

Automated Clearinghouse Program

Customs Automated Clearinghouse (ACH) is an electronic payment option that allows participants to pay Customs fees, duties, and taxes electronically. ACH is a straightforward procedure accomplished through a series of simple electronic transactions. Throughout the process, there are no paper payments and no cashiers.

ACH automates the time consuming method of using cash and checks to pay duties and fees on imported merchandise. The accuracy and speed of ACH results in a higher volume of completed transactions for the importer and Customs, saving time and money. ACH fulfills the need for swift, accurate, and secure payment transfers in today's competitive business climate.

Customs offers two ACH options: ACH Debit and ACH Credit. You may send your payment in either debit or credit mode. Deringer recommends choosing the process that best suits your business environment.

ACH Debit

ACH Debit is available to ABI filers using statement processing and can be used to pay all Customs duties, taxes, and fees. With ACH Debit, the payer transmits payment authorization to Customs, and Customs sends the payment information through the network to the payer's financial institution. Benefits of ACH Debit include the following:

- ❖ Obtain up to an additional 10 days to pay duties, taxes, and fees on quota and other special merchandise classes
- ❖ Reduce administrative processing and costs
- ❖ Pay all ABI statements in a central location
- ❖ Reduce administrative errors related to check processing
- ❖ Eliminate lost or stolen check problems
- ❖ Control cash flow by identifying the exact day to allocate funds

Typical ACH Debit Transaction:

1. The filer receives the preliminary statement. CBP generates a preliminary statement of entry summaries scheduled for payment and transmits it to the filer through ABI. The filer prints and reviews the statement. If the filer deletes an entry summary from the statement through ABI, a new statement amount is transmitted to the filer.
2. The filer transmits ACH payment authorization. The filer transmits the payment authorization to CBP through ABI. The filer sends one ACH payment authorization per statement, usually the same day the statement and entry summaries are submitted to CBP. All ACH payment authorizations are initiated by the filer--CBP takes no payment steps until the ACH payment authorization is received and accepted.
3. The filer receives a confirmation message. If the ACH payment authorization transmission is error free, the filer receives a message that the authorization has been accepted. If transmission errors occur, the filer receives an error message for each incorrect transmission until the problem is corrected and authorization is properly transmitted.
4. The filer receives the final statement. CBP transmits a final statement to the filer, usually on the first business day after the payment authorization is received, accepted, and processed by CBP. The final statement lists all paid summaries and serves as a payment receipt.

5. All accounts are credited and debited. After ACH payment authorization is approved, funds transfer begins. CBP transmits payment information to the ACH processor bank and the Treasury account is credited. The ACH processor bank then transmits the data to the payer's bank. The payer's account is debited usually two business days after CBP accepts the initial payment authorization.

ACH Credit

ACH Credit is available to anyone that clears formal entries on statements. In order to be on ACH Credit, the company or filer must be on ABI and Statement processing. With ACH Credit, the payer initiates the payment through their financial institution. Their financial institution then electronically transmits the payment through the ACH/Federal Reserve network to the Customs account maintained by the Treasury Department. Benefits of ACH Credit include the following:

- ❖ Payer controls the initiation and timing of payments
- ❖ Payer controls the date funds are debited
- ❖ Immediate posting of the payment transactions
- ❖ Fraction of the costs of FEDWIRE
- ❖ Eliminates lost or stolen check problems
- ❖ Reduces administrative and check processing costs

Typical Transaction:

1. The payer provides the necessary data to their financial institution. CBP provides the payer with a payment format. The data requirements include CBP transit routing number, CBP account number, payer identifier, settlement date (the date the account is scheduled to be debited), the total payment amount, document number being paid, document payment amount, and payment type.
2. The payer initiates the payment transaction. The payer follows their financial institution's procedures for initiating payment. The transaction must originate at least one day prior to the settlement date. Once the transaction has been initiated it cannot be reversed. Any over payments will be handled through the normal refund process.
3. The Treasury Department transmits the information to CBP and payment is posted. If the amount paid matches the amount due, the payment is posted. If there is a discrepancy, CBP will manually reconcile the transaction, which may cause a delay in posting the payment.
4. The Federal Reserve notifies the financial institution that payment was received. The transaction will be listed on the payer's bank statement, or through other arrangements made with the bank.

For more information on signing up for ACH please visit:

http://www.cbp.gov/xp/cgov/trade/automated/automated_systems/ach/signing_up.xml

For more information, please contact your local sales representative or email us at marketing@anderinger.com.