



**e.service®**

Dear Pastor, Finance Council, congregation member

Thank you for your interest in the United Methodist EFT program (UM EFT). It has been a privilege for Vanco Services to work with the General Council on Finance and Administration (GCFA) of the United Methodist church on this project.

Vanco Services, LLC is a financial services company providing electronic funds transfer for accounts receivable, accounts payable and net payroll. We currently serve over 6,000 churches nationwide. Our **e.service® Electronic Funds Transfer Service** is a simple, easy, highly efficient way to collect members' contributions.

*What this means for the church:*

- Consistent and level giving that eliminates seasonal slumps
- Fewer checks to process
- More efficient bookkeeping

*What this means for the member:*

- Encourages member to plan their giving
- Encourages member to implement their plan faithfully
- No checks to write

The following pages contain all the paperwork needed to sign up for and learn more about our service.

We look forward to having you join all the other congregations successfully using **e.service®** to fulfill their ministry. If you have any questions or need further assistance please call me at **1-800-774-9355**.

*Thank you* for choosing Vanco Services.

Sincerely,

A handwritten signature in black ink that reads "Jan Palmer".

Jan Palmer  
Marketing Representative

Vanco Services, LLC  
12600 Whitewater Drive  
Suite 200  
Minnetonka, MN 55343

800-774-9355  
952-983-8660  
952-9838665 Fax

[www.vancoservices.com](http://www.vancoservices.com)



# START-UP PACKET INSTRUCTIONS

**e.service® Electronic Funds Transfer Service  
for UM EFT Contributions**

Dear United Methodist Church,

Thank you for your interest in **e.service® Electronic Funds Transfer Service** for your UM EFT contributions. We are confident you will be pleased with the benefits of our service. Enclosed is all the paperwork you will need to get started.

## **PLEASE COMPLETE AND RETURN THE FOLLOWING ITEMS:**

- CREDIT APPLICATION**
- e.service® ELECTRONIC FUNDS TRANSFER AGREEMENT FOR UM EFT**
- CLIENT INFORMATION SETUP SHEET**
- BANKING AUTHORIZATION FORM (2 parts):**
  - (a) Authorization to Debit and/or Credit Account Per EFT Agreement
  - (b) Authorization for Electronic Payment of Vanco Services Program Charges
- Authorization to provide summary data to GCFA**
- Sample Authorization Form** – *Please indicate how you would like us to customize the form your members will sign in order to participate in the UM EFT electronic giving program (specify individual funds and/or annual contributions).*

*The above items MUST be completed before you can begin using e.service® EFT Service.*

## **PLEASE KEEP THE FOLLOWING ITEMS FOR YOUR REFERENCE:**

- Program Charges for **e.service® EFT Service**
- Client Procedures for UM EFT Church Contributions
- Marketing tips
- Sample bulletin announcements and letters
- Electronic Offering Cards
- Testimonials



# CREDIT APPLICATION

Please complete the information for use by Vanco Services, LLC credit underwriting

The information you provide will be used for the sole purpose of credit underwriting

## Company Information

Legal Business Name: _____	
Doing Business As: _____	Date Business Started: _____
Street Address: _____	
City: _____	State: _____ Zip: _____
Business Phone #: _____	
Web site Address: _____	
Type of Organization: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC	
Federal Tax ID#: _____ (If a Non-Profit, include copy of 501(c) 3)	

## Principal (Owner, Director, Officer, etc.)

Principal Name: _____	Title: _____
Home Address: _____	
City: _____	State: _____ Zip: _____

## Financial Institution Reference

Name of Financial Institution: _____	Contact Name: _____
Street Address: _____	
City: _____	State: _____ Zip: _____
Phone: (    )    -	Fax: (    )    - <i>* Required to complete setup process</i>
Routing #: _____	<i>Valid Routing # must start with 0, 1, 2, or 3</i>
Checking Account #: _____	Savings Account #: _____

## Statement of Accuracy and Permission to Verify

I hereby certify the information contained in this application is complete and accurate. Furthermore, I hereby authorize the financial institution listed in this credit application to release necessary information to Vanco Services, LLC for credit underwriting purposes.

_____	_____	_____
Authorized Signature on Bank Account:	Title	Date

## **e.service® ELECTRONIC FUNDS TRANSFER AGREEMENT FOR UM EFT**

**THIS AGREEMENT**, is made and entered as of the date that the last party to the agreement executes it between **VANCO SERVICES, LLC** ("Vanco") and \_\_\_\_\_ ("Company").

### **RECITALS:**

**A.** Vanco provides services to its customers pursuant to various **e.service®** programs, and

**B.** Company desires to purchase **e.service®** Electronic Funds Transfer Services ("**e.service® EFT**") from Vanco pursuant to the terms and conditions of this Agreement.

Vanco and Company hereby agree as follows:

1. **e.service® EFT.** **e.service® EFT** is an electronic funds transfer service utilizing the Automated Clearing House ("ACH"). **e.service® EFT** may include programming and data base management services as requested by the Company. Pursuant to the terms and conditions of this Agreement and the separate procedures set forth below, Vanco will collect amounts due Company from Company's customer ("Customer").

2. **COMPANY'S DUTIES.** In order to initiate any transaction, the Customer must execute an authorization for a direct debit to their checking or savings account for the amount which that Customer owes the Company. Such authorization form must be obtained prior to initiating the transaction. Company also agrees to comply with all of the rules and procedures of Vanco pertaining to **e.service® EFT** ("Client Procedures") which may be amended from time to time by Vanco. Company acknowledges that it has received a copy of the Client Procedures. Company will be bound by any amendments to the Client Procedures seven (7) days after receipt of the amendments.

3. **SETTLEMENT OF TRANSACTIONS.** Vanco will utilize an Originating Depository Financial Institution ("ODFI") to initiate the electronic funds transfer entries. The Company acknowledges that Vanco and the ODFI are bound by ACH rules, regulations and guidelines.

The settlement of the debit transactions for the Customer and the crediting of those transactions to Company's depository account maintained at its financial institution ("Company's Account") shall all be made pursuant to ACH rules. At no time will the settlement amounts be deposited in or credited to Vanco's bank account.

In the event that it is necessary to make a reversing entry for any debit transaction to a Customer's account by reason of insufficient account funds, a withdrawal of the authorization by the Customer, or for any other reason, Company hereby authorizes Vanco to debit Company's Account in order to settle such reversing entry and Company hereby indemnifies Vanco for all amounts which are subject to such reversing entries.

4. **PROGRAM CHARGES AND TAXES.** The Company agrees to pay Vanco monthly for **e.service® EFT** by an ACH debit to Company's Account for the Program Charges. Said Program Charges, which Company acknowledges receiving

from Vanco, may be modified at any time upon prior written notice. Any taxes or fees, except taxes based upon income, imposed by any federal, state, municipal or other governmental authority that may be applicable to the services provided to Company pursuant to this Agreement shall be paid by Company regardless of whether such taxes or fees are added to the invoice which Vanco provides to Company and regardless of when such taxes or fees are determined to be due and owing.

5. **COMPANY WARRANTIES.** The Company hereby warrants as follows:

- a. That the authorization received from the Customer is genuine and enforceable;
- b. If it initiates a debit entry for the Customer by utilizing Vanco's internet site or if it sends Vanco a data file which permits Vanco to initiate the transaction without itself entering the data, it is in possession of an authorization for each such debit entry as well as any modifications or changes made to the original authorization for a debit entry and it shall maintain copies of such documentation for two (2) years following termination or revocation of the authorization;
- c. That any and all Customer requests to terminate the authorization to debit their bank account have been provided to Vanco unless it has utilized Vanco's internet site or if it sends Vanco a data file which permits Vanco to initiate the transaction without itself entering the data and is thereby bound pursuant to Subparagraph b to maintain copies of the authorization;
- d. Each debit entry is for an amount which will be due and owing to the Company on the settlement date for a sum specified to be paid to the Company or is to correct a previously transmitted entry;
- e. That it will not initiate any debit entry which violates the laws of the United States;
- f. That it shall be responsible for and pay the ODFI for any credit entries originated and any debit entries returned by the RDFI (Receiving Depository Financial Institution) when the ODFI does not receive payment from Vanco; and
- g. The Company has not received any bankruptcy notice or other notification which would in any manner bar the debiting of the Customer's bank account;
- h. That if the amount of the debit entry to be initiated to the Customer's account is different from the amount of the immediately preceding debit entry, that Company has sent the Customer written notification of the amount of the entry and the date on or after which the entry will be debited.
- i. It assumes the responsibilities of an Originator under the NACHA Rules (National Automated Clearing House Association), which includes but is not limited to being bound by Article 5 of the NACHA Operating Rules regarding returned entries. An

“Originator” is an entity (such as Company) that agrees to initiate ACH entries into the ACH Payment System.

**6. COMPANY LIABILITY AND INDEMNIFICATION.**

The Company shall be liable for all damages which Vanco suffers by reason of the Company's breach of any of its warranties set forth in Paragraph 5 of this Agreement or by reason of any other representation made by it in this Agreement. In the event Vanco has credited Company's Account with funds debited from Customer's account which debit is returned because there were insufficient funds in Customer's account, Vanco shall be entitled to debit Company's Account for the amount of said credit together with any fees incurred by Vanco by reason of such return. In no event shall Company be liable for any consequential, special, punitive or indirect loss or damage.

**7. VANCO LIABILITY.** Vanco shall be responsible for performing only those services expressly provided for in this Agreement and shall be liable only for material losses directly resulting from its intentional misconduct in performing those services. Except as provided for in the preceding sentence, Vanco shall not have any liability for failing to perform, for delay in performing or for negligently performing any services pursuant to this Agreement, and shall have no liability for any consequential, special, punitive or indirect loss or damage.

**8. TERM.** This Agreement shall continue in effect, unless terminated by either party upon thirty (30) days written notice. Provided however, that in the event that Vanco attempts to make a debit to Company's account pursuant to Paragraph 4 or Paragraph 6 of this Agreement which is later returned because the account has insufficient funds in it to permit the debit transaction, Company has terminated Vanco's authorization to debit Company's Account, or for any other reason which prevents Vanco from making the debit entry, Vanco shall be entitled to terminate this contract immediately upon the occurrence of such an event and will thereafter give written notice to Company that this Agreement has been terminated.

**9. CONFIDENTIALITY.** Vanco acknowledges that in performing services for the Company pursuant to this Agreement that it will have access to Company's customer list. Vanco agrees to treat such customer list and related information which it derives from performing this Agreement as confidential information which it hereby agrees it will not disseminate to any third person, either in whole or in part, and will not in any manner use said information for its own benefit. Vanco shall also take such steps as are reasonable and necessary to cause its employees to be individually subject to an obligation to treat such information as confidential.

**10. MISCELLANEOUS.** This Agreement shall constitute the entire agreement between the parties and supersedes all prior oral or written representations, conditions, warranties, understandings, proposals or agreements regarding *e.service*® EFT. This Agreement may hereafter be amended by Vanco giving Company advance written notice of changes to the terms and conditions of this Agreement and Company's utilization of *e.service*® EFT from Vanco subsequent to such notification. This Agreement shall be construed under the

laws of the State of Minnesota and the exclusive venue for any litigation shall be in courts of the State of Minnesota. The Company hereby submits to the jurisdiction of said courts.

All notices which may be given to either party may be given by mail or in person at the last known address of each of the parties.

This Agreement may not be assigned by either party except that either party may assign this Agreement to any successor by merger, consolidation or corporate reorganization.

Each party hereby warrants and represents that the person whose signature appears below has been duly authorized and that all of the necessary and appropriate corporate authority exists for said party to execute this Agreement.

**VANCO SERVICES, LLC**

By \_\_\_\_\_  
(Vanco Services, LLC Officer's Signature)

\_\_\_\_\_  
(Vanco Services, LLC Officer's Printed Name)

Its \_\_\_\_\_  
(Vanco Services, LLC Officer's Title)

Dated: \_\_\_\_\_

**CONGREGATION**

\_\_\_\_\_  
(Name of Congregation)

By \_\_\_\_\_  
(Congregation Officer's Signature)

\_\_\_\_\_  
(Congregation Officer's Printed Name)

Its \_\_\_\_\_  
(Congregation Officer's Title)

Dated: \_\_\_\_\_



# CLIENT INFORMATION SETUP SHEET



**PLEASE PRINT LEGIBLY**

Legal Business Name: \_\_\_\_\_

Doing Business As: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Primary Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Business Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Alternate Phone # (optional): \_\_\_\_\_  Home  Cell  Other \_\_\_\_\_

Other Phone # (optional): \_\_\_\_\_  Home  Cell  Other \_\_\_\_\_

Best time of day to call for initial training: \_\_\_\_\_

Email Address: \_\_\_\_\_

How would you like to receive reports?

Download myself via the Service Center  Email with attachment  Email with notification  Fax (additional fee)

**Service Center Access: *Vanco Services requires the following information for access to our Online Service Center.***

Please provide the name of the individual who will be your organization's Service Center Administrator. The Administrator will have the ability to setup additional Service Center users and assign equal or lesser security access to others within your organization. Also provide an eight character User ID and a valid email address.

Name of Administrator: \_\_\_\_\_

User ID: 

--	--	--	--	--	--	--	--	--

 \* Must be exactly 8 characters long and is subject to system availability.

Email: \_\_\_\_\_  
\* Required for Service Center access

Questions or special instructions (e.g. list of funds you would like to set up, we recommend a maximum of 6 funds): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

<b>For Vanco Use Only</b>	Congregation Code: _____	Account Manager: Jan Palmer	GCFA
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# BANKING AUTHORIZATION FORM

Company Name \_\_\_\_\_

**\* MUST COMPLETE BOTH SECTIONS EVEN IF INFORMATION IS THE SAME \***

## AUTHORIZATION TO DEBIT AND/OR CREDIT ACCOUNT PER e.service® AGREEMENT(S)

I authorize Vanco Services, LLC to initiate VARIABLE transactions to the account indicated below. This authorization will remain in effect until I notify Vanco Services, LLC in writing to discontinue.

Name of Financial Institution \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Authorized Signature on Bank Account \_\_\_\_\_

Title \_\_\_\_\_

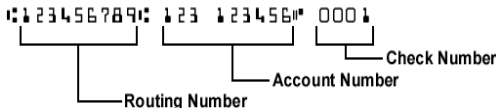
Date \_\_\_\_\_

Account Type:  Checking (ATTACH A VOIDED CHECK)  
 Savings (Contact your financial institution for the appropriate Routing Number)

Financial Institution Routing Number: \_\_\_\_\_

Financial Institution Account Number: \_\_\_\_\_

**\* PLEASE ATTACH A VOIDED CHECK \***



## AUTHORIZATION FOR ELECTRONIC PAYMENT OF VANCO SERVICES PROGRAM CHARGES

I authorize Vanco Services, LLC to initiate DEBIT transactions to the account indicated below. This authorization will remain in effect until I notify Vanco Services, LLC in writing to discontinue the electronic payment.

