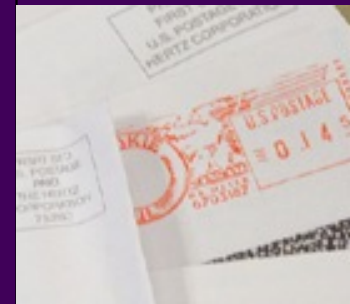


TeleCheck PayItSM Service Accounts Receivable Conversion

A Merchant Accounts Receivable
Conversion Payment Solution



Jan/2005



TeleCheck PayItSM Service: Agenda

- Who is TeleCheck?
- TeleCheck PayIt Service Overview
- Features and Benefits
- How it Works
- NACHA & Reg E Rules and Regulations for ARC
- TeleCheck PayIt Service Support
- Summary



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TeleCheck PayItSM Service: TeleCheck Overview

- First Data
 - First Data Corp. (NYSE: FDC), with global headquarters in Denver, helps power the global economy. Serving approximately 3.5 million merchant locations, 1,400 card issuers and millions of consumers, First Data makes it easy, fast and secure for people and businesses to buy goods and services, using virtually any form of payment
- TeleCheck
 - TeleCheck is the industry leader in check authorization and verification
 - TeleCheck has used its 40 year history and knowledge to build the largest and most sophisticated authorization systems in the check acceptance industry
 - TeleCheck has amassed one of the industry's most comprehensive databases of both positive and negative historical information that is used to predict with unmatched accuracy whether or not a check will be good

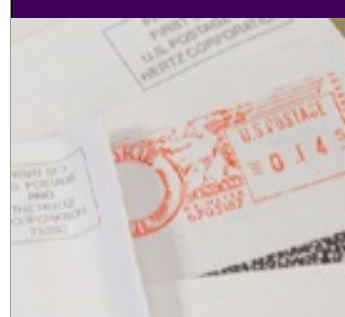


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TeleCheck PayItSM Service: What is Accounts Receivable Conversion?

Accounts Receivable Conversion is an Automated Clearing House (ACH) application that allows check payments delivered to remittance, lockbox and drop box locations to be converted to an ACH debit. The TeleCheck PayItSM service is an Accounts Receivable Conversion solution.



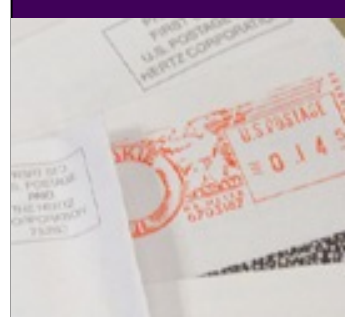
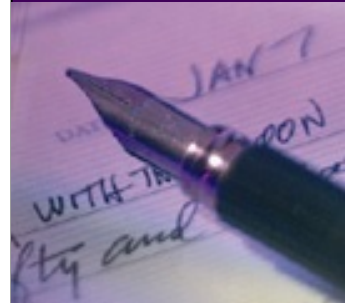
TeleCheck PayItSM Service :

Overview

- The TeleCheck PayItSM service enables simple and secure electronic remittance payment processing for consumers, billers, remittance companies and merchants, for mail-in, drop off and lockbox drop box payments for goods and services.
- The TeleCheck PayIt service leverages its state-of-the-art proprietary tables and routines as well as industry payment networks (ACH – Automated Clearing House) to transfer funds directly from existing checking accounts in a simple, convenient and highly secure manner
- The TeleCheck PayIt service is comprised of a TeleCheck Eclipse[®] terminal loaded with the TeleCheck PayIt application that allows the capture of payment data and authorization, coupled with the TeleCheck back-end system which allows the clearing and settlement of the transactions
- The TeleCheck Electronic Check Acceptance[®] service can be added to the terminal and service mix in the event a merchant also processes in-person payments



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TeleCheck PayItSM Service: Core Competencies

- The TeleCheck PayItSM service leverages the core competencies that TeleCheck is known for today:
- Capture
- Imaging
- Authorization
- Validation (MICR Block)
- ACH Processing
- Redeposit>Returns Management
- Negative Data
- Risk Management (Warranted version only)
- Collections (Warranted version only)



