

TEL Entries



Telephone-Initiated Entries (TEL)

What Is TEL?

Telephone-Initiated Entries (TEL) are single entry debits that are initiated when an authorization is obtained orally via the telephone.

What Types Of Businesses Can Use TEL

TEL is a preferred payment solution for many types of companies. Credit card companies, utility companies, government agencies, not-for-profit organizations, lenders, retailers and health care providers are good examples of industries that have benefited from implementing TEL.

Benefits Of Using TEL

- Streamline processing of payments
- Reduce costs of payment acceptance by using the ACH network
- Increased customer satisfaction by offering convenient payment options
- Attract new customers and create incremental sales by allowing customers without credit cards to make telephone purchases
- Provide customers with a channel for making last-minute, expedited payments

Special Risk Management Considerations

The nature of accepting payments via telephone create special considerations for reducing risk. Companies offering TEL must:

- Utilize commercially reasonable procedures to authenticate the identity of the purchaser and verify the routing number information provided by the customer
- The company must have an existing relationship with the customer prior to authorization of a TEL entry or the call must have been initiated by the customer
- The company must tape record the oral authorization or provide the customer with a written notice confirming the oral authorization prior to the settlement date of the entry
- A copy of the notice or a duplicate recording of the authorization must be retained for two years

There are some very specific requirements for TEL transaction authorizations that must be followed. Each TEL authorization must contain confirmation of six important pieces of information. The recorded conversation or the written follow-up notice must contain this information in order to be considered a valid authorization.



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Additional TEL Facts

- In 2005, TEL transaction volume increased more than 25 percent, according to NACHA.

Interested in learning how TEL can help your company? Contact ACH Direct at sales@achdirect.com or call 866.290.5400. For compliance requirement information on TEL, please consult the *NACHA Operating Rules and Guidelines*.



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