Name of Financial Institution \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Authorized Signature on Bank Account \_\_\_\_\_

Title \_\_\_\_\_

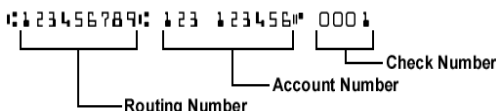
Date \_\_\_\_\_

Account Type:  Checking (ATTACH A VOIDED CHECK)  
 Savings (Contact your financial institution for the appropriate Routing Number)

Financial Institution Routing Number: \_\_\_\_\_

Financial Institution Account Number: \_\_\_\_\_

**\* PLEASE ATTACH A VOIDED CHECK \***





## Authorization to Provide Summary Data to the General Council on Finance and Administration

---

Vanco Services, LLC is authorized to disclose to the General Council on Finance and Administration of The United Methodist Church (GCFA) that the congregation listed below is participating in **e.service® Electronic Funds Transfer Service**. In addition, Vanco Services, LLC is authorized to provide to GCFA summary data on the number of donors and the monthly remittances. This data will not disclose any individual contribution or member. GCFA will use this data for the purpose of evaluating the level of participation in its sponsored Electronic Funds Transfer Service.

Congregation Code (if known): \_\_\_\_\_

\_\_\_\_\_  
Church

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title


\_\_\_\_\_  
Date



# SAMPLE AUTHORIZATION FORM

Below is a sample of the authorization form your members will sign in order to authorize a debit to their bank account. We will customize this form with your church name and Client ID number and send it to you upon approval of your application. If you have any specific requests, please provide them below and return this page to Vanco Services. (Fax Number: 952-926-1758)

Direct Answers To Questions About Electronic Donation		
<p><b>Q. What is electronic donation?</b> A. Electronic donation is an automatic transfer program which allows you to make donations without writing checks.</p> <p><b>Q. What is the advantage of electronic donation?</b> A. It saves time. You also help the church stabilize its budget and save money.</p> <p><b>Q. How is my electronic donation automatically deducted from my account?</b> A. Once you authorize the transfer, your specified donation is electronically transferred directly from your checking or savings account to the church's account.</p> <p><b>Q. When will my donation be deducted from my account?</b> A. On the date you authorize.</p>	<p><b>Q. If I do not write checks, how do I balance my checkbook?</b> A. Since your donation is made at a pre-established time, you simply record it in your check register on the appropriate date.</p> <p><b>Q. Without a canceled check, how can I prove I made my donation?</b> A. Your bank statement gives you an itemized list of electronic transfers. It is your proof of donation.</p> <p><b>Q. Is electronic donation risky?</b> A. Electronic donation is less risky than check donation. It cannot be lost, stolen or destroyed.</p> <p><b>Q. What if I change bank accounts?</b> A. Notify us and we will give you a new authorization form to complete.</p>	<p><b>Q. How much does electronic donation cost?</b> A. For you nothing!</p> <p><b>Q. What if I try electronic donation and don't like it or need to change it for any reason?</b> A. You can cancel or change your authorization by notifying us any time. But, once you've enjoyed the convenience, time and money savings of electronic donation, we doubt you will want to go back to making donations the way you did before.</p> <p><b>Q. How do I sign up for electronic donation?</b> A. Complete and sign the authorization form below and return it to the church office along with a voided check or voided savings deposit slip.</p>

AUTHORIZATION AGREEMENT FOR AUTOMATIC WITHDRAWAL OF FUNDS			
	Church Name _____	Congregation Code _____	
FOR OFFICE USE ONLY	DONOR #	DATE	
Effective date of authorization: _____			
Type of authorization: <input type="checkbox"/> New authorization <input type="checkbox"/> Change banking information <input type="checkbox"/> Change donation amount <input type="checkbox"/> Discontinue electronic donation <input type="checkbox"/> Change donation date			
Last Name _____		First Name _____	
Address _____			
City _____		State _____	Zip _____
Please debit my donation from my (check one): <input type="checkbox"/> Checking Account (attach a voided check) <input type="checkbox"/> Savings Account (contact your financial institution for Routing #)		Routing Number: _____ <i>Valid Routing # must start with 0, 1, 2, or 3</i> Account Number: _____ <small>⑆ 234567890 123 4567 8901 0001</small> <small>Routing Number      Account Number      Check Number</small>	
Date of first donation: _____/_____/_____	<b>Frequency of donation:</b> (check only one) <input type="checkbox"/> Weekly – Mondays <input type="checkbox"/> Semi-Monthly – 1 <sup>st</sup> and 15 <sup>th</sup> <input type="checkbox"/> Monthly on the 1 <sup>st</sup>	<b>Fund designations and amounts:</b> <input type="checkbox"/> General/Operating \$ _____ <input type="checkbox"/> Building \$ _____ <input type="checkbox"/> _____ \$ _____ <div style="text-align: right;"><b>Total</b> \$ _____</div>	
Special Instructions: _____			
<b>AGREEMENT</b>			
I authorize the above church and <b>Vanco Services, LLC</b> to process debit entries to my account. I understand that this authority will remain in effect until I provide reasonable notification to terminate the authorization.			
Authorized Signature: _____			Date: _____

Frequencies

Funds

**See reverse side for instructions on how to customize your authorization form.**

## INSTRUCTIONS FOR CUSTOMIZING YOUR AUTHORIZATION FORM:

---

- 1) In the space below, provide any specific requests that you would like to see on your form (e.g. funds, one-time contributions, or frequencies). We recommend a maximum of 6 funds and 2-3 frequencies. Feel free to mark up the form on the front side if it helps to communicate how you would like it to look.

**Funds:** \_\_\_\_\_  
\_\_\_\_\_

**Frequencies:** (check those that apply)  Weekly  Monthly  Bi-weekly (every other week)  
 Semi-monthly (twice a month)

**Annual Contributions:** (e.g. Easter Offering) – *This is an optional section that may be added upon request.*

\_\_\_\_\_  
\_\_\_\_\_

**Other Instructions/Comments:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 2) Return this form along with any requests. If we do not receive any specific requests, we will send you a form with your church name and Client ID in a format similar to the one on the front side.

- 3) When your account is all set up, Vanco will send your customized authorization form via (check one):

Email (Microsoft Word)  Email (Adobe PDF)  Fax



Vanco Services, LLC • 12600 Whitewater Drive, Suite 200 • Minnetonka, MN 55343

800-774-9355 (Phone) • 952-926-1758 (Fax)



# PROGRAM CHARGES

## e.service® Electronic Funds Transfer Service for UM EFT Contributions



**NOTE:** Vanco invoices monthly for the following program charges. These charges are electronically debited from your financial institution account.

**No Initial Setup Fee**

**No Monthly Service Fee**

**No Monthly Minimum**

### STANDARD FEES

#### NEW AUTHORIZATIONS OR CHANGES TO BANKING INFORMATION

- Entered via Service Center or data file..... **\$0.50** Per Authorization
- Entered by Vanco Services..... **\$1.50** Per Authorization

#### CHANGES OTHER THAN BANKING INFORMATION

- Entered via Service Center or data file..... **\$0.25** Per Change
- Entered by Vanco Services..... **\$0.65** Per Change

#### TRANSACTIONS

- Two-day settlement (standard)..... **\$0.25** Per Transaction
- One-day settlement..... **\$0.50** Per Transaction

#### RETURN ITEMS

- 1) REGULAR RETURNS..... **\$3.00** Per Return

If the withdrawal of funds from **participant's account** generates a Return due to:

- Insufficient Funds (NSF)
- Account Closed
- No Account/Unable to Locate Account
- Invalid Account #
- Account # Changed
- Routing # Changed
- Account/Routing Change
- Account Type Changed

- 2) LATE RETURNS..... **\$5.00** Per Return

If the withdrawal of funds from **participant's account** generates a Return due to:

- Revoked
- Not Authorized

*For more details refer to the section "Return Items" in Client Procedures.*

### MISCELLANEOUS FEES

- CREDIT BACK TO PARTICIPANT..... **\$5.00** Per Credit

If participant's account needs to be credited.

#### REPORTS

- Reports sent via fax..... **\$5.00** Per Month
- Reports sent via email or accessed online..... No Charge



# Client Procedures

for **e.service® Electronic Funds Transfer Service**  
(UM EFT Church Contributions)

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This Procedures Manual is designed to help you understand how **e.service® Electronic Funds Transfer Service** works. Feel free to call our Client Services Department during business hours – Monday through Friday 8:00am to 4:30pm Central Time at 800-675-7430. We will be happy to answer any questions you may have.

# Introduction

Vanco's **e.service® EFT Service** is a highly efficient, low cost alternative to traditional methods for processing transactions. Vanco automatically transfers funds from the participant's account to your account on the dates you and/or the participant predetermine. Vanco utilizes the Automated Clearing House (ACH) Network when transferring funds electronically.

**ACH Network:** The ACH Network was developed as an alternative to the paper check system. In 2004, there were over 12 billion ACH payments valued at \$28.6 trillion. The operating rules and business practices for the ACH network are set by the National Automated Clearing House Association (NACHA, [www.nacha.org](http://www.nacha.org)). Vanco is a member of the Upper Midwest Automated Clearing House Association (UMACHA, [www.umacha.org](http://www.umacha.org)). A copy of the ACH rules and regulations can be ordered from the NACHA web site.

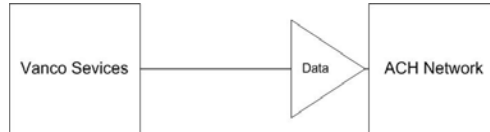
**Software Requirements:** You are not required to purchase or lease any specialty software. Information may be transmitted to Vanco by entering it on our web-based Service Center, by sending a data file, or via fax or mail to Vanco Client Services.

**Getting Started:** Once you have been setup in our **e.service®** system, the following two steps must be completed before Vanco Services can process electronic transactions.

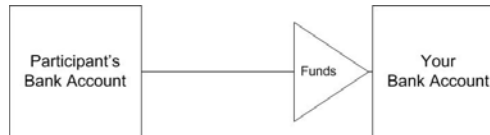
1. Participant gives you authorization to debit their account.
2. Authorization information is entered into Vanco's **e.service®** system.

**Processing Transactions:** Once authorization information is entered into our system, the following two steps will occur:

1. Two days prior to settlement, Vanco transmits ACH files for processing at 3:00 p.m. Central Time.



2. On the settlement date, Vanco transfers funds directly from participant's bank account to your bank account.



## Best Practices

Once you have been set up for our **e.service®** Electronic Funds Transfer Service, Vanco would like you to make the most of this convenient payment solution. In order to help us provide you with an easy, hassle-free experience, please consider the following:

- Record your assigned ES # for easy reference when calling Vanco.
- Schedule a time (approximately 15 minutes) for our Implementation Department to walk you through the following:
  - Using the online Service Center
  - User ID & Password
  - Policies
  - Timelines
  - Reports
- Review all **ACH Confirmation Reports** to verify Adds, Changes, and/or Deletes.
- Reconcile your **ACH Deposit Report** to your bank account.
- Address all items on the **Returns Report** in a timely manner.

## Contact Information

### Client Services Department:

Local Phone.....	952-983-8660
Toll-Free.....	800-675-7430
Fax.....	952-983-8665
Data Transfer.....	952-983-8680

[cs@vancoservices.com](mailto:cs@vancoservices.com)

### Mailing Address:

Vanco Services, LLC  
12600 Whitewater Drive, Suite 200  
Minnetonka, MN 55343

## The Service Center

### SERVICE CENTER BENEFITS

- Setting up new participants is easier and more affordable via the Service Center,
- You will be able to manage all electronic transactions processed through Vanco 24 hours a day, 7 days a week from any computer with Internet access, and
- You will have the ability at any time to view all transaction and operational reports.

To request access to the Service Center complete the appropriate section of our **Client Information Setup Sheet**, or call our Client Services Department at 800-675-7430 for more information.

### SERVICE CENTER REQUIREMENTS

**128-bit Encryption:** Vanco and ACH rules require that you use a browser capable of 128-bit encryption. Encryption is a security measure whereby information is scrambled as it is transmitted over the Internet to ensure confidentiality. Having a browser with 128-bit encryption will ensure maximum security during your Service Center sessions.

Upon logging in to the Service Center, you can confirm that your session is encrypted by locating a small icon. Netscape Navigator and Internet Explorer users will see a padlock icon in the lower right corner of the browser. For information about your browser's specific security capabilities go to the help section on the browser menu. If your browser needs to be upgraded, we recommend downloading the latest version of one of the following browsers:

- **Netscape® Navigator**  
[www.netscape.com/computing/download/index.html](http://www.netscape.com/computing/download/index.html)
- **Microsoft® Internet Explorer**  
[www.microsoft.com/windows/ie/downloads/default.asp](http://www.microsoft.com/windows/ie/downloads/default.asp)

*If your browser does not support 128-bit encryption, you will be blocked from the Service Center.*

**Virus Protection:** Vanco requires that you run anti-virus software before transmitting data through the Service Center. The anti-virus software you run should be commercially available and updated no less than once per month.

## Internet Security

When sharing information over the Internet, be aware of emails, web sites, and pop-up windows that ask you to enter confidential information (i.e., Social Security number, bank account number, User ID and Password). These emails and web pages may appear authentic and, in some cases, almost identical to those belonging to financial institutions and businesses. In many cases, however, they are scams created by criminals trying to obtain your personal information. This fraudulent act is commonly known as "phishing." Your risk of being exposed to scams like this can be greatly reduced by taking the following precautions:

- Never respond to an email asking you to enter confidential information such as your User ID, Password, Social

Security number, etc. Vanco will never ask for such information via email. If you receive such an email, contact Vanco immediately.

- Never send confidential information over the Internet unless you have verified that the web site is legitimate. For questions about the legitimacy of a web site, contact the company by phone.
- Never share your User ID and Password with anyone.
- Make sure your Internet browser is up to date and all security patches have been installed.

## Obtaining Authorization

Vanco accepts authorizations for the following four approved ACH transaction types:

- PPD = business to consumer (most common)
- CCD = business to business
- TEL = telephone initiated
- WEB = Web initiated

In order to process the above types of ACH transactions, authorization must be received for each participant. Vanco supports the following three forms of authorization currently allowed under ACH rules:

- Written
- Internet-initiated
- Telephone-initiated

The following are the procedures/guidelines, according to ACH rules, that must be adhered to when obtaining authorization for ACH transactions.

*Vanco will perform random audits to monitor for compliance to these required rules.*

**Written Authorization (PPD or CCD):** A written authorization can be for either fixed or variable amounts as well as single or recurring transactions.

- **Fixed transactions** - The Authorization Form must include the amount of each transaction and the dates and/or frequency of the transactions.
- **Variable transactions** – You must give the participant notification of the amount and the date on or after which the transaction will be debited. This notification must be given at least 10 calendar days prior to the settlement date.

