

Marketing and Products Worksheet Answers

Part I

Identify the transaction

Is it a debit, credit or both? Write a D for debit or a C for credit next to each application.

| | | | |
|----------|---------------------------------|------------------|-----------------------------|
| C | Social Security payment | D | Utility payments |
| D | Insurance payments | D | Cash Concentration |
| D | Point of Sale | C & D | Tax payments |
| C | Dividends | C | Payrolls |
| C | Pensions | D | Re-deposited Check Entry |
| C | Customer-initiated transactions | C | Interest payments |
| C | Annuities | C & D | Internet-Initiated Entries |
| D | Point-of-Purchase | D | Telephone-Initiated Entries |
| D | Charitable donations | C | Expense reimbursement |
| C | Government vendor payments | C | Cash Disbursement |

Reference for questions 1 and 2 is <https://direct.nacha.org/>.

1. Explain the difference between Direct Deposit and Direct Payment:

“Direct Deposit” is the deposit of funds for payroll, employee expense reimbursement, government benefits, tax and other refunds, and annuities and interest payments. It includes any ACH credit payment from a business or government to a consumer. This definition reflects the traditional industry uses of Direct Deposit

“Direct Payment” is the use of funds for making a payment. Individuals or organizations can send or receive a Direct Payment as an ACH credit or debit.

2. When should financial institutions use “via ACH” on their Direct Deposit and Direct Payment promotions?

Use “Direct Deposit via ACH” and “Direct Payment via ACH” at every appropriate opportunity. Specifically, use the complete phrase “Direct Deposit via ACH” or “Direct Payment via ACH” like you would use an acronym – fully articulated at first reference in a written piece, speech, presentation, or other environment. Subsequent references can refer simply to “Direct Deposit” or “Direct Payment.” Use “via ACH” with special product names this way: “[Product Name] via ACH” when it is your own brand. “[Product Name] via ACH” can apply to enrollment forms, payment lists, drop-down menus, marketing pieces, or other items as appropriate.

Handout A Answers

3. List the benefits to a financial institution that offers electronic payment services to their customers.

Confidential, Secure, Convenient
No lost lunch hours depositing checks or making bill payments
Deposits or payments made when out of town or ill
Open of business availability

4. What are the advantages of Direct Deposit and Direct Payment for corporations?

Saves on Check Storage
Reduces Reconciliation
Improved cash flow
Reduces paper costs
Reduces postage
Reduces time and labor

5. Billers offer Electronic Bill Presentment and Payment to their customers for what reasons?

Reduce costs related to printing, processing and mailing paper bills
Increase processing efficiencies
Improve cash flow and receivables management
Expand cross-marketing opportunities
Establish market leadership