

The Remittance Coalition Presents: Payment Types Explained

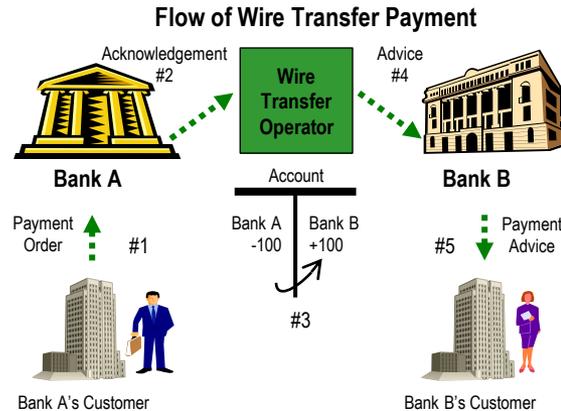
Business Check

Paper check written by business & drawn on its checking or savings account



Wire Transfer

Individual credit payment ordered by business & sent electronically from financial institution (FI) to FI of party being paid



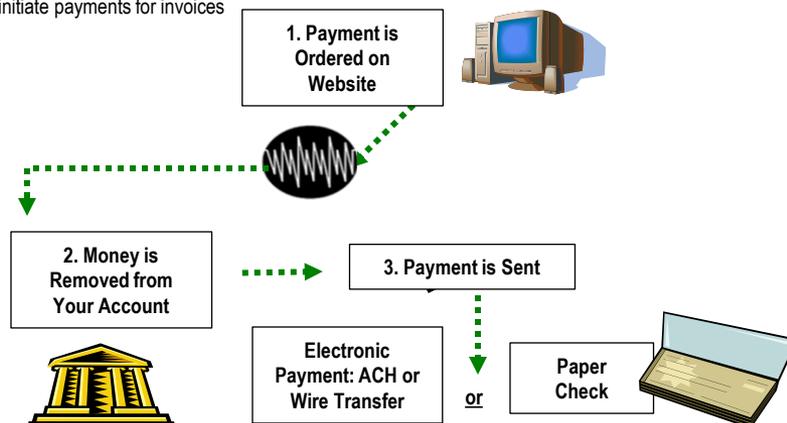
Credit and Debit Cards

Credit cards draw on line of credit offered to business by issuing FI; debit cards take funds directly out of business's bank accounts



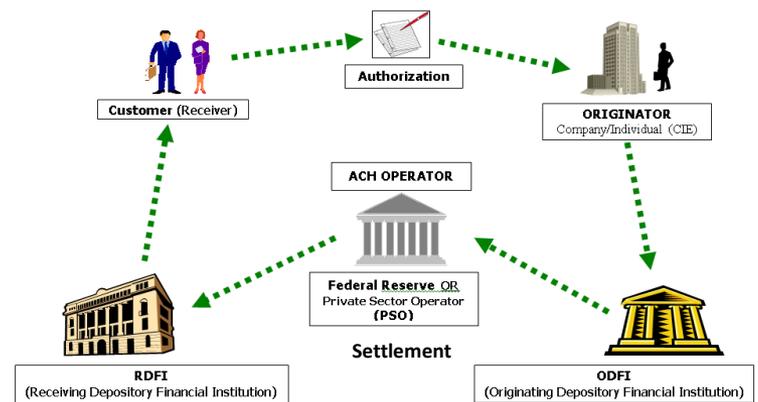
Internet Bill Pay

Service provided by FI or other party that allows business to use computer with Internet connection to create payments or payment instructions online; also used with some electronic invoicing systems to initiate payments for invoices



ACH - Automated Clearing House

Group of credit &/or debit transactions ordered by business; formatted into an electronic file, sent from business' bank to other party's bank



Selected Features Of Payment	Electronic Payments					Business Check	Cash
	Wire transfer	ACH – Automated Clearing House (preauthorized debits or credits)	Credit Card [purchasing, fleet, commercial, virtual]	Debit Card (PIN & signature)	Internet/ Online Bill Pay from Your Bank ¹		
Acceptance by party being paid	Near universal	More limited	More limited	More limited	Limited	Near universal	Near universal
Fraud risk	Low	Credits low; debits moderate	Moderate	Moderate	Low	High	Low
Funding	Checking or savings account or pre-funded	Checking or savings account or pre-funded	Line of credit	Checking or savings account	Checking or savings account	Checking or savings account	N/A
Funds are directly deposited to account of party being paid	✓	✓			✓		
Must have bank account information of party being paid	✓	✓			✓		
Immediate, irrevocable funds	✓						✓
Remittance data Remittance data refers to anything that explains what a payment is for, including discounts or adjustments taken	Separate from payment or included with wire message	Separate from payment or included with ACH file	May be separate from payment or included with card file	Separate from payment	Separate from payment in most cases	Separate from payment or written on check	Separate from payment
Fee is typically charged by bank to party originating transaction ²	✓	✓			✓	✓	
Fee is typically charged by bank to party receiving transaction	✓		✓	✓			
Fees Fees vary by bank, location, transaction volume, daily balances, if request is made online or by phone, & so on. Fees may be offset by interest credits on balances.	\$24-30 domestic outgoing; \$12-20 domestic incoming; \$15-50 foreign outgoing	Initial set-up fee of 0-\$100; per batch fee of 5 to 50c ; per transaction, e.g. 50-55c ; monthly fee of 0-\$50. Rejected & change item fees \$15-30 per item	Card Acceptance Fees: Authorization fees range from 5-60c per trx. plus % of amount ranging from 1.5-3% of purchase; monthly fees may also apply	Average: % of purchase, e.g. 2%; plus per transaction fee, e.g. varies by signature vs. PIN	\$0 for monthly access; \$0 per transaction	\$0 to \$30/month; per item fee many apply	\$0
Can schedule future & recurring payments		✓	✓	✓	✓		

¹ Also, electronic invoicing portals from suppliers may provide an Internet/ online bill pay option. ² Party originating wires & ACH typically pay fees; fees charged for writing business checks & using internet bill pay vary by bank.