All authorization forms must be signed and dated by the participant and include:

- Participant's name
- Participant's address, city, state and zip
- Participant's bank routing and account numbers
- A voided check or savings deposit ticket
- Language on how the participant can terminate the authorization

Vanco Services recommends using one of our pre-designed authorization forms. If you choose to design your own form, Vanco Services must review and approve it in order to make certain that all required information is included.

*A copy of the authorization must be retained for a minimum of two years following the termination or revocation of the authorization. The only time Vanco will retain the authorization is if you fax or mail a written authorization to Vanco for entry into our system. Otherwise, you are required to retain the authorization.*

**Internet-Initiated Authorization (WEB):** If you would like to be able to accept web-initiated transactions, contact your marketing representative for details.

Authorizations received via the Internet can be for either one-time transactions or recurring transactions. As with all transactions, the authorization must conform to the ACH rules and guidelines and include:

- Participant's name
- Participant's address, city, state and zip
- Participant's bank routing and account numbers
- Participant's signature
- Language on how the participant can terminate the authorization

Authorizations must be signed or similarly authenticated. Two valid options for authentication are:

- Your safest option is using a User ID and Password that you have assigned the participant. This User ID and Password must be unique to each participant.

- Generate an email back to the participant confirming the information they entered. The authorization is considered authenticated once the participant has responded to the email.

In addition, the authorization must clearly state that it is for an ACH debit, state the terms of the authorization, and (for recurring payments) provide a method to terminate the authorization by notifying you. You should also prompt the participant to print and retain a copy of the authorization.

**NOTE:** There are certain risks associated with web transactions. You should take the following steps to minimize your risk:

- Have a way to verify the routing number. This can be done through a database, by computing the check digit, or by calling the participant's financial institution.
- Your web site must also have a minimum of 128-bit SSL encryption.

**Telephone-initiated Authorizations (TEL):** If you would like to be able to accept telephone-initiated transactions, please contact your marketing representative.

When conducting TEL-transactions, you must adhere to the following guidelines:

- TEL-transactions are conducted for single debit entries only.
- The participant must initiate the phone inquiry.
- Additional debits to an account require written authorization from the participant and must be initiated by the participant.
- Transactions must be coded as a "TEL."
- You must either (1) record the oral authorization or (2) provide the participant with written notice confirming the oral authorization prior to the settlement date.

*Original or duplicate recordings or written confirmation of participant's authorization must be retained for two years from the date of authorization and must be made available to Vanco Services upon request to review for compliance.*

Telephone-initiated authorizations must include the following information:

- Participant's name
- Participant's address, city, state and zip
- Date on which the account will be debited
- The amount of the single entry debit
- Participant's bank account and routing number
- Date of participant's verbal authorization
- A business telephone number for the participant to call during normal business hours.

- A statement that the information given by the participant will be used to originate a single ACH debit entry to the participant's account along with a clear expression of the terms of the authorization.

**NOTE:** There are certain risks associated with telephone transactions. In order to minimize your risk, you should verify

the identity of the participant. Originators of TEL entries are required to utilize commercially reasonable procedures to verify the identity of the participant. Methods include for example, the use of a directory or database to verify participant's name, address and phone number.

## Transmitting Authorization Information

Once the participant has given you verifiable authorization, Vanco will be ready to process electronic transactions as soon as that participant's authorization information is received and entered into our system. You can transmit authorization information one of three ways:

**Online Entry Via the Service Center:** Enter the authorization information yourself at [www.vancoservices.com](http://www.vancoservices.com). This option gives you more control over your account and lowers your costs.

*You are responsible for keeping the Authorization Form on file for 2 years from the termination or revocation of the authorization.*

**Send a Data File:** You can program your software to generate a file using the Vanco standard layout. If you have any questions regarding this option, please ask your marketing representative.

**Fax/Mail:** Simply fax or mail a copy of the signed Authorization Form to us and we will enter it into our **e.service®** system for you. Make sure all the necessary information is included before sending. Vanco will keep the Authorization Form on file for 2 years per ACH rules.

*The day after new participants are set up or changes have been made to a current participant's account, an **ACH Confirmation Report** (see example on Page 6) is sent to you. You are responsible for making sure all information on the **ACH Confirmation Report** is accurate and up-to-*

## Flow of Funds

Prior to each settlement date, Vanco will send you an **ACH Deposit Report** (Page 7). This report lists each participant whose account will be debited, the amount of each debit, the total number of transactions, as well as the total dollar amount that will be deposited into your account. For churches and nonprofits with multiple funds, an **ACH Fund Detail Report** (Page 8) is sent instead. This report is similar to the Deposit Report, but it is organized by each individual fund. Both of these reports should be used to update your cash position and participant records. On the authorized settlement date, funds

are transferred from the participant's account directly to your bank account. If any transaction should be returned:

1. Vanco sends you a **Returns Report** (Page 9) listing the reason the transaction was returned. See "Return Items" section on the next page.
2. The funds for any return items are debited from your account the next day.

**NOTE:** All reports are available 24/7 via the Service Center.

## Issuing ACH Credits

All credits must be initiated by Vanco Services. If funds need to be credited back to a participant, a **Change/Stop/Credit Form** (enclosed in the start-up packet) must be completed and returned to Vanco via fax or mail.

Credit requests cannot be issued or entered online. Upon receipt of the completed **Change/Stop/Credit Form**, Vanco

will initiate the credit to the participant's account on the following day. See **Program Charges** (enclosed in the start-up packet) for pricing.

*Credit requests cannot be issued or entered via the Service Center.*



## Return Items

Financial institutions have two (2) business days following settlement to return an ACH transaction. When a transaction is returned, the following steps occur:

1. Funds are debited from Vanco's trust account on the same day we receive notification of return items.
2. That same day, Vanco sends you a **Returns Report**. This report details all returned transactions with the participant's name, number, amount and date of the transaction, and the reason for the return<sup>1</sup>. This report can also be obtained online via the Service Center.
3. Funds are debited from your account the next business day.

*Accounts with returns appearing on the **Returns Report** are placed on hold until your office instructs Vanco Services to remove them from hold or you remove them from hold via the Service Center.*

### LATE RETURNS

Late returns are defined as any return sent to Vanco after the second business days following settlement. These returns are processed like any other return pending the outcome of the dispute, however Vanco will "Dishonor" them as untimely, with the exception of returns coded "Not Authorized, Pay Stop, or Revoked". A financial institution that repeatedly returns transactions in an untimely manner can be reported to the governing board of the ACH network and fined.

With business-to-consumer transactions, the consumer has up to **60 days** after the date their account was debited to dispute a transaction. To do this, the consumer must go to their bank and sign an affidavit stating that they wish to return a transaction due to Not Authorized, Pay Stop, or Revoked reasons. According to NACHA rules, these types of returned transactions may not be reinstated unless subsequent authorization has been received from the account holder. Occurrences of this are rare.

### NOTIFICATION OF CHANGE

When a change occurs to a participant's banking information (i.e. Routing Number, Account Number, and/or Account Type) the following steps occur:

1. The participant's financial institution notifies Vanco Services of the change.
2. Vanco automatically updates the participant's banking information within our system.
3. Vanco sends you a **Returns Report** detailing one or more of the following reasons for change:
  - ACCT# CHANGED,
  - ROUTE# CHANGED,
  - ACCT/RT CHANGE, or
  - ACCT TYPE CHANGED.

***When you receive a notification of change, please be aware of the following:***

- *No action is required on your part, but we recommend that you update your internal records to reflect the information provided in the "Notification of Change" section on the **Returns Report**.*
- *Scheduled transactions will process as scheduled.*
- *Normal return fees apply (see Program Charges enclosed in the Start-up Packet).*
- *Accounts appearing in the "Notification of Change" section of the **Returns Report** are **not** placed on hold.*

<sup>1</sup> The more common abbreviations Vanco Services uses for return reasons are:

- INSUF FUNDS = Insufficient Funds
- ACCT CLOSED = Account Closed
- NO ACCOUNT = No Account/Unable to Locate Account
- INVALID ACCT = Invalid Account Number
- REVOKED = Authorization Revoked by Customer
- PAY STOP = Payment Stopped or Stop Payment on Item
- UNCOLLECTED = Uncollected Funds
- NOT AUTHORIZED = Customer Advised Not Authorized; Item is Ineligible, Notice Not Provided, Signatures Not Genuine, or Item Altered
- BRANCH SOLD = Branch Sold to another DFI
- BEN DECEASED = Beneficiary or Account Holder Deceased
- ACCT FROZE = Account Frozen
- NON-TRANS = Non-Transaction Account
- RFI INVALID = Routing Number Invalid

# ACH Confirmation Report

Generated at 2:40 a.m. Central Time the day after new participants have been entered, changes have been made to existing accounts, and stop payments have been entered.

You are responsible for ensuring that all information on the ACH Confirmation Report is accurate and up-to-date. All operational reports are available 24/7 via Vanco's online Service Center.

**e.service®**  
Vanco Services  
12600 Whitewater Dr Ste 200  
Minnetonka, MN 55343



Phone: 800-675-7430  
Fax: 952-983-8665

## ACH Confirmation Report

Date: 10/01/2004  
Time: 14:40:48

CONTACT  
COMPANY  
ADDRESS  
CITY, STATE, ZIP

Phone: ### ### ####  
Fax: ### ### ####

ES####

## News

### Upcoming Banking Holidays

Veteran's Day  
11/11/2004

The Federal Bank Holiday may affect your ACH processing timeline. Just a reminder that Vanco processes ACH transactions on every business day, which is defined as a calendar day other than Saturday, Sunday or a Federal Holiday.

## New Participants\* / New Transactions

<i>Participant Name</i>	<i>Participant ID</i>	<i>Fund ID</i>	<i>Start Date</i>	<i>End Date</i>	<i>Freq</i>	<i>Amount</i>
* HOWARD, SALLY	SH1234	0001	10/10/04	None	M	39.95
* HUDSON, KATE	KH1234	0001	10/10/04	None	M	10.00

<i>Participant Name</i>	<i>Participant ID</i>	<i>Fund ID</i>	<i>Start Date</i>	<i>End Date</i>	<i>Freq</i>	<i>Amount</i>
ANDERSON, JOHN	JA1234	0001	10/29/04	10/29/04	M	75.00

## Changes

<i>Participant Name</i>	<i>Participant ID</i>	<i>Value Changed</i>	<i>Previous Value</i>	<i>New Value</i>
ANDERSON, JOHN	JA1234	Account Number	xxxxxx9654	xxx4231

# ACH Deposit Report

Generated at 3:00 p.m. Central Time two business days prior to each settlement date, this report lists all electronic transactions to be settled. Transactions listed on this report have already been processed and **cannot** be stopped from being settled.

You are responsible for ensuring that all information on the ACH Deposit Report is accurate and up-to-date. All operational reports are available 24/7 via Vanco's online Service Center.

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Vanco Services  
12600 Whitewater Dr Ste 200  
Minnetonka, MN 55343

Phone: 800-675-7430  
Fax: 952-983-8665

CONTACT  
COMPANY  
ADDRESS  
CITY, STATE, ZIP



## ACH Deposit Report

Date: 10/04/2004  
Time: 15:00:08

Phone: ### ### ####  
Fax: ### ### ####

ES####

## News

### Upcoming Banking Holidays

Veteran's Day  
11/11/2004

The Federal Bank Holiday may affect your ACH processing timeline. Just a reminder that Vanco processes ACH transactions on every business day, which is defined as a calendar day other than Saturday, Sunday or a Federal Holiday.

## Deposit Report

**\$1,073.78 will be deposited into your account 10/06/2004.**

## Transaction Detail

<i>Participant Name</i>	<i>Participant ID</i>	<i>Account Number</i>	<i>Amount</i>
CREBS, THERESA	CT1234	xxxxxxx2240	270.00
HARMON, WANDA	WH1234	xxxxxx6249	112.55
JORDAN, JENNIFER	JJ1234	xxxxxxx5506	163.32
LONDON, TERRY	TL1234	xxxxxxx2692	427.91
ORTIZ, NOEL	NO1234	xxxxxxx5041	100.00
TOTAL:		Count: 5	1,073.78

# ACH Fund Detail Report (optional)

Generated at 3:00 p.m. Central Time two business days prior to each settlement date, this report is used by religious organizations and nonprofits in place of the ACH Deposit Report. It lists all electronic transactions to be settled and is organized by each individual fund. Transactions listed on the ACH Fund Detail Report have already been processed and **cannot** be stopped from being settled.

You are responsible for ensuring that all information on the ACH Fund Detail Report is accurate and up-to-date. All operational reports are available 24/7 via Vanco's online Service Center.

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 Vanco Services  
 12600 Whitewater Dr Ste 200  
 Minnetonka, MN 55343



Phone: 800-675-7430  
 Fax: 952-983-8665

**ACH Fund Detail Report**  
 Date: 10/04/2004  
 Time: 15:00:08

CONTACT  
 COMPANY  
 ADDRESS  
 CITY, STATE, ZIP

Phone: ### ### ####  
 Fax: ### ### ####

ES####

## Deposit Date: 10/06/2004

### News

#### Upcoming Banking Holidays

Veteran's Day  
 11/11/2004

The Federal Bank Holiday may affect your ACH processing timeline. Just a reminder that Vanco processes ACH transactions on every business day, which is defined as a calendar day other than Saturday, Sunday or a Federal Holiday.

### Fund Totals

<i>Fund ID</i>	<i>Fund Name</i>	<i>Amount</i>
0001	General Fund	361.30
0002	Building Fund	712.48
Total:		1,073.78

### Participant Detail

<i>Participant Name</i>	<i>Participant ID</i>	<i>Fund Name</i>	<i>Fund Amount</i>	<i>Total Amount</i>
CREBS, THERESA/WILLIAM	CT1234	General Fund	170.00	270.00
		Building Fund	100.00	
HARMON, WANDA	WH1234	General Fund	112.55	112.55
		Building Fund	163.32	
JORDAN, JENNIFER	JJ1234	Building Fund	163.32	163.32
LONDON, TERRY	TL1234	Building Fund	427.91	427.91
ORTIZ, NOEL	NO1234	General Fund	78.75	100.00
		Building Fund	21.25	
Total:				1,073.78

# Returns Report

This report lists all returned transactions, with the original settlement date and the reason for the return, as well as any changes to a participant's banking information. It is generated in the morning upon receipt of a returned transaction or notification of change.

