



# SAMPLE ACH AUTHORIZATION & NOTIFICATION REQUIREMENTS

## Authorization & Notification Requirements

**Written Pre-Authorization (Cyclical, Recurring):** Transactions processed through the Automated Clearing House (ACH) are strictly controlled by Governmental Regulations and monitored by the Federal Reserve. The following directive is offered to promote accuracy and standardization for authorization requirements:

A statement authorizing the Originator (Company) to initiate credit or debit entries to the consumer's account and authorizing the RDFI to accept and post them to such account.

1. Account and Routing numbers must be accurately stated.
2. Date and signature(s) are required
3. Originators (Companies) must ensure that the consumer is completely aware of the nature of the product or service that he or she is purchasing.
4. Provisions that permit the consumer to terminate the authorization by written notification to the Originator (Company) in such time and manner to afford the Originator (Company) and the RDFI reasonable opportunity to act on such notification.
5. In an application where the debit amount varies, specific requirements apply.
  - If a pre-authorized debit transfer varies from a previous transfer relating to the same authorization or from a fixed pre-authorized amount,, the Originator (Company) must mail to the customer or deliver to him written notice of the amount and scheduled date of the transfer at least ten (10) calendar days before the scheduled transfer date.
  - Additionally, if the Originator (Company) informs the consumer of the right to receive notice of all varying transfers, the consumer may elect to receive notice only when a transfer does not fall within a specified range of amounts; or, alternately, the consumer may elect to receive notice only when a transfer differs from the most recent transfer by more than an agreed upon amount.

The following "Sample Authorization" is offered to promote standardization & accuracy. Client acknowledges they must use this format, or an approved facsimile, when processing transactions through Sage Payment Solutions:

### ABC Corporation AUTOMATED COLLECTION AGREEMENT

\_\_\_\_ (Merchant Name) \_\_\_\_\_ authorizes ABC Corporation, Inc. to initiate debit entries to my ( our ) checking account indicated below and the bank named below, hereinafter called bank, to debit the same to such account

<b>*A voided check from this account must be attached.</b>	Bank Name:		Phone:	
	Address:		City:	State:    Zip:
	Transit Number: (Nine Digit Number)		DDA Number: Demand Deposit Account Number	

For Value received and professional services rendered, I agree to pay on the \_\_\_ of each month \$\_\_\_\_\_ payment for \_\_\_\_\_months or until the total balance due is paid to ABC Corporation. THE INITIAL PAYMENT SCHEDULE IS AS FOLLOWS AND WILL BEGIN ON \_\_\_\_\_, 1998. I understand that I am in full control of my payment, and if at any time decide to change my payment method, I will notify ABC Corporation and provide 30 days notice of the payment method change. I understand and agree that any changes to my payment method will not relieve me of the full obligation to repay my debt to ABC Corporation.

\_\_\_\_\_  
CLIENT SIGNATURE

\_\_\_\_\_  
DATE