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TeleCheck PayItSM Service : Features and Benefits

FEATURES:

- Automated Clearing House (ACH) processing
- Electronic check processing
- All-in-one Eclipse[®] payment terminal
- Full image capture on TeleCheck PayIt transactions
- One transaction fee

BENEFITS:

- Helps improve cash flow/funds availability through use of electronic processing; funds are available generally within two business days
- Helps reduce check processing costs vs. paper
- Small footprint that supports TeleCheck PayItSM and ECA[®] services, credit card processing, imaging, printing and endorsement in one terminal with minimal investment
- Helps reduce processing errors
- Helps minimize paper check handling fees, bank courier fees, and return bank fees



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TeleCheck PayItSM Service : Features and Benefits

FEATURES:

- Flexible check conversion services
- Customizable redeposit management for non-warranted service
- Flexible application service options
- Minimal investment

BENEFITS:

- Available as a warranted solution or as a conversion only service
 - Warranted solution minimizes returned checks and returned check fees
- Helps increase recovery of returned, non-warranted items through use of customizable redeposit strategies
- Allows you to customize the application to best fit your specific business needs
- No investment in ACH infrastructure. TeleCheck state-of-the-art infrastructure has been handling ACH payments and processing for years; terminal processes not only TeleCheck PayItSM service and ECA[®] transactions, but also credit card payments in all-in-one terminal



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TeleCheck PayItSM Service : Features and Benefits

FEATURES:

- Compatible with multiple payment options
- Host based capture
- Auto close functionality
- Multi-transactional functionality
- Customized merchant defined fields
- Default dollar amount
- Password protection
- Paper-fee transactions
- Transaction adjustability
- Image upload notification
- Funding reports

BENEFITS:

- Maximizes terminal cost effectiveness, reduces counter clutter
- Promotes consistent, prompt funding
- Ensures batch closing, easier reconciliation
- Allows for faster throughput
- Allows you to customize application
- Gives added transaction security
- Minimizes supply costs
- Allows correction of user errors
- Aids proper processing
- Assists in reconciliation process



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TeleCheck PayItSM Service : Product Offering

- TeleCheck Eclipse[®] Payment Terminal
 - Dial Up
 - Host Based Capture
- TeleCheck PayItSM Service Point-of-Sale Application
 - Processes mail-in/lockbox payments (TeleCheck PayIt service/ARC)
 - In-Person Payments (ECA[®] service/POP)* can be added as optional service
 - Application can only support both services when both are either warranted or non-warranted, not a combination
 - Holds up to two merchant ID numbers (One for each service, in the event ECA is added)
- Settlement
 - Two business day funding process in most cases
- Reporting
 - Two Options
 - PDF Funding Report
 - CSV File
 - Frequency
 - Daily (it is anticipated that weekly and monthly will be made available in the near future)
 - Delivery Method
 - Email
 - Fax (only for PDF reports)
 - * No charge for daily report/files that are emailed



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TeleCheck PayItSM Service :

How it Works

- Successful authorization by the consumer
 - Proper consumer notification, including Opt Out provisions, must be provided to the consumer prior to receiving a check
 - No signature is required for the payment, just proper notification
 - Decals and consumer guidelines are provided to use for notification
 - Merchant must provide their own Opt Out provisions
- Successful submission (Clearing) of the transaction for authorization for payment
 - You have up to 20 days from the date of the check and the authorization to process the payment. Items submitted after 20 days and which are returned will be considered Non-Compliance Items (NCI) and will not be warranted
 - In order for a check to be processed electronically, the check must be run through the TeleCheck PayItSM application on the Eclipse[®] terminal and approval for electronic processing must be obtained
- Successful payment (Settlement) reconciliation of the approved transaction authorization
 - With the batch close report and Funding Report/File, you have the information needed to reconcile approved electronic transactions

