



Preparing for a Successful BOC Implementation

Steps to a Successful BOC Deployment

ODFI Steps:

1. Read and become familiar with *NACHA Operating Rules* on BOC, specifically sections pertaining to *ODFI* and *Originator* obligations.
2. Determine and document internal BOC processing procedures from customer notification and collection of source document for capturing the MICR information/copy of source document and transmitting to the *ODFI*.
3. Conduct staff training for tellers, customer service, account executives and back-room processors to ensure everyone is prepared to perform BOC process and address retail customer questions.
4. Target *Originators* and sell them on BOC concept; educate and provide sample notification and marketing materials to interested *Originators*.
5. Distribute communications to account holders educating them about changes they may see at retail stores and on their statements in March 2007.
6. Audit.

Originator Steps:

1. Read and become familiar with *NACHA Operating Rules* on BOC, specifically sections pertaining to *Originator* obligations.
2. Select MICR line reader hardware and software and install in back office, or select a service provider skilled in check-to-ACH conversion.
3. Determine and document internal BOC processing procedures from customer notification and collection of source document to capturing the MICR information/copy of source document and transmitting to the *ODFI*.
4. Conduct staff training for cashiers, customer service and back-room processors to ensure everyone is prepared to address retail customer questions.
5. Audit.

Determining your organization's check conversion strategy will require a detailed analysis of the following:¹

- current processing environment and investments needed to pursue alternative strategies,
- customer needs and competitive pressures,
- makeup of your check deposits including volume, value, endpoint distribution, current availability, corporate vs. consumer.

Contact your [District FedACH® Sales Specialist](#) for assistance in evaluating your alternatives. If you decide to offer back office conversion to your corporate customers, be sure you provide them and your staff with the education and tools they need to comply with the regulations and to answer customer questions accurately. Remember, check-writing customers are familiar with check conversion, but may not be aware that retailers will be able to convert checks in their back office beginning in March 2007.

¹ "ACH and Check 21: A Dynamic Duo," presented by Fred Herr and Jim McKee, Federal Reserve Bank of Atlanta, Retail Payments Office, on May 9 at NACHA's Payments 2006 Conference in San Diego, CA.

Common messages included in NACHA and Federal Reserve communications:

- Check conversion has been in place for over five years and uses the same secure ACH system that the Federal Reserve and the nation's financial institutions use to process electronic payments such as Direct Deposit. Efficient processes and consumer protections are already in place for BOC implementation.
- The ACH network is virtually error free, and BOC transactions will be no exception.
- The best way to allow consumers to opt-out of BOC is to offer another merchant-accepted form of payment if consumers prefer not to have their checks converted.