*You are responsible for ensuring that all information on the Returns Report is accurate and up-to-date. All operational reports are available 24/7 via Vanco's online Service Center.*

**e.service®**  
 Vanco Services  
 12600 Whitewater Dr Ste 200  
 Minnetonka, MN 55343



Phone: 800-675-7430  
 Fax: 952-983-8665

**Returns Report**

Date: 10/06/2004  
 Time: 11:00:39

CONTACT  
 COMPANY  
 ADDRESS  
 CITY, STATE, ZIP

Phone: ### ### ####  
 Fax: ### ### ####

ES####

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## Returns Report

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**\$290.00 will be withdrawn from your account 10/07/2004.**

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### Returns

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<i>Participant Name</i>	<i>Participant ID</i>	<i>Account</i>	<i>Reason</i>	<i>Amount</i>	<i>Original Settlement</i>
ANDERSON, ERIK	EA1234	xxxxxxxxx1134	Insuf Funds	130.00	10/05/04
GRANGER, MARY	MG1234	xxxxxxxxx9275	Acct Closed	115.00	10/05/04
ROGERS, CINDY	CR1234	xxxxxxxxx1134	No Account	70.00	10/05/04
Totals:				215.00	Count: 3

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### Late Returns

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<i>Participant Name</i>	<i>Participant ID</i>	<i>Account</i>	<i>Reason</i>	<i>Amount</i>	<i>Original Settlement</i>
HOWARD, WENDY	WH1234	xxxxxxxxx1134	Not Authorized	75.00	09/22/04
Totals:				75.00	Count: 1

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### Notification of Change \*\*

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<i>Participant Name</i>	<i>Participant ID</i>	<i>Account Type Change</i>	<i>Reason</i>
BATES, MISTY	MB1234	C	Route# Changed
COLEMAN, ANDREW	AC1234	C	Acct# Changed
Totals:			Count: 2

\*\* Notifications of Change require no action. They do not effect affect processing of the transaction.

## Timelines

### Transaction Processing

<b>ACH Processing:</b>	Occurs every business day at <b>3:00 p.m.</b> Central Time. Changes to ACH transactions must be entered prior to this time.
<b>ACH Files:</b>	The deadline for processing ACH files is <b>2:30 p.m.</b> Central Time.

### Reports – All reports are available on Vanco's Online Service Center at [www.vancoservices.com](http://www.vancoservices.com)

<b>ACH Confirmation Report</b>	<b>2:40 a.m.</b> Central Time
<b>ACH Deposit Report</b>	<b>3:00 p.m.</b> Central Time two business days prior to each settlement date.
<b>ACH Fund Detail Report</b>	<b>3:00 p.m.</b> Central Time two business days prior to each settlement date.
<b>Returns Report</b>	Morning of the day Vanco receives notification of returns or changes to participant's banking information.

## Additional Solutions

- **e.service® Merchant Services:** This is an excellent solution that allows you to process both recurring and one-time credit card transactions without having to rent, lease, or buy equipment. In addition, there is no long-term contract to sign, no monthly service fees, and no monthly dollar amounts to meet. And with Vanco's online Service Center, you'll have complete control over your credit card transactions 24/7 from any computer with Internet access.
- **e.service® Credit Card Processing:** If you have a merchant account and you're looking for an easy way to process both recurring and one-time credit card transactions, this is a great solution. With Vanco's online Service Center, you'll have complete control over your credit card transactions 24/7 from any computer with Internet access.
- **e.service® Direct Deposit:** Electronically transfers net payroll to each participating employee's appropriate bank account(s) on payday. Payroll information may be submitted to Vanco 24/7 via our online Service Center.
- **e.service® Accounts Payable:** Now you can cut down on the number of checks you write each month to your vendors. Simply ask your vendor to fill out an authorization form. Prior to the due date, send us a file with the amount owed to your various vendors and we will transfer the money to their vendors' accounts on the due date.



**e.service®**

Vanco Services, LLC  
12600 Whitewater Drive, Suite 200  
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[www.vancoservices.com](http://www.vancoservices.com)

**800-675-7430**

# Church Giving in the Electronic Age

BY STEVE ZEKOFF

Today, churches wishing to provide members the opportunity to meet their stewardship commitment, whether or not they attend worship that week, have an option—automatic deposit program through your local bank. The monthly cost to the church is minimal and allows an unlimited number of bank transfers.

Pastor Mike Wuehler's Detroit Lakes, Minn., congregation entered into an electronic fund transfer agreement with a local bank nine years ago. Five years later, parishioners were transferring \$20,000 annually from their checking accounts to the church.

The 350-member congregation in Hutchison, Minn., which Wuehler currently serves, is in its fourth year of receiving automatic pledge payments on the 28th day of each month. Vineyard Church receives \$18,000 of its yearly giving through these transfers, without additional bank transaction charges. Approximately 20 households are taking advantage of this procedure to pay their yearly pledge.

The automatic deposit option has helped regulate Vineyard Church's cash flow, eliminating the need to take out short-term loans in the summer to meet operating expenses.

About 25 households at the 700-member Allison Church in Carlisle, Pa., started using automatic deposit since it first was offered two years ago. Nearly \$20,000 in yearly giving

is already received through electronic transfers.

"A number of bank trust officers are taking advantage of this method for church giving," says the Rev. Karen Layman, Allison Church's pastor. "They have found it helpful when counseling nursing home residents who want to include regular church

*Since the fund transfers are initiated from the local church, adjustments can be made on a weekly basis by contributor request. Automatic deposit giving is proving to be a helpful stewardship tool for some United Methodists.*

giving in their financial planning, assuring that their contributions continue during extended periods when they are absent from weekly worship."

The financial secretary has the necessary software installed on the local church computer, allowing transfers to be made on a weekly basis. Their local bank charged a small setup fee to establish the serv-

ice, with an annual maintenance fee.

Since the fund transfers are initiated from the local church, adjustments can be made on a weekly basis by contributor request. At Allison, once the automatic transfer system was in place, it became possible to provide payroll direct deposit for its 12 employees.

Many congregations that now have automatic deposits had to overcome strong reservations from some members. Some felt the impersonal mechanism somehow demeaned the act of giving.

However, once the programs were in place, the churches have seen a steady increase in the number of members who have signed up. As personal financial circumstances change, some contributors have left the program, only to return later.

Participants frequently contribute to special offerings through additional cash gifts, pastors report.

Churches with automatic deposit programs include that option for giving on the annual pledge cards distributed to members.

Automatic deposit giving is proving to be a helpful stewardship tool for some United Methodists. You may want to explore the possibility for your congregation.

*—The Rev. Steve Zekoff is assistant general secretary for General Council on Finance and Administration, Evanston, Ill.*

# Marketing Tips

- **Bulletin Announcements:** Talking about electronic giving in the church bulletin is a way to keep reminding members of the program.
- **Direct Mailings:** This is a great way of introducing members to electronic giving. The mailing could include commonly asked questions about electronic giving as well as listing the benefits to both the church and the members. It is very effective to include an authorization form with every mailing so that members can fill out the authorization while they have the information available.
- **Announce Program During Church Service:** It is always beneficial to have the pastor announce the program during the church service. He/she can briefly outline the program at this time and demonstrate their commitment to the program.
- **Announce Program Often:** There are always people who haven't heard about the program. Find new ways to say the same thing to create momentum.
- **Sign Up After Church:** Many churches have found that having the Finance Committee set up a table for electronic giving right after the church service is effective.

**For your convenience, the following pages contain sample bulletin announcements and letters from various churches. Please feel free to use any of this information in creating your bulletin announcements or mailings for your church.**

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## SAMPLE ANNOUNCEMENT

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### TWO NEW OPTIONS FOR TODAY'S PARISHIONERS:

New!! Electronic Funds Transfer Program  
Traditional - Parish Envelope Program

### A New Way to Give

*Our church* is embracing technology and adopting a giving option that may be more convenient for many of our parishioners – the Electronic Funds Transfer (EFT) Program. Beginning in January, it will work in the same manner as the programs offered by local gas and electric and many insurance and mortgage companies.

You choose a donation frequency: weekly, semimonthly, or monthly. Indicate the amount of the contribution for each of the fund(s) you wish to support – General Fund, Extraordinary Repairs, Food Shelf, etc. Then complete the remainder of the authorization form, mail it to the church office or drop it in the offering and we will arrange for your savings or checking account to be debited as you select.

### Important Benefits of EFT

The Electronic Funds Transfer (EFT) program yields very significant benefits for *our church* and makes life easier for you:

- ◆ The satisfaction of giving to God first
- ◆ Less work for church volunteers in processing the collections
- ◆ A more predictable income flow for better planning
- ◆ Improved cash management with less labor
- ◆ Easier personal budgeting

### Traditional Choices Remain

All registered parishioners will continue to receive envelopes, including envelopes for special collections for a variety of needs. Parish collections will be taken each week as usual. EFT participants are asked to mark their envelopes "EFT" and place them in the collection basket.

If you do not currently use envelopes, please consider participating in either our envelope program or the EFT program. Our parish needs your regular support



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**SAMPLE ANNOUNCEMENT**

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**Your Support is Vital**

Building the Kingdom of God on earth requires faith, commitment, and resources. That is why your consistent support is so necessary. *Our Church* is a large parish with xxx families, and a yearly budget of \$xxx. Our parish runs a religious education program for about xxx children. *Our Church* School educates about xxx children each year. Sacramental preparation programs for Baptism, First Eucharist, Reconciliation, and Marriage serve xxx each year. There are also over xxx committees, programs, and organizations supported by or affiliated with the parish. This is in addition to heating, air conditioning, and providing general maintenance to the church and parish buildings. EFT enables the parish to spend less time on financial management and more time meeting the needs of the parishioners.

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**SAMPLE ANNOUNCEMENT**

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**Contributions Made Easy**

Save time, simplify your life, and support the parish! In this new millennium the Church is keeping up with the times by offering our parishioners a new way to help our ministry. Our new **electronic contribution program** is an automatic funds transfer program that will allow you to make contributions without having to lift a pen to write a check or reach into your wallet for cash!

Here is how it works: you authorize a specified amount of money to be electronically transferred directly from your checking or savings account to the Church account. You also specify the frequency of the transfer to allow you to keep your check register up to date.

It is fast, safe, and easy! In fact, it is less risky than checks, as it cannot be lost, stolen, or destroyed in the mail, and the rate of accuracy is high. The electronic transfer will cost you NOTHING. You save the cost of the check. The Church will issue you a donation statement for your tax records, and your bank statements will provide you with a record of transfer as additional proof of your contributions.

Donations via electronic transfer can be made to our general fund or our building fund.

Of course you can cancel your authorization of transfer at any time by notifying us in writing. But we believe that once you have enjoyed the convenience and savings of this new program, you won't want to go back to the "old-fashioned" way of contributing to your church!

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**SAMPLE ANNOUNCEMENT**

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**The article below was used by a Christian Radio Station. This could easily be adapted to a church bulletin announcement.**

By enrolling in the One Step electronic funds transfer program, your donations go even further because One Step saves THE JOY FM money! One Step allows your bank to automatically transfer a designated amount to THE JOY FM from your checking account each month. It is a wonderful benefit to you and THE JOY FM! We save on printing and postage charges and giving is easier for you.

Choose a payment date – either the 1<sup>st</sup> or the 15<sup>th</sup>. And that's it! Each month, your donation will be received at THE JOY FM by way of an electronic bank transfer.

It's FREE! There are no hidden charges. It's EASY! Signing up for One Step is simple. Just complete the application form below and mail it to THE JOY FM. Be sure to enclose a voided check. It's GOOD STEWARDSHIP! With One Step, more of your donation goes directly to ministry.

If you would like to use this convenient service, complete the One Step enrollment form and attach your voided check. We'll do the rest. If you have any questions about the One Step program, call THE JOY FM Business Office at (###) ###-####.

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## **SAMPLE ANNOUNCEMENT**

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**COMING IN JANUARY, Electronic Contributions** – Many of you have asked if it could be possible. Now it is! Not only is it possible, electronic transfer of your monthly contributions is simple and easy! School families will be able to make tuition payments in the same way. Easy and simple for you, electronic transfer of payments from your checking or savings account directly to the church account will be available to you in January. While away on vacation, you can be content knowing your pledge has been received and is contributing to the work of the parish, especially during those low cash flow months of the year! One simple and easy to use form can begin or change your electronic contribution amount. The “Answers to your Questions & Authorization Form” is available by contacting the church office.

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## **SAMPLE ANNOUNCEMENT**

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### **THE POSSIBILITY OF E.SERVICE FOR CHURCH CONTRIBUTIONS**

Last year, the Parish Finance Council offered the possibility of making contributions to the parish through a pre-authorized electronic funds transfer service. Since there still seems to be interest in this opportunity, the Finance Council has decided to again offer this option. The Finance Council met with representatives from this company and decided to make this option available. Since this company does not have a requirement on the number of participants, this option will be available immediately for those parishioners interested in this option.

**Q: What is Electronic Contribution?**

A: It is an automatic transfer of your contribution from your checking or savings account directly to your church's account.

**Q: What are the advantages?**

A: It reduces the number of checks you write and the church benefits from greater stability in contribution levels.

**Q: When are electronic contributions transferred from my account?**

A: On the dates you specify on your authorization form.

**Q: How will I participate during the offertory of the Mass?**

A: Participants will still receive contribution envelopes. Beginning in September, our envelopes will have a box to check if your contribution was made electronically. You will still be able to place your contribution envelope in the collection.

**Q: What if I change banks or accounts?**

A: Just complete a new authorization form.

**Q: How much does this cost?**

A: It costs you nothing and it saves you time

## **Electronic Offering Cards**

Electronic Offering Cards are intended to satisfy the need of many churches to have symbolic giving while at the service. The card can be placed in the collection basket in lieu of an envelope.

Many members feel the need to place their gift in the basket as it passes them. Others may want this out of habit or for the emotional aspect of “what will the person sitting next to me think?”

Electronic Offering Cards are beneficial for the church as well. Symbolic placing of an offering is an important part of stewardship. The cards make it easy. They also help to bring awareness of electronic giving to other members. Members may ask each other about the program when they see the cards used.

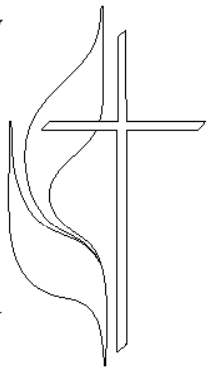
You may duplicate the material on the following page on paper or card stock to create offering cards for use by the electronic givers in your congregation.