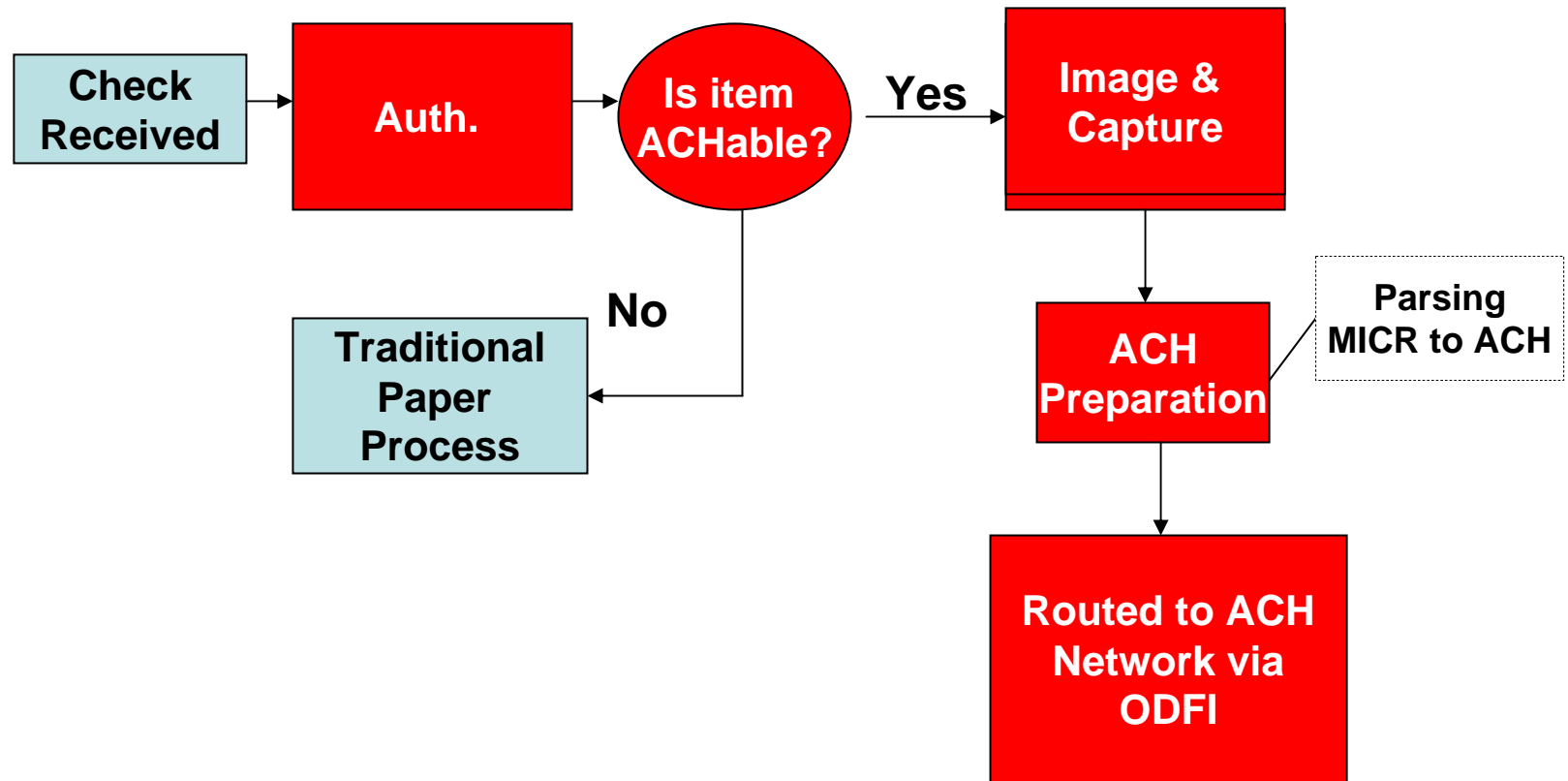


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TeleCheck PayItSM Service :

How it Works - Flow



Risk Mgt & Recovery
(warranty)

