

ELECTRONIC CHECK

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ABSTRACT

Technology has generated an overwhelming experience, making world a regional market. Adamant processes have definitely subdued and a consistent drive towards extemporization is the demand of today. Payments definitely act as a facilitator and making this to happen more swiftly as well as securely is a requisite. The present paper is an attempt to acclimatize with the underlying course of action of eCheck. The role of Financial Services Technology Consortium has also been elucidated. Several supporting organizations like NetCheck, NACHA and BIPS have also been a cornerstone towards its development making businesses to inflate over the world.

KEYWORDS: BIPS, Business, Echeck, NACHA, Netcheck Etc.,

INTRODUCTION

Ferocious challenges await industry. Enormous entanglement of customary methodology with the latest trends has become an obligation. Digitalisation refutes obstinate and generates up-to-the-minute up gradation enabling to formulate superior decisions. The paperless enforcement will definitely lessen the processing disrupts, trim down the travelling and hence, fortifies industrial growth.

Every business is spurred with transactions which can now be facilitated with Electronic checks (eCheck). It can be initiated over a varied range of devices like PC, ATM, Smartphone or even an accounting system. The mechanics is alike to the paper cheques, but they possess attributes like:

- They can quickly serve the remote areas.
- Business houses may ensure prompt payments.
- They can be embraced with unlimited information.

eChecks therefore leverages over the general workings of paper checks. eChecks has its utility from small to bigger business houses. Delivered over either through telephone lines or wireless networks eChecks are accrued by the relevant bank branches and hence set for clearance through automated clearing houses. Such an integration of banking with industry would definitely lead to more authentic data transmission over the network.

LITERATURE REVIEW

Deficient research has been done in this domain. More insight is towards the transformation from paper to paperless as discussed. Sellen A. et al (1997) researched that paper is still significant for the use over the organizational life. Research conducted at IMF described that much of the orientation towards paper depends upon the institutional framework. Geels F.W. et al (2000) found that there have been pitfalls over the course of development of technology for the future time period, for instance cultural variations, coexistence of technology with society etc have been completely

ignored. Prater E. et al (2005) researched the use of RFID in the grocery store and implications have been derived which can be immediately put into practice. Ojha A. et al (2008) conducted a survey and found that income tax e-filing service is being utilised due to its ease of use, more compatibility as well as comparative advantage. Therefore, not only inside a grocery store, electronic has its applications even when a person wants to service back his government. Bondarenko O et al (2015) conducted an ethnographic study of 28 information workers by taking into consideration both digital as well as documented information. They have found that digital have adversity over the task relevant information.

Course of Action

EChecks uses Financial Services Markup Language. New ones need to accomplish the registration form for using the third party's server. Details regarding the bank accounts or credit/debit cards have to be furnished. Server itself acts as a billing agent. Hence, with the completion of the registration, business transactions can be accounted. Consumer now may send the eCheck to the vendor through e-mails or other viable mediums. This eCheck would then authorises itself from the account against which the payments have been withdrawn to the destined account. EChecks restrains the threats due to the adamant support of Digital Certificate, Encryption, Cryptography, Digital Signature, Encryption and Authentication. Issuance of such an eCheck definitely requires name of the payer, his banker's detail, account number, payee's name and his destined accounting details. EChecks alike to paper checks do require signatures, but the digital ones. Hence, these are exchanged over the financial institutions after transiting the electronic gateways.

EChecks are regulated by the similar bylaws of the paper checks, however they are existent in this case, only in electronic format. Financial Institutions play a pivotal role. They employ standardised set of technological parameters in order to attain the universal acknowledgement. Moreover, they direct such tool usage over the virtual plat-formers. With this the bankers would definitely create more affluence towards its customers.

ECheck is an unyielding support as it

- Administers business transactions effortlessly.
- Corroborates the digital content.
- Diminishes the fraudulent practises by enforcing innumerable authentication assessments.
- Carries boundless information carrying capacity.
- Supports even the conventional checking practices.

