

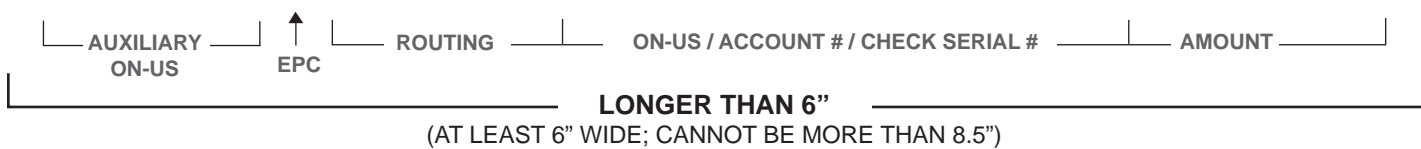
ment of the original entry. If the entry was truly unauthorized, the Receiver must sign a written statement with their RDFI and return the entry.

For more details on complying with NACHA's latest rule amendment, please contact us at 1 800 424-3004 or e-mail us at wcs@mellon.com.

\*Payment method that enables the conversion of consumer check payments into one-time ACH debits at a point-of-sale location.

**BUSINESS CHECK (with Auxiliary On-us Field)**

<p><b>JOHN DEPOSITOR</b> 1430 ANY STREET ANYTOWN, CA 90000</p>	<p>101</p> <p>DATE _____</p>
<p>PAY TO THE ORDER OF: _____</p>	<p>\$ <input style="width: 80px;" type="text"/></p> <p>DOLLARS</p>
<p><b>ANY COMPANY</b> 1000 BANKING WAY ANYTOWN, CA 90000</p>	
<p>MEMO _____</p>	
<p>⑈00000707⑈ 2⑈0000⑈ ⑈20⑈ ⑈53 25⑈ 23 05⑈ ⑈0000000000⑈</p>	



March 16, 2007 Set As Rules' Effective Date

## Back Office Conversion Approved to Enhance Check Conversion Process

The membership of NACHA — The Electronic Payments Association, has approved the rules supporting Back Office Conversion (BOC), the latest electronic check conversion application created to expand the use of check conversion by originators and payment processors, effective March 16, 2007.

This latest conversion method allows payments received at the point-of-sale or manned bill payment locations to be converted in a retailers' 'back office,' mitigating concerns regarding transaction timeliness and the cost of converting checks at many locations/registers as currently occurs with Point-of-Purchase (POP) conversion. POP requires the completion of the conversion at the time of purchase due to the need to gain signed authorization and return the check marked "void" to the customer.

In contrast to POP requirements, the authorization to convert the check via BOC is to be obtained through a notice at the checkout or where the payment is made. The Originator then

retains the check and forwards it to a centralized back-office environment where the item is to be converted into an automated clearing house debit entry.

BOC is designed to improve check conversion quality and reduce costs by enabling a single workflow for all checks, removing the signed-authorization requirement and enabling electronic check capture in a controlled back-office environment.

Used in conjunction with Remote Check Capture for the clearing of all ineligible items (via substitute check or image exchange), BOC offers customers a comprehensive electronic deposit and clearing solution that helps mitigate the need to train point-of-sale personnel and reduces costs necessary to maintain conversion devices/technology at each checkout location.

For more information on BOC, and to ensure that your organization is fully prepared to implement the new application, contact our working capital solutions experts at 1 800 424-3004 or e-mail us at wcs@mellon.com.