Neg Data

Returns Mgt

Reporting

TeleCheck PayItSM Service: How it Works Transaction Data Capture

1. Select Payment Type

PRODUCT TYPE	
PAYIT	ECA

2. Enter Amount

Enter Amount
\$0.00

3. Option – Default Amount

TOTAL AMOUNT	
\$250.00	
CHANGE	CONFIRM

4. Option – Reference ID

REFERENCE ID

5. Option – Agent ID

AGENT ID	
TOM	SUE
←	-->

6. Option – Trans Type

TRANSACTION TYPE	
AUTO	LIFE
←	-->



TeleCheck PayItSM Service : How it Works Authorizing a Transaction

- Once the transaction has been entered, it is sent to the TeleCheck host for authorization. One of the following responses is issued:
 - Approved
 - Approved Keep as Paper
 - Code 3
 - Code 4
 - Call Center
- TeleCheck PayItSM Service Electronic Approvals
 - Once approved, the terminal will prompt to insert check for voiding
 - No receipt will print, as no check writer is present
 - The “full” image of the check is captured
 - Once captured, a “beep” will sound informing the user to enter the next transaction
 - User will have to destroy the check within 14 days of settlement
 - Multi-Trans: For all TeleCheck PayIt transactions only, multi-trans will be activated, allowing the user to continue to process check payments without dialing up for every single transaction. However, after 45 seconds from the initial approval response without a subsequent transaction, the line will drop and will require user to dial the host on the next transaction
 - **Image Upload Process** will occur once the terminal reaches 50 transactions (PayIt or PayIt w/ECA).
- ECA[®] Service Electronic Approvals
 - Once approved, a merchant receipt is printed
 - An option for a consumer receipt will be prompted
 - Terminal prompts to insert check to void

INSERT CHECK
FACE UP TO VOID
APPROVED 9009



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TeleCheck PayItSM Service : How it Works Adjustments

- Adjustments, such as voids and changes to transaction amounts can occur at any time prior to settlement
 - User selects the Edit button on the Eclipse® payment terminal
 - User selects the transaction that needs to be adjusted
 - User selects either Change Amount or Void
 - Transaction dials out and processes, merchant will receive either a “change amount complete” or “void complete” message
 - A receipt will be printed if the adjustment was made to an ECA® transaction
- If adjustments are needed after settlement has occurred, then user will need to contact the TeleCheck Electronic Payments Research (EPR) group in Merchant Services to correct the item

ELECTRONIC	002
AMOUNT	\$300.00
APPROVAL CODE	9004
CHECK NUMBER	1124
AUTO/SUE	

VOID COMPLETE

<

Edit

>



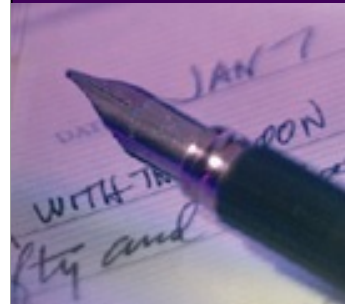
TeleCheck PayItSM Service : How it Works Settlement & Auto Close

Host Based Capture Settlement

- Transactions that are approved for TeleCheck PayItSM service and ECA[®] service conversions are settled automatically on the TeleCheck Host at approximately midnight CST
- Host Based Capture allows settlement to occur without the intervention of the user
- Auto Close
 - Auto Close allows the Eclipse[®] terminal to print and clear out the report totals in the event the user fails to close the batch.
 - Failure to close the batch on a daily basis could result in reconciliation issues when attempting to reconcile a close batch report to a funding report/file, but those concerns are virtually eliminated with Auto Close
 - Function is activated to close no later than 11:30 p.m. CST



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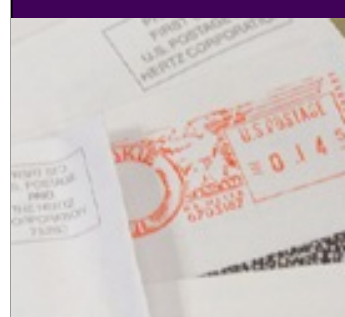


TeleCheck PayItSM Service : Risk Management

- Real-time customer authentication
 - Consumer authenticated in real-time using a wide range of proprietary and third-party databases to verify customer personal and financial information
 - Customer information is passed through TeleCheck's activity and negative databases containing over 586,000,000 records, helping to screen out fraudulent transactions
- Exposure controls
 - Risk is minimized by transaction limits
 - TeleCheck has a dedicated risk management organization that is focused on privately addressing fraud issues



