

Help Simplify Reconciliation Process and Increase Collections

Mellon WCS Enhances ACH Service

Mellon Working Capital Solutions (WCS) has implemented several enhancements to its Automated Clearing House (ACH) service designed to further streamline the reconciliation process. Beginning immediately, customers can:

- **Facilitate the reconciliation of ACH check conversion processing using Multiple Posting Accounts for Returns**, enabling customers to establish up to three return accounts with associated individual return codes. For example, NSF/UCF returns may be posted to account #1, administrative returns to account #2, and final returns to account #3.
- **Automatically redeposit returned ACH debit entries** that result from NSF and UCF up to two times, for a total of three presentments using our Multiple Redeposits option.
- **Increase collection rates by holding the redeposit of ACH debit entries (NSF/UCF)** to coincide with known pay dates using Timed Redeposits.

— For **Mellon ACH** clients, the first redeposit will be originated the next business day. The second can be held until the next calendar Friday. Current plans for future enhancements include additional deposit options, such as the 15th of each month, last business day of the month, etc.

— Users of Mellon WCS's **Retail Lockbox Accounts Receivable Check (ARC) Conversion** service can set a timeframe for both the first and second redeposit independently. Options include next business day, the next Friday, the 15th and last business day (whichever comes first), and bi-monthly.

For more information on Mellon WCS's enhanced ACH capabilities, contact our working capital solutions experts at 1 800 424-3004 or e-mail us at wcs@mellon.com.

Changes to Electronic Funds Transfer Act Mandatory As of Jan. 2007

Amendments to Regulation E and its Impact on Electronic Check Services

Organizations that are using or planning to use electronic check services need to be aware of recent changes to Regulation E of the Electronic Funds Transfer Act (EFTA) as it impacts electronic transactions between businesses and consumers.

Amended by the Federal Reserve Board of Governors as of January 2006 (with mandatory compliance by Jan. 1, 2007), Regulation E revisions address changes to the EFTA which establishes the rights, liabilities, and responsibilities of electronic funds transfers (EFT), including:

- Electronic Check Conversion (ECK) services such as automated clearing house (ACH) transactions and Point-of-Sale (POS) transactions, a payment method that enables conversion of consumer check payments into one-time ACH debits at a point-of-sale location.
- Accounts Receivable Check (ARC) Conversion, which enables the conversion of checks received via the mail or drop box location into one-time ACH debits.

- Point-of-Purchase (POP) conversion, and the forthcoming Back Office Conversion (BOC) application, which enable the conversion of checks received at the point-of-sale or manned bill payment location to one-time ACH debit transactions in the merchant's back office.

The following is a subset of the topics impacted by the changes:

- Amended Authorization Requirements for ECK Transactions
- ECK Transaction Disclosures
- Collections of Service Fees via EFT
- Merchant Coverage
- Notice of Transfer Varying in Amounts
- Coupon Book Notification

For more information on amendments to Regulation E and how your organization may be affected, consult the Federal Reserve's Web site at www.federalreserve.gov.