

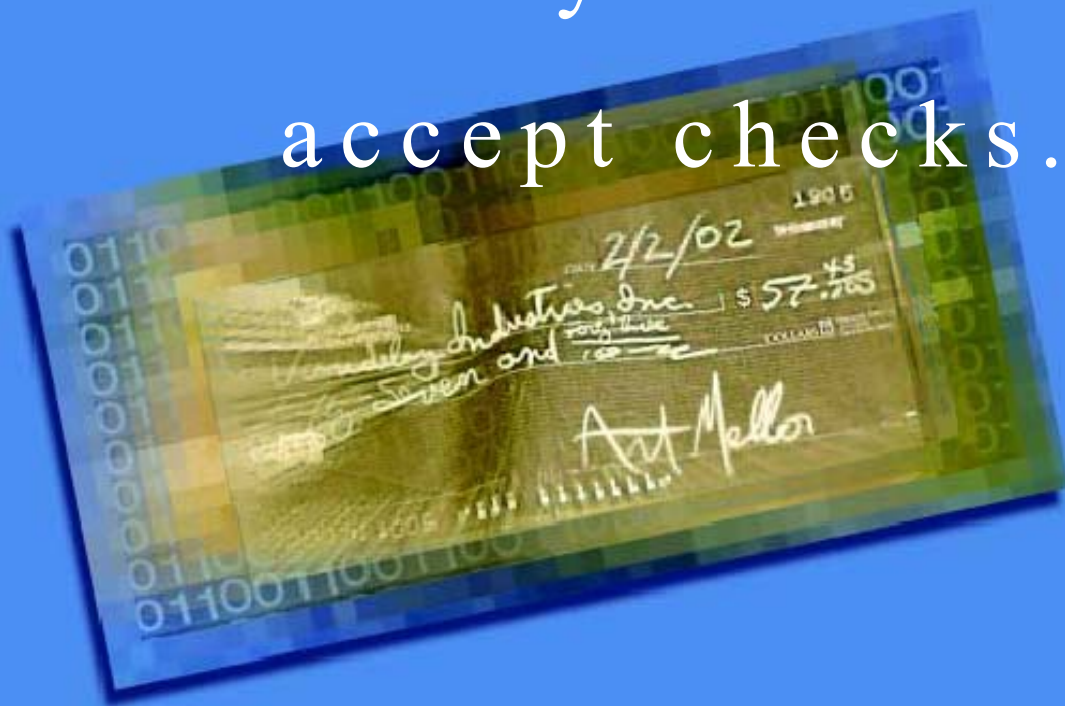
A composite image featuring a fountain pen nib in the foreground, writing on a check. The background is a dark blue field with a glowing yellow light source in the upper right, creating a bokeh effect. Overlaid on the scene is a grid of binary code (0s and 1s) in a light green color. In the bottom right corner, a portion of a green printed circuit board (PCB) is visible. The overall aesthetic is high-tech and digital.

*XpressConversion*SM
POS Check Service

Converting Paper Checks into
Electronic Checks

BANCTECH

A better way to accept checks...



If you're like most merchants, check acceptance is a necessary but burdensome part of conduction business. but there's a solution—the *XpressConversion* POS Check service. This new service converts paper checks presented at the point of sale into safe, efficient “electronic” checks.

The result?

- You continue to offer customers the option of paying by check.
- You dramatically reduce paper handling at the point of sale.
- You reduce your check acceptance costs and risks.

More Checks in Your Future.

In 2002, consumers wrote more than 19 billion checks at the point of sale, representing 51 percent of personal consumption expenditures for the year.

Yet, check acceptance is an expensive proposition. Processing is labor intensive and merchant check losses increase every year (\$23.2 billion in 2000). Your business has shared this expense.

Introducing the POS Check Service

The new POS Check Service is a practical solution for all merchants who accept paper checks at the point of sale. In widespread use, the service can help U.S. businesses reduce paper check-handling costs by an estimated \$8-\$10 billion annually. Your business's potential savings are related to the percentage of checks you convert from paper to electronic messages and the service option you select.

Now for the really good news:

You can work with BancTech to participate in the POS Check Service—giving you the benefits of partnering with one organization that can consolidate all of your electronic transactions through a single pipeline.

And, you can start converting paper checks and reducing paper check-handling costs and losses from the moment you launch the service.

Because the POS Check Service uses the established Visa and banking infrastructure, no sign-ups are required. Not for your customers. Not for the banks on which your customers draw their checks.

And, virtually all personal and business checks are eligible for conversion—immediately.

What's in it for you?

The POS Check Service offers your business a variety of benefits that includes lower check processing costs, reduced check acceptance risk, and increased incremental revenue.



Specific benefits include:

Fewer checks in your environment.

Because checks are immediately returned to your customers at the point of sale, there's no paper for your staff to handle, process, and forward to your bank. Fewer checks means lower bank processing fees.

Streamlined back office.