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TeleCheck PayItSM Service : Reconciliation Reports

- Terminal Batch Close Report
 - A detail and summary report of the day's activity for electronic check payments is printed by the Eclipse[®] terminal
- CSV File
 - The intent of the CSV file is to provide reports in a format that is easily loaded by off-the-shelf software (Excel, Microsoft[®] ACCESS) or by a merchant's own program
 - File is sent via Notepad
 - You develop your own Macros in order to best utilize the file
 - Only available via email
- PDF Report
 - Readable format printed using Adobe Acrobat[®] software
 - Available via email and fax
 - Only available as a daily report (it is anticipated that weekly and monthly to be made available in the near future)



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TeleCheck PayItSM Service : Batch Close Report Example

DATE 08/27/2003 TIME 05:00:01 pm
MER # 19012185 TERM # 001

ACME INSURANCE
79 ANY STREET BLVD
ANYWHERE, TX 70012
713.555.1212

CHECK BATCH #0001 TOTALS

ELECTRONIC CHECKS	002	\$2500.00
TOM	001	\$1000.00
SUE	001	\$1500.00
BECKY	000	\$0.00
AUTO	000	\$0.00
LIFE	002	\$2500.00
PAYIT 19012185	004	\$1000.00
ECA 19012251	001	\$1500.00

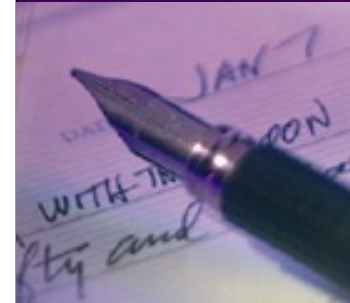
CHECK DETAIL #001 TOTALS

PAYIT 19012185			
TRANS#	TYPE	STATUS	CHECK #
CLERK	AMOUNT	A	APPROVAL
001	ELECTRONIC		2118
SUE	\$1500.00		1130
REFERENCE # 9089			
TRACE # 3239887675777709990001999889			
002	ELECTRONIC VOID	A	4351
TOM	\$50.00		2009
REFEREMCE # 0768			
TRACE # 3323000998877789899000988888			
ECA 19012251			
TRANS#	TYPE	STATUS	CHECK #
CLERK	AMOUNT	A	APPROVAL
003	ELECTRONIC		8097
TOM	\$1000.00		
REFERENCE # 9089			
TRACE # 3233888999999990909090000			

9087



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TeleCheck PayItSM Service : PDF Example

TeleCheck Funding Activity Report
Subscriber Name
06/19/2002 to 06/19/2002

Report Date: 06/20/2002

Exception Transaction Activity

Store #	TeleCheck Trace #	Reference # / Check Writer Name	Trans Date	Check #	Product Code	Debit Amount	Credit Amount
12345678	OH12345678901234567890	TRACE12345678901234567890	6/17/2002	CHK#12345678901	ECA SALE	\$ 1,234,567,890.99	\$ -
12345678	OH12345678901234567899	TRACE12345678	6/17/2002	CHK#12345678901	ECA ADJ	\$ -	\$ 1,234,567,890.99

Funding Activity

Bank Activity Summary

Settlement ID	Company Name	Funding Account	Effective Date	Funded By Store	Debit Amount	Credit Amount
12345678	All Those Dogs	*****4561	6/19/2002	12345678	\$	\$ 43,655.33
12345678	All Those Dogs	*****4561	6/19/2002	98765432	\$	\$ 3,477.34
12345678	All Those Dogs	*****9876	6/19/2002		\$ 34,680.88	
Grand Total					\$ 34,680.88	\$ 47,132.67

Credit Activity Detail By Store

Funded By Store	TeleCheck Trace #	Reference # / Check Writer Name	Proc Date	Store #	Product Code	Debit Amount	Credit Amount
12345678	OH12345678901234567890	TRACE12345678901234567890	6/17/2002	12345678	ECA	\$	\$ 432.33
12345678	OH12345678901234567890	Jimmie Hendrix	6/17/2002	12345678	ICA	\$	\$ 43,223.00
Total for Store 12345678						\$	\$ 43,655.33
98765432	OH12345678901234567890	TRACE12345678901234567890	6/17/2002	98765432	ECA	\$	\$ 3,243.00
98765432	OH12345678901234567890	TRACE12345678901234567890	6/17/2002	98765432	ICA	\$	\$ 234.34
Total for Store 98765432						\$	\$ 3,477.34
Grand Total						\$	\$ 47,132.67