# Electronic Offering Cards

I Give Electronically

Name(s) \_\_\_\_\_

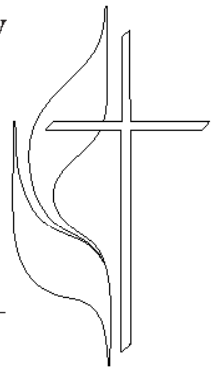
\_\_\_\_\_



I Give Electronically

Name(s) \_\_\_\_\_

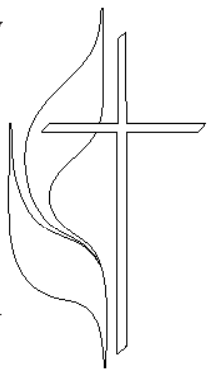
\_\_\_\_\_



I Give Electronically

Name(s) \_\_\_\_\_

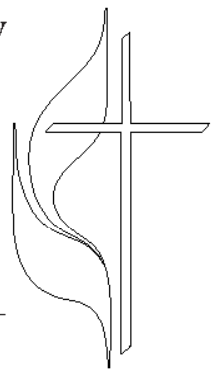
\_\_\_\_\_



I Give Electronically

Name(s) \_\_\_\_\_

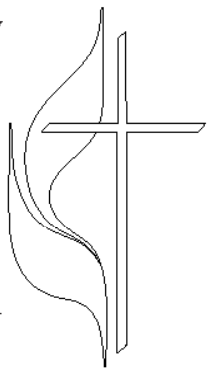
\_\_\_\_\_



I Give Electronically

Name(s) \_\_\_\_\_

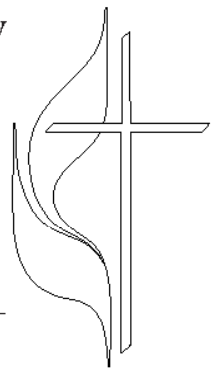
\_\_\_\_\_



I Give Electronically

Name(s) \_\_\_\_\_

\_\_\_\_\_





## United Methodist Church Testimonials



*Our church began using Vanco Services about one year ago. We started using electronic giving just for contributions to our capital campaign, which supports a building project. Getting set up with Vanco to accept electronic contributions only required a few simple forms to be completed. Their web site is user friendly, making data entry quick and easy. And the reports we receive via e-mail are timely, complete, and easy to read. We are so pleased with the results of using Vanco Services for electronic giving, that we are now implementing electronic giving for our general offering, as well.*

Carol Wilson, Financial Secretary  
Trinity United Methodist Church  
New Cumberland, Pennsylvania

*At Broadway UMC, we have been exceedingly pleased with Vanco Services. The EFT service was very easy to customize to our existing contribution programs and it provides a secure and timely means of contributing to the church. As we encourage each person to donate a portion of their gifts back to God, the EFT program helps by allowing each person to schedule the frequency of their donations as their income allows. Since we started using Vanco's programs, our church's income has been more consistent week to week and the percentage of actual vs. pledged income is the highest it has ever been! ...with Vanco's help, we are fostering a change in the way our congregation sees the relationship between them, their offerings, and their use in God's church.*

Ed Linn, Stewardship Chair  
Broadway Unite Methodist Church  
Chicago, IL

*Since signing on with Vanco, the handling of our electronic funds transfers has been painless. It is quick and easy to add new clients and all of our transactions are promptly confirmed online. The Vanco representatives have been extremely pleasant and helpful. I would recommend their services.*

Joyce Mucha, Administrator  
Fayetteville First United Methodist Church  
Fayetteville, Georgia

*At Timonium United Methodist Church we have found the VANCO electronic funds transfer service to be easy to use, cost competitive and very reliable. The VANCO staff with whom we have contact have been very responsive to our needs. They are professionals and provide the necessary support we require as TUMC expands its electronic giving program.*

John Coleman, TUMC Treasurer  
Timonium United Methodist Church  
Timonium, Maryland

*I am pleased to report that we have been very pleased with your company's services for electronic withdrawal of pledged giving. Our experience has been essentially problem-free, and we are seeing more of our members choosing this option for their giving.*

Rev. Kevin Schill  
Christ United Methodist Church  
Rochester, MN

*The emailed reports have been helpful and enable both myself and the treasurer to keep track of what is happening. The fact that the reports are also available online is particularly helpful when I am out of town and my email is not being received. The treasurer was able to access the reports directly so that he would have the necessary information for entering the deposits into the church finance system.*

*Although we do not have a large proportion of the congregation using EFT, the downloadable files for our contribution system speeds up the entry of those contributions. In addition to providing a convenience for those members using the system it gives the church a minimum 'guaranteed income' from month to month. Because of our good experience we are expanding the choice of funds to which members may contribute using EFT.*

Sandra Arrington, Financial Secretary  
Bethany United Methodist Church  
Madison Wisconsin

*For several years we had been thinking of and members had been requesting the service of an EFT transfer from checking to pay for their pledge or giving to the church. We looked around at our local banks only to find that they were not quite ready to offer the service to us. As a Church Administrator and member of an administrators e-mail group off Yahoo-groups, there was mention of Vanco. We did some checking on them and their services and were impressed. We have been using Vanco for about a year. We have many people who vacation in the South in the Winter and others that go North in the Summer. This EFT service has greatly helped our cash flow of donations. We have had absolutely no problems with the service. It is simple to use and the service from the Vanco people has been wonderful. If I can help you with forms or ideas, let me know. There is no reason that you would not begin an EFT service for your church members. I would very much recommend the Vanco people and their services.*

David Brewer, Administrator  
United Methodist Church Wheaton  
Wheaton, IL



## United Methodist Church Testimonials



*We are extremely pleased with the Vanco ACH services. We have been providing this service for church members since 1990. In 2003, we switched to Vanco Services. The set-up was simple and completed in half a day. Vanco provided simple sign-up forms for our use and "I gave electronically" chits for placement in the pews. The cost is half of what we were paying our previous provider. Thank you Vanco for making my job easier.*

Tom Johnson, Business Administrator  
Church of the Messiah  
Westerville, Ohio

*Thank you for providing such a great service. It is secure, easy to use, and beneficial to our church. I would highly recommend EFT to all our fellow United Methodist Churches.*

Nancy Russell  
Burlington United Methodist Church  
Burlington, WI

*We've been using Vanco for about 2 years. In a word, they are FANTASTIC! The fees are very reasonable. The website is easy to maintain accounts. We have a number of people using it, including our Preschool tuition. I wish everybody would use it. I have my own pledge on it and it makes it easy. In promoting, you can say things like not having to write a check anymore, or worrying about making contributions when out of town. Another benefit is that some people who use it also make contributions in the plate. I guess I just can't say enough good things about Vanco and have recommended them to many others.*

Rod Sprott, Administrator  
Immanuel Presbyterian Church  
Los Angeles, CA

*We started using Vanco's EFT program this year and we feel the program is well thought out and easy to use. Vanco was very helpful with the introduction program by furnishing sample information to present to our parishioners. We are pleased with our initial sign-up of parishioners and hope to add more as the season progresses. The predictable monthly income from the EFT program is extremely helpful in evening out our cash flow.*

Kindest regards,  
Edward L. Ayen  
Treasurer  
Excelsior United Methodist Church  
Excelsior MN

*Our church has been using Vanco for approximately 4 years and we have had an extremely pleasant working relationship with them. EFT is an outstanding tool used to help with your contribution and is very user friendly. It is simple to use and only takes a matter of minutes to download the information you need onto a disk. If ever a problem occurs, the customers service department and/or technical department are more than happy to help and do so very promptly. If you choose to use Vanco, we think you will be very glad you did.*

Sue La Fond, Administrative Coordinator  
Algoma Boulevard United Methodist Church  
Oshkosh, Wisconsin

*I just wanted to take a moment to thank you for all your assistance in getting our church set up with your EFT service. I saw your link on the GCFA website for the United Methodist Church and I requested your information.*

*I was concerned with all the standard issues. How much would it cost? Would it be safe and reliable? Would it create more work for me? Would the return on investment make it worthwhile? It was definitely a good decision. We have now been using the program for several months and have been thoroughly pleased with the results. The setup process was simple, e-mail and website reporting has made my job much easier, and the cost has proved to be very reasonable.*

*We had thirty households currently using the program and have not had a single problem or issue that has not been easily resolved. I expect our household numbers to jump when we roll out EFT as part of our fall stewardship campaign. I know there will always be those who will stay with traditional giving methods, but I hope to establish EFT as a new tradition in our church.*

Guy Sellers, Director of Operations  
Saint Andrew's United Methodist Church  
Arlington, Texas



## APPLICATION INSTRUCTIONS

- 1) **Complete and return** the following application forms:
  - CREDIT APPLICATION
  - e.service® MERCHANT SERVICES CREDIT APPLICATION ADDENDUM
  - e.service® MERCHANT SERVICES AGREEMENT
  - e.service® MERCHANT SERVICES CLIENT INFORMATION SETUP SHEET
  - BANKING AUTHORIZATION FORM
  
- 2) **Review and keep** the following items:
  - Program Charges
  - Client Procedures
  - Sample Authorization Form(s) – *To be customized upon approval of your application.*
  - Change, Stop, Credit Form
  
- 3) Once your application is approved, you will receive an email directing you to a secure web site where you will be required to accept the online terms and conditions in order to complete the application process.
  
- 4) Once you agree to the online terms and conditions, you will be contacted by a Vanco representative to customize your authorization form and schedule a short training session.

For assistance please call Cheryl Malke at **(800) 774-9355, ext. 462.**

**MAILING ADDRESS:** Vanco Services, LLC  
12600 Whitewater Drive  
Suite 200  
Minnetonka, MN 55343

**FAX TO:** 952-926-1758



# CREDIT APPLICATION

***Please complete the information for use by Vanco Services, LLC credit underwriting***

The information you provide will be used for the sole purpose of credit underwriting

## Company Information

Legal Business Name: _____			
Doing Business As: _____		Date Business Started: _____	
Street Address: _____			
City: _____		State: _____	Zip: _____
Business Phone #: _____			
Web site Address: _____			
Type of Organization: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC			
Federal Tax ID#: _____ <b>(If a Non-Profit, include copy of 501(c) 3)</b>			

## Principal (Owner, Director, Officer, etc.)

Principal Name: _____		Title: _____	
Home Address: _____			
City: _____		State: _____	Zip: _____

## Financial Institution Reference

Name of Financial Institution: _____		Contact Name: _____	
Street Address: _____			
City: _____		State: _____	Zip: _____
Phone: (     )     -	Fax: (     )     -		<b>* Required to complete setup process</b>
Routing #: _____		<b>Valid Routing # must start with 0, 1, 2, or 3</b>	
Checking Account #: _____		Savings Account #: _____	

## Statement of Accuracy and Permission to Verify

I hereby certify the information contained in this application is complete and accurate. Furthermore, I hereby authorize the financial institution listed in this credit application to release necessary information to Vanco Services, LLC for credit underwriting purposes.

\_\_\_\_\_  
Authorized Signature on Bank Account:

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date





**e.service® Merchant Services**  
**CREDIT APPLICATION ADDENDUM**  
**for Non-Profits**

**Company Information**

Business Name:

I hereby certify the information contained in the Vanco Services Credit Application is complete and accurate. I authorize Vanco Services, LLC and/or its agent(s) ("Vanco") to investigate the individual business history of the Company listed on this Application and each representative signing this Application. I understand that such information will be utilized by Vanco to determine our credit worthiness as part of Vanco's determination of whether it will provide e.service® Merchant Services to Company. If Vanco makes an initial determination of our credit worthiness and provides e.service® Merchant Services to Company, I hereby authorize Vanco to conduct further investigations from time to time thereafter and to report credit information to others.

Principal #1: \_\_\_\_\_  
Signature Title Date

Principal #2: \_\_\_\_\_  
Signature Title Date

Principal #3: \_\_\_\_\_  
Signature Title Date

## *e.service*<sup>®</sup> MERCHANT SERVICES AGREEMENT

**THIS AGREEMENT**, is made and entered as of the date that the last party to the agreement executes it between **VANCO SERVICES, LLC** ("Vanco") and \_\_\_\_\_ ("Company").

### RECITALS:

A. Vanco provides services to its customers pursuant to various *e.service*<sup>®</sup> programs, and

B. Company desires to purchase *e.service*<sup>®</sup> Merchant Services from Vanco pursuant to the terms and conditions of this Agreement.

Vanco and Company hereby agree as follows:

1. *e.service*<sup>®</sup> MERCHANT SERVICES. *e.service*<sup>®</sup> Merchant Services is a service pursuant to which Vanco acts as the Merchant Services Provider and Payment Processor for credit card transactions for its customers. Vanco utilizes Wells Fargo Merchant Services and Wells Fargo Global Payment Gateway to process those credit card transactions.

2. COMPANY DUTIES. Company agrees to comply with all the rules and procedures of Vanco pertaining to *e.service*<sup>®</sup> Merchant Services ("Client Procedures"). The Client Procedures, including all amendments, are hereby made a part of this Agreement and are incorporated herein by reference. Company acknowledges that it has received a copy of the Client Procedures. The Client Procedures may be amended from time-to-time by Vanco. Company will be bound by any amendments to the Client Procedures seven (7) days after receipt of the amendments. Company agrees, upon request from Vanco, to establish and maintain a reserve account with Vanco which may be utilized to pay any amounts owed by Company to Vanco pursuant to this Agreement.

3. SETTLEMENT OF TRANSACTIONS. The transactions shall be processed in accordance with the Client Procedures. Vanco has merchant accounts for the purpose of processing those transactions. Company will receive a credit, after deduction of the Program Charges, to its designated account at its financial institution ("Company's Account") within two (2) business days after Vanco receives notification that a transaction which it has processed has been funded. A business day means a calendar day other than a Saturday, Sunday or Federal holiday. The funds shall be transferred to Company's Account by utilization of the Automated Clearing House ("ACH") Network.

In the event that there is a chargeback or refund for any credit card transaction processed by Vanco, Company hereby authorizes Vanco to debit Company's Account for such chargeback or refund together with any Program Charges. The debiting of Company's Account shall be made by means of ACH.

4. PROGRAM CHARGES AND TAXES. Company agrees to pay Vanco Program Charges for *e.service*<sup>®</sup> Merchant Services in accordance with the Pricing Schedule. The Pricing Schedule, which Company acknowledges receiving from Vanco, may be modified at any time upon prior written notice.

The Pricing Schedule specifies that some Program Charges are collected as part of the settlement of the transaction and others invoiced monthly. The invoiced amounts shall be collected by an ACH debit to Company's Account. The Pricing Schedule establishes fees that are small in relationship to the dollar amount of the transactions which Vanco is processing. Those rates have been established in contemplation of the limitation of liability provisions of Paragraph 7 of this Agreement. Any taxes or fees, except taxes based upon income, imposed by any federal, state, or municipal, or other governmental authority that may be applicable to the services provided to Company pursuant to this Agreement shall be paid by Company regardless of whether such taxes or fees are collected with the Program Charges and deducted when the transaction is settled, they are added to any invoice which Vanco provides to Company, or they are subsequently determined to be due and owing.

5. COMPANY WARRANTIES. Company hereby warrants as follows:

- a. Company has been authorized by its customer to receive payment by a credit card transaction;
- b. The transaction between the Company and customer is genuine and enforceable; and
- c. Company will comply with its obligations under the Client Procedures.

6. COMPANY LIABILITY AND INDEMNIFICATION. Company shall be liable for all damages which Vanco suffers by reason of Company's breach of any of its warranties set forth in Paragraph 5 of this Agreement or by reason of any other representation made by it in this Agreement. Company hereby indemnifies and holds Vanco harmless from all claims, damages, and causes of action which may be asserted against Vanco by reason of Company's breach of said warranties and representations as well as any claims which Vanco has against Company pursuant to Paragraph 3 by reason of any chargeback or refund from any credit card transaction. In no event shall Company be liable for any consequential, special, punitive or indirect loss or damage.

