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The Benefits of ACH Processing by James Blee

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The cost and time taken by checks to transfer funds has posed concerns for business owners due to which they are searching for ways to operate their business smoothly and efficiently. As ach processing provides increased revenue and a wide customer base hence it proves to solve their problems. Through this system, they can easily transfer funds electronically rather than accepting credit and debit cards for every transaction from clients which are subject to frauds and privacy concerns. This process reduces the cost and prevents errors by automating the payments and following up on bad checks. This processing is highly convenient as the recurring payments only need to be authorized once prior to first transaction. The direct deposit payroll checks can also be credited easily to the individualâ€™s account eliminating the need to drop the check every time in the bank for processing. The business owners also do not need to make special pay arrangements for employees who are on vacation or leave for a prolonged period of time..

The use of this system proves to be beneficial for business owners as the money for any purchase can be debited directly from customerâ€™s account saving both time and money. This system is cost effective as the fees applied for processing the transactions are fixed irrespective of transaction size whereas in case of merchant accounts the fees increases with the size of transactions. The transaction starts immediately when the merchant receives authorization from the customer to pay for some products on the website. The system would then create the ACH entry and send it to the financial institution. If the transaction is cleared, the total amount of the transaction is credited to the merchantâ€™s account.

This system provides hassle free, quick and convenient a faster access to funds which is essential for business owners to maintain the daily operations. But there are certain limitations of this system as well which needs to be considered.

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