Debit Activity Detail

Store #	TeleCheck Trace #	Reference # / Check Writer Name	Original Trans Date	Check #	Product Code	Debit Amount	Credit Amount
12345678	OH12345678901234567890	TRACE12345678901234567890	6/10/2002	CHK#12345678901	ECA	\$ 354.33	
			RSN - Return Item - Insufficient Funds				
			CW - James Rekeweg				
98765432	OH12345678901234567890	TRACE12345678901234567890	6/12/2002	CHK#12345678901	ICA RET	\$ 34,326.55	
			RSN - Return Item - Account Closed				
			CW - Berkley Talbot				
Grand Total						\$ 34,680.88	



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TeleCheck PayItSM Service :

ARC Rules Governed by Reg E and NACHA

- Consumer checks only (no demand checks)
- Check must be signed by consumer
- Check is considered a “source document” rather than an “access document”
- Image of check front must be retained for two years
- Original check must be destroyed within 14 days of settlement date
- Billers must notify consumers that their checks will be converted to an ACH debit
- Billers must notify the consumer of their Opt Out provisions and methods prior to converting to an ACH debit
- Consumer “authorizes” the ACH debit by mailing a check to the lockbox or depositing it in a drop box after reading the authorization language on the bill or at the drop box site



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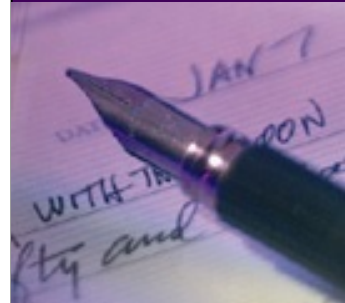


TeleCheck PayItSM Service : PayIt Support

- POS Help Desk
 - Primary support is handled at our Hagerstown, MD facility
 - Secondary support is handled at our Coral Springs, FL facility
 - For inquiries on POS terminal or TeleCheck PayItSM application
 - Hours of Operation: 8am-9pm EST 7, days/week
 - Telephone: 800.927.0655
- Merchant Services
 - For inquiries related to adjustments, funding reports and chargebacks, and assistance with supply re-orders
 - Hours of Operations: 7am – 7pm CST, Monday – Friday
 - Telephone: 800.366.1054
 - For invoice and billing questions
 - Hours of Operation: 8am – 5pm CST, Monday – Friday
 - Telephone: 800.366.1057
- Check Writer Services
 - For consumer inquiries
 - Hours of Operations: 24-hour service, 7 days/week
 - Telephone: 800.697.9263
- Call Center Assistance
 - For inquiries related to a call center prompt on the payment terminal
 - Hours of Operations: 24-hour service, 7 days/week
 - Telephone: 800.697.9263



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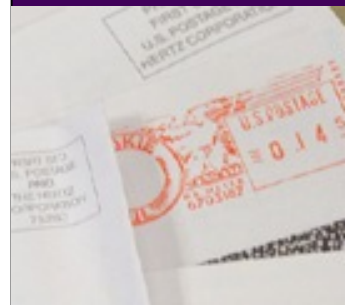
TeleCheck PayItSM Service :

Summary

- Helps Improve Cash Flow
 - Electronic transactions are generally funded within two business days
- Helps Reduce Expenses such as:
 - Bank and courier fees
 - Return bank fees
 - Paper check handling fee handling
- Easy Integration
 - One terminal that handles both credit and check payments
- Minimal Investment
 - No investment needed on ACH infrastructure. TeleCheck provides this as part of your service.
- Regulatory Compliance
 - Reg E, NACHA Rules compliant
 - Consumer guidelines and decals available to help ensure proper authorization disclosures are provided.
- TeleCheck Experience in ACH Processing
 - State-of-the-art ACH processing systems
 - Processing electronic payments for years with our ECA[®] services



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Questions?