7. VANCO LIABILITY. Vanco shall be responsible for performing only those services expressly provided for in this Agreement and shall be liable only for material losses directly resulting from its intentional misconduct in performing those services. Except as provided for in the preceding sentence, Vanco shall not have any liability for failing to perform, for delay in performing or for negligently performing any services pursuant to this Agreement, and shall have no liability for any consequential, special, punitive or indirect loss or damage. It is acknowledged that this limitation of liability was an integral part of the setting of the Pricing Schedule and the amount paid to Vanco pursuant to Paragraph 4 of this Agreement. Notwithstanding the foregoing, Vanco shall be liable to pay Company for all amounts, net of fees due, pursuant to Paragraph 4, which are collected for Company's benefit as a

result of processing a transaction for Company pursuant to Paragraph 3 of this Agreement.

8. **TERM.** This Agreement shall continue in effect, unless terminated by either party upon thirty (30) days' written notice. Provided however, that in the event that Company breaches the warranties pursuant to Paragraph 5 or if Vanco is unable to debit Company's Account for a chargeback or refund pursuant to Paragraph 3 or collect its Program Charges pursuant to Paragraph 4, Vanco shall be entitled to terminate this Agreement immediately upon the occurrence of such an event and will thereafter give written notice to Company that this Agreement has been terminated. Vanco shall have no obligation to provide *e.service*® Merchant Services after termination of this Agreement. All other provisions of this Agreement shall remain enforceable after termination.

9. **CONFIDENTIALITY.** Vanco acknowledges that in performing services for the Company pursuant to this Agreement that it will have access to information concerning Company's customers. Vanco agrees to treat such customer information, and related information which it derives from performing this Agreement, as confidential information which it hereby agrees that it will not disseminate to any third person, either in whole or in part, and will not in any manner use said information for its own benefit. Vanco shall take such steps as are reasonable and necessary to cause its employees to be individually subject to an obligation to treat such information as confidential.

10. **MISCELLANEOUS.** This Agreement and such terms and conditions that are subsequently accepted by Company in order to process transactions pursuant to this Agreement shall constitute the entire agreement between the parties and supersedes all prior oral or written representations, conditions, warranties, understandings, proposals or agreements regarding *e.service*® Merchant Services. This Agreement shall be construed under the laws of the State of Minnesota and the exclusive venue for any litigation shall be in the courts in the State of Minnesota. Company hereby submits to the jurisdiction of said courts.

All notices which may be given to either party may be given by mail or in person at the last known address of each of the parties.

This Agreement may not be assigned by either party except that either party may assign this Agreement to any successor by merger, consolidation or corporate reorganization.

Each party hereby warrants and represents that the person whose signature appears below has been duly authorized and that all of the necessary and appropriate corporate authority exists for said party to execute this Agreement.

**VANCO SERVICES, LLC**

By \_\_\_\_\_  
(Vanco Services, LLC Officer's Signature)

\_\_\_\_\_  
(Vanco Services, LLC Officer's Signature)

Its \_\_\_\_\_  
(Vanco Services, LLC Officer's Signature)

Dated: \_\_\_\_\_

**COMPANY**

\_\_\_\_\_  
(Legal Business Name)

\_\_\_\_\_  
(Doing Business As)

By \_\_\_\_\_  
(Company Officer's Signature)

\_\_\_\_\_  
(Company Officer's Printed Name)

Its \_\_\_\_\_  
(Company Officer's Title)

Dated: \_\_\_\_\_



e.service® MERCHANT SERVICES

# CLIENT INFORMATION SETUP SHEET

**PLEASE PRINT LEGIBLY**

Legal Business Name: \_\_\_\_\_

Doing Business As: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Primary Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Business Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Alternate Phone # (optional): \_\_\_\_\_  Home  Cell  Other \_\_\_\_\_

Best time of day to call for initial training: \_\_\_\_\_

Email Address: \_\_\_\_\_

**REQUIRED INFORMATION**

1. Which credit cards do you want to accept? (see Program Charges for card-specific rates)  
 Visa     MasterCard     Discover     American Express
2. Do you want to use Vanco's Virtual Terminal for one-time credit card transactions? (see Program Charges)     Yes     No
3. How do you want to receive reports?  
 Download reports myself from the Service Center     Email     Fax (additional fee)     Data File
4. (a) What is your estimated number of monthly credit card transactions? \_\_\_\_\_  
(b) What is your average credit card ticket amount? \$ \_\_\_\_\_  
(c) What is your total for monthly credit card sales? (a) x (b) = \$ \_\_\_\_\_  
(d) What is your percentage of transactions received via the Internet? % \_\_\_\_\_

**SERVICE CENTER ACCESS:** *Vanco Services requires the following information for access to our Online Service Center.*

Please provide the name of the individual who will be your organization's Service Center Administrator. The Administrator will have the ability to setup additional Service Center users and assign equal or lesser security access to others within your organization. Also provide an eight character User ID and a valid email address.

Name of Administrator: \_\_\_\_\_

User ID: 

--	--	--	--	--	--	--	--

 \* Must be exactly 8 characters long and is subject to system availability.

Email: \_\_\_\_\_  
\* Required for Service Center access

Questions or special instructions (e.g. list of funds you would like to set up, we recommend a maximum of 6 funds): \_\_\_\_\_

\_\_\_\_\_

**For Vanco Use Only:** \_\_\_\_\_ Account Manager: \_\_\_\_\_



# BANKING AUTHORIZATION FORM

Company Name \_\_\_\_\_

**\* MUST COMPLETE BOTH SECTIONS EVEN IF INFORMATION IS THE SAME \***

## AUTHORIZATION TO DEBIT AND/OR CREDIT ACCOUNT PER e.service® AGREEMENT(S)

I authorize Vanco Services, LLC to initiate VARIABLE transactions to the account indicated below. This authorization will remain in effect until I notify Vanco Services, LLC in writing to discontinue.

Name of Financial Institution \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Authorized Signature on Bank Account \_\_\_\_\_

Title \_\_\_\_\_

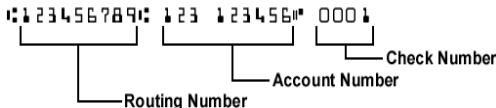
Date \_\_\_\_\_

Account Type:  Checking (ATTACH A VOIDED CHECK)  
 Savings (Contact your financial institution for the appropriate Routing Number)

Financial Institution Routing Number: \_\_\_\_\_

Financial Institution Account Number: \_\_\_\_\_

**\* PLEASE ATTACH A VOIDED CHECK \***



## AUTHORIZATION FOR ELECTRONIC PAYMENT OF VANCO SERVICES PROGRAM CHARGES

I authorize Vanco Services, LLC to initiate DEBIT transactions to the account indicated below. This authorization will remain in effect until I notify Vanco Services, LLC in writing to discontinue the electronic payment.

Name of Financial Institution \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Authorized Signature on Bank Account \_\_\_\_\_

Title \_\_\_\_\_

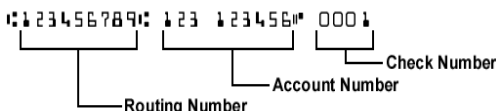
Date \_\_\_\_\_

Account Type:  Checking (ATTACH A VOIDED CHECK)  
 Savings (Contact your financial institution for the appropriate Routing Number)

Financial Institution Routing Number: \_\_\_\_\_

Financial Institution Account Number: \_\_\_\_\_

**\* PLEASE ATTACH A VOIDED CHECK \***





**PROGRAM CHARGES**  
**e.service® Merchant Services**  
 for Nonprofit Organizations

**STANDARD FEES**

**SETUP FEE**

- Set-up and registration..... **\$25.00** One-Time

**TRANSACTION FEE AND DISCOUNT RATES** – *These fees will be deducted from your daily deposit.*

- Transaction Fee..... **\$0.45** Per Transaction  
*Includes Successful transactions, Rejected or Failed transactions and Refunds.*
- Discount Rate – *Includes credit and debit cards.*
  - Visa..... **2.75%** Per Transaction
  - MasterCard..... **2.75%** Per Transaction
  - Discover..... **2.75%** Per Transaction
  - American Express..... **3.50%** Per Transaction

**NOTE:** All transactions are subject to a “billback.” Billbacks occur when a transaction is cleared at a different rate than what is priced above. If this occurs, you will be charged the difference between the clearing rate and the priced rate.

**DATA ENTRY FEES** – *These fees are invoiced at the end of the month, and will be automatically debited from your designated bank account on the 15<sup>th</sup> of the following month.*

- New Authorizations and changes to credit card information
  - Entered via web site or data file..... **\$0.50** Per Authorization
  - Entered by Vanco Services..... **\$1.50** Per Authorization
- Changes other than credit card information
  - Entered via web site..... **\$0.25** Per Change
  - Entered by Vanco Services..... **\$0.65** Per Change

**CHARGEBACK FEE**..... **\$25.00** Per Transaction

*This fee is deducted if the Cardholder or Card Issuer initiates a dispute. See Client Procedures for more information regarding Chargebacks.*

**MISCELLANEOUS FEES**

**REPORTS**

- Reports sent via e-mail or accessed on-line..... No Charge
- Reports sent via fax..... **\$5.00** Per Month

**VIRTUAL TERMINAL (OPTIONAL)** ..... **\$7.50** Per Month

*This optional web-based service enables you to complete an instant credit card payment with authorization number.*



# CLIENT PROCEDURES

## **e.service<sup>®</sup> MERCHANT SERVICES**

### **(Credit Card)**

#### Contact Information

##### CLIENT SERVICES DEPARTMENT:

Local Phone..... 952-983-8660  
Toll-Free..... 800-675-7430  
Fax..... 952-983-8665  
Data Transfer.....952-983-8680

[cs@vancoservices.com](mailto:cs@vancoservices.com)

##### MAILING ADDRESS:

Vanco Services, LLC  
12600 Whitewater Drive  
Suite 200  
Minnetonka, MN 55343

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# 1. Introduction

Thank you for choosing Vanco's **e.service® MERCHANT SERVICES** for your credit card processing needs. These Client Procedures are designed to provide you with the guidelines for processing credit card transactions through Vanco Services.

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## 1.1. COMMON TERMS

---

Throughout this guide, we will use the following terms to refer to the individual parties involved in processing your credit card transactions.

- **Merchant:** The recipient of funds (you) from an authorized transaction.
- **Cardholder:** The individual who authorizes you to transfer funds from their credit card account.
- **Vanco:** Vanco Services (often referred to as "we") is the service provider responsible for facilitating the processing of your credit card transactions and the holder of the Merchant Account.
- **Acquirer:** The financial institution, which has contracted with Vanco Services to acquire your transactions and distribute them to the appropriate Card-Issuing Bank.
- **Issuing Bank:** The financial institution that issued the credit card to the Cardholder and bills that individual for transactions they authorize.
- **Associations:** The associations of banks that electronically exchange credit card transactions and Chargebacks for credits and debits. Visa U.S.A., Incorporated (VISA) and MasterCard International Incorporated (MasterCard) are both Associations.
- **Independent Card Issuers:** Includes American Express/Optima, Diners Club/Carte Blanche, Discover, and JCB. These cards have their own rules and best practices independent from the Associations described above.
- **ACH Network:** The Automated Clearing House (ACH) Network is the nationwide electronic funds transfer system through which funds are transferred to or from your designated bank account. The operating rules and business practices for the ACH network are set by the National Automated Clearing House Association (NACHA – [www.nacha.org](http://www.nacha.org)). In 2003, there were over 10 billion ACH payments valued at \$27.4 trillion.

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## 1.2. THE TRANSACTION LIFECYCLE

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Each credit card transaction has a lifecycle, which begins when the Cardholder provides Authorization and ends with the settlement of funds into your designated account. For guidelines regarding Authorization and Settlement please refer to sections 3 and 4 respectively. The individual steps involved in a transaction lifecycle are:

### AUTHORIZATION

1. Cardholder gives Merchant Authorization to charge their card.
2. Merchant transmits the Authorization to Vanco.
3. Vanco transmits the Authorization to Acquirer and processes the transaction request accordingly.
4. Acquirer transmits the Authorization to the appropriate Association.
5. Association transmits the Authorization information to Issuing Bank.
6. Issuing Bank either approves or rejects the Authorization.

### SETTLEMENT

1. Upon approval, Issuing Bank electronically transmits the transaction data and funds to Association.
2. Association transmits the transaction data to Acquirer.
3. Acquirer transmits the transaction data to Vanco.
4. Vanco directs the funds from Acquirer's account to Merchant's appropriate bank account via the ACH Network.

The timing in which card transactions are processed depends on the type of card used. All transactions transmitted through the Associations are conditional and subject to reversals and adjustments. The Associations have developed rules and best practices (the "Association Rules") that govern their member banks in the procedures, responsibilities, and allocation of risk for this process. The Association Rules and applicable banking laws give Cardholders and Issuing Banks certain rights to dispute transactions, long after funds have been settled in Merchant's bank account. These disputed transactions are referred to as Chargebacks.

Vanco does not decide which transactions are charged back, or rejected, and we do not control the ultimate resolution of the Chargeback. While we can attempt to reverse a Chargeback to the Issuing Bank, we can only do so if the Issuing Bank agrees to accept it or the Association requires the Issuing Bank to do so after a formal appeal process. In some cases, the Cardholder may be able to successfully charge back a credit card transaction even though Merchant has provided services and are otherwise legally entitled to payment from Cardholder. While Merchant may still be able to pursue claims directly against Cardholder, Vanco will not be responsible for such transactions.

---

### 1.3. VANCO RULES AND BEST PRACTICES

---

As we begin processing your credit card transactions, Vanco suggests the following in order to enjoy an easy, hassle-free experience with us.

- Record your assigned Client ID number (ES #####) for easy reference when calling Vanco.
- Make time for our Implementation Department to train you in on the following:
  - Using the Service Center
  - User ID & Password
  - Policies
  - Timelines
  - Reports
- Review all Confirmation Reports to verify Adds, Changes, and/or Deletes.
- Reconcile your Merchant Services Deposit Report to your bank account in a timely manner.
- Address all items in the “Failed Transactions” section of the Merchant Services Processing Report in a timely manner.

---

### 1.4. THE SERVICE CENTER

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Vanco Services encourages you to take advantage of our Web-based Service Center for three main reasons:

- Setting up new Cardholders is easier and more economical via the Service Center,
- You will be able to manage all credit card transactions processed through Vanco 24 hours a day, 7 days a week from any computer with Internet access, and
- You will have the ability at any time to view all transaction and operational reports.

To gain access to the Service Center, complete the appropriate section of our **Client Information Setup Sheet**, or

call our Client Services Department at 800-675-7430. For each authorized user we will need the following information:

- First and last name
- An eight character User-ID
- A valid email address
- Level of desired access (Full-Access or Read Only)

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### 1.5. SERVICE CENTER REQUIREMENTS

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**128-bit Encryption:** Vanco requires that you use a browser capable of 128-bit encryption. Encryption is a security measure whereby information is scrambled as it is transmitted over the Internet to ensure confidentiality. Having a browser with 128-bit encryption will ensure maximum security during your Service Center sessions.

