In-eligible items may be encoded and endorsed for traditional processing.

### **Continuous Processing**

- If the system does not utilize CAR capabilities, with manual presorting, the system allows payments with multiple checks one coupon or multiple coupon one check and the same amount to be scanned continuously.
- The system can be configured to perform custom payments data validation. (For example, the system can be configured to catch the case of one check paying for multiple accounts during continuous scanning session. A processor will be no longer required to look for this kind of exception manually during presorting).

### **CAR/LAR/OCR Capabilities**

- Allows multiple check one coupon, and multiple coupon one check payments to be scanned continuously without manual presorting and amount examining.
- Automatically recognizes the due and over payment during continuous scanning. (This eliminates need for presorting by amount type)
- Postdated check validation can be performed during continuous scanning. (A processor will be no longer required to look for this kind of exception manually during presorting).
- The system will capture posting information off the scanned full document images. (This will eliminate manual posting data entry for Whole Sale companies).

### **Exception Handling**

- The system separates exception items and items that require special handling (ACH/paper, for example) and puts them into different pockets.

If payments are missing coupons, the system can suggest posting information from payment history.

## ACH Watchtower™ - Total ACH Risk Management

ACH Watchtower<sup>®</sup> is a browser-based system designed to allow ODFI's to effectively manage and monitor risk associated with ACH origination.

### General Overview

ACH Watchtower™ was originally designed to allow an ODFI to manage origination and track return activity at the originator level for files being received from a third party processor. However, the system is capable of providing the same functionality for a single originator. The system may also be used as a risk module by ODFI's that need to enhance an existing ACH system.

On origination, the system can check to insure that originators are; **1)** approved for processing; **2)** that they are within their established limits; and **3)** only pre-approved SEC codes are originated. Daily origination and exception reports may be generated.

Return activity and originator exposure is easily monitored, at the originator level. Return files received from the ACH Operator are loaded into Watchtower™. The system then provides a variety of reports to assist an ODFI in analyzing exposure and risk.

### These reports include :

- **Return Item Summary** - shows the number of items and total dollar amount of return items by Originator.
- **Return Item Detailed** - shows the number of return items by reason return code for each originator.
- **90-Day Risk Report** - shows summary of all originator and return activity over the last 90 days. Number of originated items and dollar amount, number of return items, dollar amount and overall percentage of return items, plus number of unauthorized/revoked items, dollar amount and percentage.
- **Customer Activity Summary** - shows total of daily files originated, return files received, number of items for each for a specific date range. Very useful in identifying customer origination and return trends.

# Bullet Scan™ Web-User Interface

## Introduction

The Web User Interface is designed for setup, remote scanning and capture, item research, transaction status inquiry and return item reporting. The system provides WEB access to payments history as well as gives the client limited ability to maintain their processing configuration.

Although designed as part of the overall Bullet Scan™ software solution, the Web interface can be used independently or interfaced with other item capture systems.

## Engine Feature & Functionality Summary

- The system allows companies to research and view their payment history, including paper payment images, via WEB browser. The system provides summary

information on transactions processed. The summary data can be drilled down to transaction detail.

- A user is permitted to access only the set of payments allowed by the password configuration. The system tracks various stages of transaction's life, from capture to final settlement or charge-back.
- The system allows clients to access and maintain their processing settings according to their access permissions.
- The system allows clients to download their posting file (A/R file), as well as their return and exception files from the system's WEB site.
- The system can automatically email clients posting files to them.
- The system allows the clients to upload their Stops files directly to the system, as well as make manual edits and entries.

### ADD TRANSACTIONS TO OUR SECURE PAYMENT GATEWAY

**Adding individual ACH transactions,  
Recurring ACH Payments or batches of  
payment files can all be easily done  
through our Web Payment Gateway.**

**Client users simply log-on, using a pre -  
limited access password and create the  
appropriate transaction type.**

**Research of individual transactions or  
images is performed in the same way.**

New Transaction	
Merchant ID:	1724613809
Merchant Name:	Acme Services Settlement
Sub Merchant ID:	1724613809
Sub Merchant Name:	Acme Services LLC
Entry Description:	SETTLEMENT
Standard Entry Code:	PPD
Effective Entry Date:	09 / 20 / 01
Individual ID:	
Transaction Type:	Collect from Checking
Name:	
Routing #:	
Account #:	
Amount:	\$
<input type="button" value="Submit"/>	

# MobileScan™ Low-Volume Web-Based Check Conversion

## Introduction

MobileScan is a web based check conversion application hosted by ACH Commerce, LLC. MobileScan allows client companies to convert paper checks into ACH, image items and capture remittance data, in-house, using a Mag-Tek or RDM device. We can provide the originating company with ACH processing services through the Federal Reserve Bank, or simply provide an ACH formatted file for processing through their own financial institution.



MagTek MICR Image

## General Overview

MobileScan™ - *simple to use and yet remarkably powerful* – provides features to accommodate the most sophisticated user. Real-time routing number/account number validation, using Thomson's Epiqware, dramatically reduces administrative return items. The powerful import and export features allow companies to define the data elements and format for importing into their A/R systems. Multi-level security features provide dual controls, complete audit trail and activity tracking. Companies may choose to store transactions and images locally or on the ACH Commerce server for easy web based query and research. MobileScan™ also provides return information with the ability to re-initiate eligible items.

## Feature & Functionality Summary

- Captures MICR information and images
- Images may be stored locally or with us

- Supports automated capture or keying of payment remittance data
- Supports ARC, RCK and POP standard entry class codes
- Supports conversion up to 200 items/hour
- Analyzes routing number and account number structure to ensure that check may be converted to ACH
- Provides multiple levels of security
- Powerful query capabilities
- Extensive reporting functions
- Ability to easily import/export data
- Supports loading return/NOC information
- Allows re-initiation of transactions returned for NSF or Uncollected
- Swap table permits automated correction of items at conversion

## Benefits:

- Eliminates the preparation of paper check deposits
- Faster notification of return items, two days versus 7-10 for paper items
- Electronic items post before paper, putting you first in the payment line
- Automates posting of accounts receivable
- Reduces operating cost
- Streamlines the reconciliation process
- Check images provide an audit trail to address reconciliation or customer service inquiries
- Routing-number validation and swap-table capabilities reduce administrative returns.
- NSF/Uncollected Items are easily re-initiated
- Transaction and payment history can be accessed easily, via our payment gateway.