With fewer physical checks to handle, you streamline your back-office operation and reduce the opportunity for payment mishandling. And, end-of-day closing is faster and more efficient with fewer paper checks to process. Transactions for checks, credit cards, and debit cards can be processed in the same manner.

Limited risk.

Depending on the service option(s) you choose, the service limits risk by retrieving online checks authorizations directly from your customer's bank, getting faster access to the current status of your customer's account, and/or guaranteeing or verifying checks to determine the probability that they will be paid.

Fast availability of funds.

The service creates electronic checks that are automatically forwarded to existing bank clearing and settlement systems, assuring a speedy deposit of funds into your business checking account.

Expanded ability to accept checks.

By reducing the risk of check acceptance, depending on the service option selected, the service may enable you to increase revenue from incremental sales to customers you might otherwise turn away, such as those presenting out-of-state checks.

Improved customer service.

What's good for your customers is good for your business.

- Your customers benefit from the speed and convenience of the fast checkout enabled by the conversion process.
- They benefit from improved security because their paper checks are returned at the point of sale, minimizing the number of individuals who see personal data on checks.
- The service helps consumers with their record keeping by providing detailed transaction information on their checking account statements.



How the POS Check Service Works

1. Your sales clerk scans the check through a check reading terminal or check reader attached to your terminal. The terminal electronically captures the data from the check's MICR encoding.
2. Your sales clerk enters the purchase amount and, optionally, key-enters additional customer identification information that you may require.
3. The terminal converts the MICR data into a formatted POS Check Service transactions and sends it to BancTech.
4. BancTech processes the transaction and forwards the check transaction to Visa. Visa automatically routes the check to your customer's bank or BancTech's NCN check authorization service, and forwards the authorization response back through BancTech to your terminal.
5. Your sales clerk completes the transaction at the point of sale by voiding the paper check, printing a sales draft receipt, obtaining your customer's signature, and returning the voided check and copy of the signed receipt to the customer.

Your sales clerks and customers will quickly become familiar with the POS Check Service and they'll sail through the tendering process.



Service Options Put You in Control

With the POS Check Service, you have a high level of control over your check acceptance environment because you choose the service option(s) that offers the level of risk management that's right for your business:

- **Conversion Only:** The check authorization message is routed to your customer's bank or BancTech's National Check Network check authorization database. They determine if the check is eligible for conversion to an electronic item and to verify whether the account is open or closed. *Your retain the risk.*
- **Verification with Conversion:** The check authorization message is routed to your customer's bank or NCN to determine that the check can be converted to an electronic item, confirm that the account is open, and verify the probability that the check will be paid based on current information available to the authorizer. BancTech makes an accept or decline decision based on access to the checking account or the database. *You retain the risk.*

- **Guarantee with Conversion:** In addition to all the steps taken for the Verification with Conversion option, NCN also decides whether the check can be guaranteed for payment based on available funds or other information. *BancTech accepts the risk.*

Regardless of the service option used to process a paper check conversion, your sales clerk follows the same processing procedures and your funds availability does not vary.

Where to Start

Implementation of the POS Check Service is straightforward because it builds on your existing systems and procedures and the current Visa and banking infrastructures.

To accept check through the service, you must have a check MICR reader and compatible POS terminal. BancTech supports the most widely used terminals in the U.S., virtually assuring you of a compatible program. BancTech will provide the necessary technical and operational support to get you started.

Why Choose the *XpressConversion* POS Check Service

In developing infrastructure for the POS Check Service, Visa drew on its experience as the world's leading consumer payments network and used its existing infrastructure and connectivity to unite businesses, banks, and consumers in converting paper checks at the point of sale.

This combination of unsurpassed experience and proven infrastructure offers businesses like yours major competitive benefits:

- Cost-saving opportunities. Converting paper checks to electronic messages at the point of sale can help you reduce check processing costs and losses.
- Single-point processing efficiency. You can participate in the POS Check Service through BancTech, and combine the service with all of your electronic transactions.
- The efficiency and ubiquity of the Visa Network. The service incorporates the technology and reach of the world's largest and most reliable payment processing system.
- Instant acceptance. Since neither customers nor banks must sign up for the service, checks can be processed from the very first day. And there's no waiting for critical mass to develop. You have an instant audience for acceptance.
- Turnkey training materials. We make employee training easy with turnkey materials that help your staff understand why you're offering the service, how to encourage customers to participate, and their operational responsibilities.
- Simple implementation and POS processing. *XpressConversion* builds on existing procedures and infrastructures. No major systems or procedural changes are required for you to participate.
- Service options to meet your risk needs. One size doesn't fit all. With *XpressConversion* POS Check Service, you can select the risk management level that matches your needs.

For More Information

To learn more about the POS Check Service, please

contact BancTech at 1-877-823-8635, or contact us at the location shown below:

www.banctech.net

BancTech Processors, Inc.

1790 N Lee Trevino #313

El Paso, TX 79936

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