Upon logging in to the Service Center, you can confirm that your session is encrypted by locating a small icon. Netscape Navigator users will see a key icon in the lower left corner of the browser, while Internet Explorer users will see a padlock icon in the lower right corner of the browser. For information about your browser’s specific security capabilities go to the help section on the browser menu. If your browser needs to be upgraded, we recommend downloading the latest version of one of the following browsers:

- [Netscape® Navigator](http://www.netscape.com/computing/download/index.html)  
[www.netscape.com/computing/download/index.html](http://www.netscape.com/computing/download/index.html)
- [Microsoft® Internet Explorer](http://www.microsoft.com/windows/ie/downloads/default.asp)  
[www.microsoft.com/windows/ie/downloads/default.asp](http://www.microsoft.com/windows/ie/downloads/default.asp)

**Virus Protection:** Vanco requires that you run anti-virus software before transmitting data through the Service Center. The anti-virus software you run should be commercially available and updated no less than once per month.

## 2. Card Association Rules and Best Practices

This section focuses primarily on the MasterCard and VISA Associations’ operating rules and best practices and provides you with guidelines for a sound credit card program. The information provided in this section is designed to help you decrease your Chargeback liability and to help you train your employees.

---

### 2.1. CARD DESCRIPTIONS

---

To help prevent fraud, make sure you verify the credit card being used. The following is a description of authorized Visa and MasterCard credit cards:

**VISA** cards have the VISA symbol on the right-hand side of the card. Above the VISA symbol is the three-dimensional hologram of the VISA Dove design. The expiration date must be followed by one space and the symbol “V”. VISA account numbers are either 13 or 16 digits and the first digit is always a four (4). In addition, the Classic and Preferred Cards have the

first four digits of the account number printed directly below the embossed number. You must always check these numbers carefully to ensure that they are the same. Only VISA cards fitting this description may be accepted.

**MasterCard** cards are issued under the following names: MasterCard, EuroCard, Access, Union, Million and Diamond). The MasterCard symbol appears on the right-hand side of the front or back of the card. MasterCard and the Globe designs appear in a three-dimensional hologram above the symbol. In addition, the words Classic, Preferred, Gold, or Business may appear. MasterCard account numbers are always 16 digits

and the first digit is always a five (5). The first four digits of the account must be printed directly below the embossed number. Only MasterCard cards fitting this description may be accepted.

**Discover** account numbers on cards are made up of four groups of digits totaling 16 numbers and always start with 6011. The embossed numbers should be clear and uniform in size and spacing and should extend into the hologram. The expiration date appears in a MM/YY format after the words "Valid Thru." A special embossed "n" or "D" appears on the same line as "Member Since" and Valid Thru." All cards display the logo of either Discover or Novus. The Discover hologram appears with the images of a sphere, water, and stars.

**American Express/Optima** account numbers on cards are made up of three groups of digits totaling 15 numbers. In addition, there is a four digit Card ID number, which is printed on the card rather than embossed.

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## 2.2. EXPIRATION DATES

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Carefully verify the expiration (valid to) date. Do not accept a card which has expired or where the expiration date has passed.

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## 2.3. RECURRING TRANSACTIONS

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The following are rules and regulations for processing Recurring Transactions (e.g., monthly membership fees, regular contributions, orthodontic payments, etc.):

- Cardholder must complete and deliver to you a signed Authorization Form specifying the transaction amounts, the frequency of recurring charges and the duration of time for which the Authorization is valid.
- If the Recurring Transaction is renewed, the Cardholder must complete and deliver to you a subsequent Authorization Form for the continuation of such services to be charged to the Cardholder's account.
- You may not complete a Recurring Transaction after receiving a cancellation notice from the Cardholder or Issuing Bank or after an Authorization has expired or been denied.
- A Recurring Transaction may not include partial payments for services purchased in a single transaction.
- You may not impose a finance charge in connection with a Recurring Transaction.

---

## 2.4. HONORING CARDS

---

The following rules are requirements strictly enforced by MasterCard and VISA:

- You cannot establish minimum or maximum amounts as a condition for accepting a card.

- You cannot impose a surcharge or fee for accepting a card.
- You cannot establish any special conditions for accepting a card.
- You cannot establish procedures that discourage, favor or discriminate against the use of any particular Card.
- You must include any tax required to be collected in the total transaction amount.
- You cannot submit any transaction representing the refinance or transfer of an existing Cardholder obligation deemed uncollectible.
- You cannot submit a transaction or sale that has been previously charged back.
- You cannot submit a transaction or sale to cover a dishonored check.

Effective January 1, 2004, the "honor all cards" rule has been revised to allow you to choose the category of Visa and MasterCard cards you will accept. As of January 1, 2004, you can choose to:

1. Accept all cards, including consumer credit and debit, and commercial cards.
2. Accept consumer credit and commercial cards only (those Merchants choosing this option must accept *all* MasterCard and/or Visa credit and commercial products including Visa business check cards).
3. Accept consumer debit only (those Merchants choosing this option must accept *all* MasterCard and/or Visa consumer debit card products).

The new acceptance options apply only to domestic transactions. If you accept any MasterCard or Visa product bearing the MasterCard or Visa flag symbol, you must continue to accept both debit and credit card products issued by non-U.S. Members.

---

## 2.5. DEPOSITS OF PRINCIPALS

---

Owners, partners or officers of your business establishment are prohibited from depositing sales transacted on their own personal bankcards, other than transactions for valid purchases of services (e.g., cash advances are prohibited).

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## 2.6. CASH PAYMENT/DISBURSEMENT

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You must not accept any direct payments from Cardholders for services that have been included on an Authorization Form. It is the right of the Card-Issuing Bank to receive such payments. Taxes on Card transactions must be included in the amount charged and may not be collected by you in cash. You may not make any cash disbursements to a Cardholder as part of a Card transaction except to the extent expressly indicated in the Association Rules or on the signed Authorization Form.

## 3. Authorization

This section focuses on the rules and best practices as suggested by both Vanco Services and Card Associations that should be acknowledged when obtaining Authorization for credit card transactions.

In order to process a credit card transaction, you must first obtain Authorization from the Cardholder. Failure to do so may result in a Chargeback and/or the termination of your agreement. A Cardholder's Authorization indicates the Cardholder's willingness to allow you to charge his/her card for the exchange of a service. It does not warrant that the person providing Authorization is the rightful Cardholder, nor is it an unconditional promise or guarantee that you will not be subject to a Chargeback or debit.

Upon receiving Authorization, Vanco will submit the transaction to the appropriate Association where it will be assigned an "Authorization Code". The Authorization Code authorizes Vanco to process the transaction. Vanco stores all Authorization Codes.

The three forms of Authorization allowed by Vanco are Written (Authorization Form), Internet-Initiated, and Telephone-initiated. All Authorizations must include the following:

- Name on credit card
- Cardholder's billing address, city, state and zip \*
- Credit card type
- Credit card # and expiration date
- Transaction amount
- Frequency of charges and duration (if recurring)
- Signature of Cardholder or electronic equivalent
- Date of Authorization

\* The Cardholder's billing address is required and used with our Address Verification Service (AVS) to protect against fraud.

---

### 3.1. WRITTEN AUTHORIZATION

---

All Recurring Transactions must be authorized with a written Authorization, commonly in the form of a signed Authorization Form. You may also accept written Authorizations for a one-time transaction. We recommend using one of our pre-designed Authorization Forms. If you choose to design your own form, Vanco must review and approve it to make certain that it complies with Association Rules.

---

### 3.2. INTERNET INITIATED AUTHORIZATION

---

Internet-Initiated Authorizations must include all the appropriate Authorization information listed in Section 3, along with an electronic signature. You may obtain an electronic signature using one of the following two methods:

- Assign the Cardholder a unique User ID and Password and prompt the Cardholder to click an "accept" button to accept the terms of the Authorization.
- Generate an email back to the Cardholder confirming the information they entered and prompt him/her to reply. The Authorization is considered authenticated once the Cardholder has replied to the email.

If you accept Internet-Initiated Authorizations for Recurring Transactions, the Cardholder must complete and deliver to you a written Authorization Form as described in Section 3.1. You may provide a copy of the Authorization Form online and prompt the Cardholder to print it out, complete it, and deliver it to you.

---

### 3.3. TELEPHONE INITIATED AUTHORIZATIONS

---

If you use the telephone to obtain Authorization for a credit card transaction, you must adhere to the following guidelines:

- Telephone-Initiated transactions are one-time transactions only.
- The Cardholder must initiate the phone inquiry.
- Additional credit card charges require written Authorization from the Cardholder and must be initiated by the Cardholder.
- Telephone conversation with the Cardholder must be recorded.

Original or duplicate recordings of a Cardholder's Authorization must be retained for the duration of the Authorization. Access to those recordings must be made available to Vanco Services upon request to review for compliance.

Telephone-Initiated Authorizations must include all the appropriate Authorization information listed in Section 3, along with the date of Cardholder's verbal Authorization and a business telephone number for the Cardholder to call during normal business hours.

**NOTE:** In order to minimize your risk, you should verify the identity of the Cardholder. As an originator of a Telephone-Initiated entry, you are required to utilize commercially reasonable procedures to verify the identity of the Cardholder. Methods include the use of a directory or database to verify the Cardholder's name, address and phone number.

### 3.4. RETENTION OF RECORDS

#### 3.4.1. Written Authorization

A copy of the Authorization Form must be retained for a minimum of three (3) years following the termination or revocation of the Authorization. The only time Vanco will retain the Authorization is if you fax or mail it to us for entry into our system. Otherwise, you are required to retain the Authorization.

#### 3.4.2. Internet-Initiated Authorization

You are not required to retain any records regarding Internet-Initiated Authorizations. Vanco will store Authorizations made via the Internet in our system.

#### 3.4.3. Telephone-Initiated Authorization

Original or duplicate recordings or written confirmation of Cardholder's Authorization must be made available to Vanco upon request to review for compliance.

## 4. Processing & Settlement

Only valid debits that arise from a transaction between a bonafide Cardholder and your establishment may be presented for settlement. If you deposit or attempt to deposit sales between Cardholders and any establishment other than yours, you will be subject not only to a Chargeback, but also to immediate termination of your agreement and/or legal action.

### 4.1. WHEN TRANSACTIONS ARE PROCESSED

- **Prescheduled transactions** (one-time or recurring) are processed at **3:00 a.m. CT**. Any necessary changes must be completed by this time.
- **New transactions** (one-time or recurring) with a **start date of today** are processed at **3:00 p.m. CT**. Any necessary changes must be completed by this time.

### 4.2. ENTRY OF AUTHORIZATION INFORMATION

In order to process your credit card transactions, the Authorization information listed in Section 3.1 must be entered into our **e.service®** system. You may enter Authorization information yourself through the Service Center, send a data file with the Authorization information, or fax or mail the Authorization information to Vanco and we will enter it into our system for you.

#### 4.2.1. Entering Data via the Service Center

The Service Center is an excellent option for entering Authorization information. It lowers your costs and gives you more control over your transactions.

#### 4.2.2. Sending a Data File

You can program your software to generate a file using Vanco's standard layout. This option also lowers your costs, as it automatically enters data into our system.

#### 4.2.3. Faxing/Mailing Data

Simply fax or mail a copy of the Authorization to us and we will enter the appropriate information into our **e.service®** system for you. Make sure all the necessary information is included before sending.

#### 4.2.4. The Confirmation Report

The day after new Authorizations have been entered into our system or changes have been made to current Authorizations, a **Confirmation Report** (see Section 8.1) is sent to you. It is your responsibility to make sure all information on the Confirmation Report is accurate. If you have any discrepancies regarding

the information on the Confirmation Report, contact Client Services at 800-675-7430. You may also make corrections via the Service Center.

### 4.3. SETTLEMENT

After transactions have been processed, Vanco will direct funds into your designated account within the following card-specific timelines.

**Note:** The term "business days" refers to all calendar days other than Saturday, Sunday, and Federal holidays.

**VISA & MasterCard:** 2 business days

**Discover:** 3 business days

**American Express:** 4 business days

These timelines are based on transactions that have been successfully processed. If a Chargeback occurs, settlement may be delayed. The settlement amount that is credited to your account is the total amount of funds from your processed transactions minus the program charges (transaction fee plus the discount rate). This settlement amount will be listed on your bank statement with a transaction description that includes the first sixteen (16) characters of your business name followed by "MERCHDEP" (e.g. COMPANY ABC MERCHDEP). Vanco will direct settlement funds to your account through the Automated Clearing House (ACH) Network.

#### TIMELINE FOR PROCESSING A RECURRING TRANSACTION

M	T	W	TH	F
11	12	13	14	15
Transactions processed at 3:00 a.m. or 3:00 p.m. CT.		VISA & MasterCard transactions settled to your account.	Discover transactions settled to your account.	American Express transactions settled to your account.

---

#### 4.4. REFUNDS

---

The following are rules and best practices for issuing refunds:

- Complete and submit Vanco's Stop-Change-Credit Form for the total amount of the refund due to a Cardholder.
- Authorization is not required for refunds.
- Refunds must be for the exact dollar amount of the original transaction and may only be credited back to the original card.

- You cannot intentionally submit a transaction and an offsetting credit at a later date solely for the purpose of debiting and crediting your own or another individual's account.
- Avoid giving cash, check or in-store credit refunds for credit card sales.
- For Internet-Initiated Authorizations, we recommend you post your return policy and have the Cardholder click an "accept button" to accept the terms of your return policy prior to completing the Authorization.

## 5. Chargebacks and Other Debits

A "Chargeback" is a transaction that has been returned as unpaid due to a dispute by the Cardholder or Issuing Bank. You are responsible for all Chargebacks and related costs arising from your credit card transactions. Your Settlement Account may also be debited in the event we are required to pay Association fees, charges, fines, penalties, or other assessments as a consequence of your transaction activities.

---

#### 5.1. WHEN A CHARGEBACK OCCURS

---

After the Cardholder has disputed a transaction, the Issuing Bank has the following two options depending on what the Cardholder has indicated as the reason for the dispute:

- a) Request a copy of the sales record – "Media Retrieval Request". Vanco will contact you for the appropriate sales information.
- b) Request that the transaction be charged back to the Merchant. Vanco will notify you when Chargebacks occur and debit your account accordingly.

Vanco will provide you with copies of these requests so that you can provide a response.

You must respond to Chargebacks immediately! If you do not respond to a Chargeback in a timely manner, you will be subject to a "non-receipt of requested sales slip" Chargeback. This type of Chargeback is non-reversible.

Issuers have the right to charge back transactions for up to 120 days. If the Issuing bank has submitted a Chargeback, your account is immediately debited for the amount of the dispute and will not be reversed until the Cardholder and/or Issuing Bank accepts your defense. You have fourteen (14) calendar days from the date on the request to gather as much information about the transaction as possible and provide us with a comprehensive response to the request.

