

eCheck Merchant Compliance Education

Dear CyberSource Merchant,

CyberSource is dedicated to supporting your business needs and works hard to deliver the highest quality financial products and services. In an effort to minimize your losses it is our job to make sure our clients are in compliance to prevent potential returns. Staying in compliance will help you save time and money when the depository bank requests proof of authorization. Below we have provided you some examples on how to stay in compliance based on how you are processing. First check your status on the gateway to determine if you are approved as WEB, TEL, PPD, or CCD. Next review the examples to make sure you are in compliance with your processing type. Feel free to contact us with any questions or concerns at 888-317-6935 opt. 2.

WEB

WEB is a charge transaction against a customer's personal checking or savings account. One-time or recurring WEB transactions may be originated via the Internet.

Auth Requirements: For a WEB entry, authorization is obtained from the customer via the Internet during the payment or checkout process by **capturing a screen shot and retaining this information for 2 years**. The authorization requirements are that the customer's payment authorization must:

- (1) be capable of display on a computer screen or other visual display that permits the customer to read and/or print it,
- (2) be readily identifiable as an authorization
- (3) clearly and conspicuously state its terms including the dollar amount, the effective date of the transfer, and whether the authorization is for a one-time purchase or for a recurring transaction.
- (4) For recurring WEB transactions, the merchant must also provide a notice that the customer may revoke the standing payment authorization by notifying the merchant as specified in the payment authorization (i.e. calling a specific number or writing a specific address)

Web Example: Merchant payment form includes the following information provided by the customer.

Bank Name : _____

Customer's Bank's ABA Routing Number: _____

Bank Account Type: _____ (savings, personal checking)

Bank Account Number: _____

By clicking the button below I authorize [merchant's name] to charge my bank account starting on [month, day, year] and on the [day of the month] of each month following through [month, date year] for the amount of [\$XX.XX] for [description of the transaction].

Authorize Payment

Please Note: That portions of the second paragraph are for recurring payments only and are optional if your are only authorizing a onetime charge.

PPD & CCD

PPD is a charge or credit transaction initiated by a merchant against a customer's personal checking or savings account. CCD is a charge or credit transaction against a customer's business checking account.

Auth Requirements: A written paper authorization/agreement filled out by the customer is required for one-time transactions and recurring charges. For recurring transactions the agreement must clearly state the terms of the recurring transaction and how to cancel the recurring payments. Payments cannot be processed until a filled out copy of the agreement is received from the customer. Copies of the written authorizations/agreements should be retained for 2 years.

PPD & CCD Example:

Date: _____	
I, _____ authorize [MERCHANT NAME] to charge my banking account listed below, starting on the [month, day, year] and on the [day of the month] for each month following through [month, day, year] for the amount of \$_____ for _____.	
[Description of the transaction]	
My account information is as follows:	
Bank Name: _____	
Bank Account Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Business Checking	
Bank ABA Routing Number: _____	
Bank Account Number: _____	
This payment authorization is valid and to remain in effect unless I, _____ notify [MERCHANT NAME] of its cancellation by sending written notice by: _____	
(mail to/ fax to/email to, etc., Or other method preferred by merchant).	

Customer Name Printed	
_____	_____
Customer Signature	Date
Please attach a voided check below and fax form to: 888-888-8888, or scan and email to yourcompany@yourmail.com . Payments and orders cannot be placed until the completed form is received.	

Please Note: The third paragraph is for recurring charges only and is optional if you are only authorize a onetime charge. Also, you do not need to require the customer to attach a voided check.

TEL

A TEL transaction is an entry initiated by an originator to a consumer account of the receiver pursuant to an oral authorization obtained from the receiver over the telephone. Merchant can process a **single debit entry only** for each recording.

Auth Requirements: A telephone call must be recorded and retained for a minimum of 2 years. The authorization must include:

- (1) a clear statement that the customer is authorizing a charge to his or her bank account
- (2) the terms of the authorization in a clear manner, including:
 - the customer's name
 - the date the authorization is given
 - the date on or after which the customer's banking account will be charged
 - the amount of the transaction to be charged
 - a telephone number that is available to the customer and that is answered during normal business hours for customer inquiries

TEL Example:

To confirm your order, I understand that you, [customer's name] authorize [merchant's name] to charge your [bank account type] on [month, day, year] for the amount of [\$X.XX] for [description of the transaction].

The account information you've provided me is as follows:

Bank Name: [name of the customer's bank]

Bank ABA Routing Number: [customer's bank's ABA routing number]

Bank Account Type: [checking, business checking, savings]

Bank Account Number: [the customer's bank account number]

Is this information correct?

As of today's date, [month, day, year], this payment authorization is valid and to remain in effect until you, [customer name], notify [merchant's name] of its cancellation by calling [merchant's customer service number].