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e5

Direct Debit Mandates and Collections

We provide flexible and efficient support for any organisation with a need to process Direct Debit Mandates and Collections.

A Direct Debit is an instruction from a customer to their bank or building society authorising an organisation to collect varying amounts from their account, as long as the customer has been given advance notice of the collection amounts and dates.

In most cases the Direct Debit process creates a “win / win” case for both the collector and payer. From

the perspective of the debtor a recent survey revealed that:

- 85% of users cite that it is a convenient way to pay bills
- 85% believe that it helps to avoid unwelcome reminders and financial penalties that may otherwise accrue from forgetting to pay a bill
- 85% believe that this payment method saves them time
- 79% believe that it is a safe and reliable way to pay bills
- 71% state that it helps to spread the cost of payments over time.

From the perspective of the collecting organisation it increases collection rates, improves cash flow, reduces bad debts, reduces risk and improves the certainty of collection. Many organisations choose therefore to offer incentives to customers by way of discounts or other means if they agree to sign up for Direct Debit collection.

The e5 application provides several optional components that add up to a comprehensive solution for Direct Debit processing:

- Direct Debit mandates: provides a central repository of all mandates for the organisation whether related to e5 or not.
- Extended Bank Validation: an interactive, real time check can be made at the point of setting up the customer mandate whether the bank details given are accurate and eligible for direct debit collection.

- Direct Debit collections: this component actually generates the collection data at the agreed dates / intervals by interacting with the e5 accounts receivable database.

- DBBACS-IP: this component can process the electronic payment, collections and mandate instructions etc. that are output by e5, interacting with the banking system to perform the actual electronic transmission of data.

Should a customer already have in place an alternative data transmission solution, and therefore not wish to take the DBBACS-IP component, we can provide implementation services to quickly and easily integrate with your chosen application.

Direct Debit mandates

Auddis is the banks automated Direct Debit instruction service and allows a business to set up new, and amend existing, Direct Debit instructions electronically. The e5 application provides for the insert and maintenance of Direct Debit instructions, whether related to e5 accounts receivable data or not. An interface is also available to take on details of instructions created elsewhere. New and amended instructions can automatically be processed for transmission to the banking system and data returned is used to update records, with any errors able to be notified to responsible users via the e5 workflow utility, business event manager.

Integrated with planned payment collection

The e5 accounts receivable application allows for flexible definition of planned payment collections. The mandate process allows additional Direct Debit data (including the collection account and reference etc) to be maintained against a plan, even enabling separate Direct Debits for discrete amounts and on different collection dates to be set up for the same customer.

Where a customer requires additional debt to be collected under an existing arrangement, then the plan can be amended to include the new debt.

Efficient collection and allocation

A simple process allows efficient collection and allocation of payments to accounts receivable debt. Flexible collection frequencies and collection dates are available to tailor the process, including an ability to interact with a calendar to extract collections the right number of working days in advance and ensure collection on the correct day. Collection dates falling on non-bank days can be collected on the first following bank day, and in common with all e5 processes, both ad-hoc and scheduled processing options are available.

Each collection generated can update the relevant linked mandate to record the last collection date and where linked to a payment plan, can update the instalment record as collected.

Direct debit failure processing

The e5 application can automatically process such details through an interface, 'unpicking' the failed Direct Debit collection and re-setting the status to allow the original transaction to be collected again later. In addition the e5 workflow process, business event manager, can generate a message to an appropriate user, and record details of the failure in the customer diary, so that appropriate action can be taken.

Business benefits:

- Increased staff productivity – efficient set up and maintenance of mandate instructions
- Improves control over payments and cash flow
- Easily collect fixed, varying and ad-hoc amounts of money direct from customers' bank accounts.
- More reliable than other payment methods such as credit cards and cheques.
- Simpler than standing orders.
- Immediate notification of failures to pay
- Quick and efficient processing of your direct debit service.
- Improved customer satisfaction

Features include:

- System controls provide flexible set up options
- Mandate maintenance on-line
- Offline mandate input options
- Letter confirmation to third parties when required
- Fully integrated with e5 accounts receivable

The Direct Debit guarantee

Customers have confidence to sign up for Direct Debit collections due in part to the Direct Debit guarantee. The essence of this is that:

- advance notice of change - if the amounts to be paid or the payment dates change, the organisation collecting the payment must notify the customer in advance (normally 10 working days in advance).
- refund guarantee - if an error is made by the collecting organisation, bank or building society, the customer is guaranteed a full and immediate refund.
- customer control – a customer can cancel a Direct Debit at any time by contacting the bank or building society. it is also recommend that the collecting organisation is notified.

In this, if a customer disputes an amount that has gone out of their account by Direct Debit, they can contact their bank and ask for an immediate refund. It is then the originator's responsibility to ask the customer for the money.

Getting equipped for Direct Debit

It should be noted that if your organisation is not already a participant in the Direct Debit scheme you will have to go through the registration and accreditation process via your bank. This process can take up to 3 months. Before go live with a Direct Debit service an organisation will need:

- To be the holder of an addis direct debit originator's identification number (OIN) also sometimes known as a SUN (service user number).
- To have completed any accreditation required by the sponsoring bank
- To complete section 6 of the BACSTEL-IP application form (which is submitted to the sponsoring bank), naming your bac's bureau

We can provide professional services to help with any aspect of implementing the Direct Debit mandate and collection services in your organisation.

Summary

The e5 Direct Debit mandate, and Direct Debit collection functions provide an efficient, extensible solution to help organisations minimise the cost of collection, improve cash flow and reduce bad debt.

Eclipse and e5

Delivering intelligent solutions with old-fashioned service

e5's multi cross platform engineering technology coupled with leading edge Java frameworks running on databases such as DB2, Oracle and SQL server, has resulted in a robust, scalable open architecture. Thin client technology means that all of the application is accessible from a suitable machine equipped with a browser and the java run time executable.

e5 is owned and implemented by Eclipse. At Eclipse our philosophy is simple. We deliver the right solution with the highest levels of service. This is part of our 'client for life philosophy'. Once your solution is implemented, we maintain a strong on-going business relationship, with 24 x 7 support and a range of value – added services to ensure your e5 solution is remains reliable and effective in your business.

For more information, contact Eclipse

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