---

#### 5.2. CHARGEBACK REASONS

---

The following are common reasons for Chargebacks:

- Transaction was not authorized.
- Transaction was processed on an account not found on an Issuing Bank's master file.

- Transaction was processed more than once to the same Cardholder.
- Credit was not processed.
- Cardholder never received service requested or service was not performed as represented by Merchant.
- Cardholder claims they neither authorized nor participated in the transaction, or a fictitious account number was used to complete the transaction.
- Card was used before effective date or after expiration date.

#### Other Chargeback Reasons:

- Services not rendered.
- Services are paid by another method (i.e., cash, check, another card).
- Error in addition was made when calculating transaction amount.
- Incorrect/invalid account number.
- A valid Authorization was not obtained for a transaction and Cardholder neither authorized nor participated in transaction.
- Credit was posted/processed as a debit or a debit was processed as a credit.
- Cardholder did not receive proper credit.
- Transaction was processed for an incorrect amount.
- Services received by Cardholder did not match Merchant's description.
- Counterfeit transaction.
- Account number was listed on exception file.
- Transaction was completed after Authorization was declined.

- Transaction was not processed within VISA, MasterCard, Discover, or American Express time frames.
- No Cardholder signature was obtained.
- Cardholder claims Merchant changed amount of transaction without permission.
- Fraudulent transaction occurred with a Merchant who has prior history of fraudulent transactions.
- Transaction was suspicious.
- Cardholder disputes the validity of a transaction.
- Cardholder cancelled transaction/order.

**Other Debits:**

- Association fees, charges, fines, penalties, or other assessments as a consequence of your transactions.
- Reversal of deposit posted to your account in error.
- Debit for summary adjustment not previously charged.
- Reversal of credit for deposit previously posted.
- Debit for Chargeback never posted to your account.

- Debit and/or fee for investigation and/or Chargeback costs related to our termination of the Agreement for cause or for costs related to our collection activities including reasonable attorneys' fees.
- Incorrect transaction date submitted.

---

**5.3. BILLBACKS**

---

When a Merchant processes a transaction, the transaction clears at an assigned interchange level, normally the same interchange level at which you were priced or at the interchange level where the majority of your transactions typically clear. When a transaction clears at a different interchange level other than where you are priced, you are charged or credited the difference between the clearing interchange rate and the priced interchange rate. This is called a "billback". Some common reasons why transactions clear at a different level are:

- Foreign card processing
- Purchase Cards
- Processing changes (such as a delay in settlement)
- Missing Information

## 6. Account Maintenance

Please contact Vanco Client Services if you:

- Change your DDA (Settlement Account) Number.
- Change your Legal Name or Structure.
- Change your Company DBA Name, Address or Telephone Number.
- Change your type of business.

If a change occurs to your Settlement Account, you must promptly complete and forward to Vanco a **Banking Authorization Change Form**. If any change occurs to a Cardholder's Authorization information (i.e., change in credit card number, change in scheduled transaction amount, etc.) or if a credit needs to be issued, you must promptly enter such information on the Service Center or complete and forward to Vanco a **Change-Stop-Credit Form**.

## 7. Managing Risk

According to Visa and MasterCard rules, Merchants that accept card payments and do not obtain a signature at the time of sale are responsible and liable for transactions in the event of a Cardholder dispute. Cardholder disputes can result in Chargebacks. To help prevent fraud and Chargebacks:

- Make every effort to know your customer. The amount of exposure you have to Internet fraud depends on your business policies, operational practices, fraud prevention and detection tools, and the type of service you sell.
- Make sure all employees have a thorough understanding of the fraud risk associated with any Internet transactions.

---

**7.1. COMPLIANCE WITH VISA, MASTERCARD, & VANCO**

---

Vanco, along with both VISA and MasterCard have Chargeback Monitoring and Fraud Review guidelines that are designed to mitigate fraud risk and curb Chargebacks. Your transaction activity is tracked to ensure compliance within

those guidelines. If you generate more Chargebacks than the guidelines allow, VISA and MasterCard will send several warning letters asking that you take steps to decrease your Chargebacks—if there is no improvement, penalties may be assessed. In certain circumstances, fees and fines are

immediate. However, it is the responsibility of the Merchant to monitor their account, not Vanco Services.

---

### 7.2. ADDRESS VERIFICATION SERVICE (AVS)

---

AVS is a valuable tool to help verify Cardholder information. AVS checks the billing address that a Cardholder provides for Authorization against the billing address on file with their Issuing Bank. Vanco requires AVS.

---

### 7.3. VANCO'S RISK MANAGEMENT TOOLS

---

Vanco is dedicated to mitigating risk. Some of the ways we help manage risk for you and the Cardholder include:

- **Delaying funding:** Instead of immediate funding, Vanco may delay funds up to seven (7) business days. This

allows the financial institution an opportunity to review the daily activity prior to releasing the funds.

- **Capturing Reserves:** This may be required and can be captured from daily funding holds or from another agreed upon method.
- **Monitoring of your account:** Daily transaction monitoring may occur to check for any unusual activity. Our **e.service® Hawk System** is a comprehensive risk management system, which constantly monitors system irregularities for the detection and prevention of fraud.

In addition, Vanco periodically conducts a credit review of your Merchant account. When this occurs, we may contact you for updated financial information.

The risk components discussed above are subject to change.

## 8. Sample Reports

All reports are available at any time through the Service Center at [www.vancoservices.com](http://www.vancoservices.com). Reports may also be emailed or faxed according to your preference.

---

### 8.1. CONFIRMATION REPORT

---

The Merchant Services Confirmation Report is generated the day after:

- New Cardholders are entered,
- Changes have been made to existing accounts, and
- Stop payments have been entered.

**e.service®**  
 Vanco Services  
 12600 Whitewater Dr Ste 200  
 Minnetonka, MN 55343

Phone: 800-675-7430  
 Fax: 952-983-8665

CONTACT  
 COMPANY  
 ADDRESS  
 CITY, STATE, ZIP



**Merchant Services Confirmation Report**

Date: 10/01/2004  
 Time: 09:03:48

Phone: ### ### ####  
 Fax: ### ### ####

ES####

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**Activity for 09/30/04**

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**New Customers\* / New Transactions**

<i>ID</i>	<i>Name</i>	<i>Start Date</i>	<i>End Date</i>	<i>Freq</i>	<i>Amount</i>
* JIM0001	SMITH, JIM	10/10/04	10/10/05	W	20.00
* TIM0001	TUCKER, TIM	10/10/04	10/10/05	BW	10.00

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**Edited Customers**

<i>Customer ID</i>	<i>Customer Name</i>	<i>Value Changed</i>	<i>Previous Value</i>	<i>New Value</i>
1299	HARRIS, AL	Account Number	XXXXXX6510	XXX4567
1299	HARRIS, AL	Account Type	C	S



## 8.2. PROCESSING REPORT

- Lists all credit card payments to be processed.
- Generated at 6:00 p.m. CT.
- Transactions listed on the Processing Report cannot be stopped.

**e.service®**  
Vanco Services  
12600 Whitewater Dr Ste 200  
Minnetonka, MN 55343

Phone: 800-675-7430  
Fax: 952-983-8665

CONTACT  
COMPANY  
ADDRESS  
CITY, STATE, ZIP



### Merchant Services Processing Report

Date: 10/04/2004  
Time: 18:00:35

Phone: ### ### ####  
Fax: ### ### ####

ES####

### News

This is where Vanco may post announcements or important information.

### Summary

<i>Card Type</i>	<i>Charges</i>	<i>Amount</i>	<i>Returns</i>	<i>Amount</i>	<i>Failed Transactions</i>
Visa	2	100.00	1	25.00	1
MasterCard	1	25.00	1	25.00	0
Discover	1	25.00	1	25.00	0
Amex	1	75.00	0	0.00	0
Total	5	225.00	3	75.00	1

### Charges

<i>Customer ID</i>	<i>Customer Name</i>	<i>Date</i>	<i>Amount</i>
BEARD-V	BEARD, BONNIE	10/04/04	50.00
CLARK-MC	CLARK, SARAH	10/04/04	25.00
HOPPE-DC	HOPPE, FRED	10/04/04	25.00
JOHNSON-V	JOHNSON, STEVE	10/04/04	50.00
SIMPSON-AM	SIMPSON, TAMMY	10/04/04	75.00
Total:		Count: 5	225.00

### Returns

<i>Customer ID</i>	<i>Customer Name</i>	<i>Original Settlement</i>	<i>Amount</i>
BRAND-V	BRAND, SUE	09/15/04	25.00
DICKENSON-MC	DICKENSON, AMANDA	09/15/04	25.00
PERRY-DC	PERRY, CLARK	09/15/04	25.00
Total:		Count: 3	75.00

### Failed Transactions

<i>Customer ID</i>	<i>Customer Name</i>	<i>Date</i>	<i>Reason</i>	<i>Amount</i>
SMITH-C-V	SMITH, SALLY	10/01/04	ExpiredCard	25.00

### 8.3. DEPOSIT REPORT

- Lists all credit card payments to be deposited into your account.
- Sent prior to each deposit date.
- Transactions listed on the Deposit Report cannot be stopped.

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 Vanco Services  
 12600 Whitewater Dr Ste 200  
 Minnetonka, MN 55343

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CONTACT  
 COMPANY  
 ADDRESS  
 CITY, STATE, ZIP



**Merchant Services Deposit Report**

Date: 10/05/2004  
 Time: 11:00:55

Phone: ###-###-####  
 Fax: ###-###-####

ES####

**Special News Header**

This is where Vanco may post announcements or important information.

**Deposit Report**

Net amount of **\$321.25** will be deposited into your account on **10/06/2004**.

**Summary**

<i>Card Type</i>	<i>Gross Amount</i>	<i>Discount Amount</i>	<i>#Trans</i>	<i>Trans Fee</i>	<i>Net Amount</i>
Visa	75.00	2.06	3	1.35	71.59
MasterCard	0	0	2	0.90	-0.90
Discover	135.00	3.71	2	0.90	130.39
Amex	125.00	4.38	1	0.45	120.17
<b>Total</b>	<b>335.00</b>	<b>10.15</b>	<b>8</b>	<b>3.60</b>	<b>321.25</b>

**Transaction Detail**

<i>Charge Date</i>	<i>Customer ID</i>	<i>Customer Name</i>	<i>Card Type</i>	<i>Gross Amount</i>
09/30/04	SIEDEL-AM	SIEDEL, KAYLA	Amex	125.00
10/01/04	ANDREWS-DC	ANDREWS, KATE	Discover	35.00
10/01/04	BERNARD-DC	BERNARD, HANK	Discover	100.00
10/04/04	BEARD-V	BEARD, BONNIE	Visa	50.00
10/04/04	BRAND-V	BRAND, SUE	Visa	-25.00
10/04/04	CLARK-MC	CLARK, SARAH	MasterCard	25.00
10/04/04	DICKENSON-MC	DICKENSON, AMANDA	MasterCard	-25.00
10/04/04	JOHNSON-V	JOHNSON, STEVE	Visa	50.00
<b>Total</b>				<b>335.00</b>
<b>Gross Total:</b>				<b>335.00</b>

# SAMPLE AUTHORIZATION FORM

Below is a sample of the authorization form your members will sign in order to authorize either a debit to their bank account or a charge to their credit card. We will customize this form with your church name and Client ID number and send it to you upon approval of your application. If you have any specific requests, please provide them on the back of this page and return it to Vanco Services. (Fax Number: 952-926-1758)

AUTHORIZATION AGREEMENT FOR AUTOMATIC WITHDRAWAL OF FUNDS	
<b>Church Name</b> _____	<b>ES####</b>

Envelope # (leave blank if not applicable) _____		
Last Name _____	First Name _____	
Address _____		
City _____	State _____	Zip _____

<b>Date of first contribution:</b> _____/_____/_____	<b>Frequency of contribution:</b> (check only one) <ul style="list-style-type: none"> <li><input type="checkbox"/> Weekly – Mondays</li> <li><input type="checkbox"/> Semi-Monthly – 1<sup>st</sup> and 15<sup>th</sup></li> <li><input type="checkbox"/> Monthly on the 1<sup>st</sup></li> </ul>	<b>Church fund designations and amounts:</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> General/Operating      \$ _____</li> <li><input type="checkbox"/> Building                      \$ _____</li> <li><input type="checkbox"/> Stewardship                \$ _____</li> <li><input type="checkbox"/> Missions                      \$ _____</li> </ul>
<b>Special Instructions:</b> _____	<b>Frequencies</b>	<b>Total</b> \$ _____

Funds

CHECKING / SAVINGS	Please debit my contribution from my (check one): <ul style="list-style-type: none"> <li><input type="checkbox"/> Savings Account (contact your financial institution for Routing #)</li> <li><input type="checkbox"/> Checking Account (staple a voided check below)</li> </ul>	Routing Number: _____ <i>Valid Routing # must start with 0, 1, 2, or 3</i>
	Account Number: _____ ⑆ 23456789 ⑆ 123 123456 ⑆ 0001	_____ Check Number _____ Account Number _____ Routing Number
	I authorize the above church and Vanco Services, LLC to process debit entries to my account. I understand that this authority will remain in effect until I provide reasonable notification to terminate the authorization.	
Authorized Signature: _____		Date: _____

CREDIT CARD	Please charge my contribution to my (check one): <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> American Express <input type="checkbox"/> Discover Card	
	Credit Card Number: _____	Expiration Date: _____
	Name on Card: _____	
	Billing Address (if different from above): _____	
	I authorize the above church and Vanco Services, LLC to charge my credit card in accordance with the information above.	
Signature (as it appears on the credit card): _____		Date: _____

**See reverse side for instructions on how to customize your authorization form.**

## INSTRUCTIONS FOR CUSTOMIZING YOUR AUTHORIZATION FORM:

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- 1) In the space below, provide any specific requests that you would like to see on your form (e.g. funds, one-time contributions, or frequencies). We recommend a maximum of 6 funds and 2-3 frequencies. Feel free to mark up the form on the front side if it helps to communicate how you would like it to look.

**Funds:** \_\_\_\_\_

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**Frequencies:** (check those that apply)     Weekly     Monthly     Bi-weekly (every other week)  
 Semi-monthly (twice a month)

**Annual Contributions:** (e.g. Easter Offering) – *This is an optional section that may be added upon request.*

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**Other Instructions/Comments:** \_\_\_\_\_

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- 2) Return this form along with any requests. If we do not receive any specific requests, we will send you a form with your church name and Client ID in a format similar to the one on the front side.
- 3) When your account is all set up, Vanco will send your customized authorization form via (check one):
- Email (Microsoft Word)     Email (Adobe PDF)     Fax
- 



Vanco Services, LLC • 12600 Whitewater Drive, Suite 200 • Minnetonka, MN 55343

800-774-9355 (Phone) • 952-926-1758 (Fax)

