

# Business Technology Program

## How-To Guide: How to Use Technology to Speed Customer Payments

Speeding up customer payments so that the cash gets into your account faster is one of the best ways to boost your business. Here are some technology tools that can speed your customers' payments.

### Accounting Software

If you are still handling your business's books manually, consider upgrading to one of the many small business accounting software packages available today. Accounting software enables you to easily track accounts receivable due dates so you can take immediate action when payment is past due.

### Remote Check Capture

Sometimes called "check capture" or "virtual teller," remote check capture speeds up a check's entry into the federal reserve check clearinghouse system so that customer checks are deposited into your account faster. Your bank provides you with software that scans checks, prepares an electronic deposit and sends it via the Internet to your bank. Using remote check capture, checks can be collected anywhere in the U.S. within two days. This is especially useful if you have multiple locations and normally forward checks to a central location to be processed for deposit. With remote check capture, checks can be processed from any location that has the software.

### ACH Debit

ACH (or "automated clearing house") is the U.S. check clearing system. An ACH debit is a computer-originated transaction that debits funds from a customer's checking account and moves them into yours. Most banks provide ACH debit services to their business customers. You can use ACH debit to set up recurring monthly transactions, arrange payment of COD shipments, or schedule down payments on large transactions. Using ACH debit eliminates the need to wait for a customer's payment in the mail. You always know when funds will be available, making your collections very predictable.

### Electronic Bill Presentment & Payment/Electronic Invoice Presentment & Payment

B2C companies use electronic bill presentment & payment (EBPP). The consumer signs up to receive bills by email, then clicks on a link in the email to make a secure payment and receive an electronic receipt. B2B companies use Electronic Invoice Presentment & Payment (EIPP). The business customer receives an invoice by email, then clicks a link in the email to choose from various payment options. With EBPP and EIPP, there is no need to mail bills or invoices or wait for payment by mail.



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## **Accepting Credit Cards**

If your business does not currently accept credit cards, doing so can speed customer payment. However, be sure to figure the cost of credit card acceptance fees into your plans. If your credit card volume is low, your fees may be 2.5 percent or more of your volume. If you offer B2B customers the option to pay by credit, fees on large amounts can add up, so weigh the advantages of speeding payment against the cost of the fees.

## **Remote Credit Card Payments**

If your company does work at customers' sites or makes deliveries, adding remote credit card payment acceptance can speed payments. Using smartphone-enabled credit card readers, your business can create an invoice, swipe a credit card, have the customer sign the smartphone touch screen, authorize the transaction, and send the customer an electronic receipt in just minutes. Using remote credit card payments enables you to get paid immediately wherever the service or product is delivered.

## **Alternative Payment Methods**

If your company sells products online, or if you rarely need to accept credit cards but would like the option to do so occasionally without high fees, Amazon Payments and PayPal can speed payment. Both PayPal and Amazon Payments are simple to use and enable your business to accept credit cards as well as their own branded payment systems.