Financial Services Technology Consortium

FSTC, a US based not for profit organization, include members like banks, research laboratories, universities etc in order to augment more competitiveness in this segment. They lay huge emphasis for the development of online services. Latest technologies are roped in so as to entice more customers and diffuse worthy experience. This would certainly equip customers with their desired products indexing them with low risk as well as cost. Transaction over the FSTC can be delineated as:

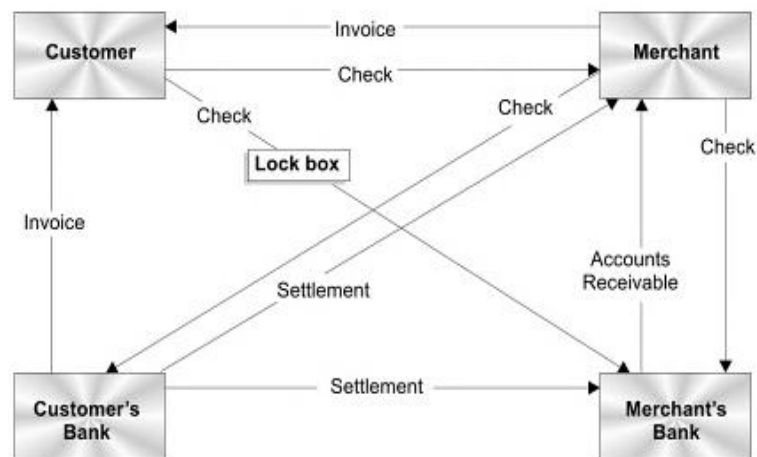


Figure 1: Transaction Over FSTC Source Bhaskar, 2013

As soon as merchant relinquishes customer's order, he transmits the invoice to the customer. In line to which customer fulfils the payments through a eCheck, which as soon as is received by the merchant is driven towards the customer's bank for settlement, a deposit-clear scenario. Another situation may also prevail in which with the receipt of an eCheck the merchant may present it over to the customer's bank for the direct transaction over to his account. Also, there can be a state of affairs, in which merchant's support would not become a mandate, this arises when the entire process is carried with the help of a lock box in which the merchant's bank may convey the account receivable information over to him and then proceed for clearing of it towards the another party. There can be even fund transfer i.e. the payer may issue an eCheck and direct it towards his own bank and then the bank may itself proceed with the payments over towards the payee. There do even exists digital checking systems like paybycheck, eCheck.net etc.

Netcheck

NetCheck developed by C. Neumann, endows an accounting server which enables an organization to set up their own banking operations under their premises. Such a server allows organization to settle their accounts even with their personalised banking systems. Hence, as soon as any outstanding are to be settled and payments are released via eCheck, it is verified by the server. Server will validate the constituents of the eCheck. Digital signatures of the payer would authenticate the bank to accomplish the fund transfer. On the contrary, if certain cash is to be received then it may be directly presented over the accounting server, hence the server would conduct necessary verifications and acquaints the concerned. Directives are routed to conclude the transaction and the cash is debited.

NetCheck also possess a unique trait of resource administrator i.e. digital cash is also supported. With the advent of massive competition, every organization thrives to attain optimum resource allocation. An organization may apportion digital cash over the intranet to its different sub divisions. Payments and receipts are the gateway towards the sale and purchase of any entity. Hence, any division may be easily accounted for the transaction laid and its overall productivity can be easily assessed. Moreover, even inside organization different commodities are disbursed, which can be easily checked with its help.

Nacha

NACHA, also a non-profit organization sets out the rules and regulations for the prevalent clearing houses as well as other issues related to the domain of electronic payments. A symbolic of several financial institutions, it acts as a

promoter of eCheck, electronic data exchange, electronic benefit transfer etc. Various regional Automated Clearing Houses are also the members of NACHA. The organization also administers corporate led programmes in order to acquaint more users in this field.

Bips

For securing transactions over the public network Bank Internet Payment System (BIPS) is the need of hour. It has enormous processing power and is even cost effective. Clientele of BIPS include Citibank, GlobeSet, Glenview State Bank, Mellon Bank, Tandem Computers etc. BIPS use standardised protocols to operate. The disparity between banking as well as industry is bridged. It is a complete package of a set of protocols and the services are backed with the help of a server so that transactions are accomplished firmly. Moreover, multiple bank options tend to lure more. First users are even counselled for the purchase of goods and services in accordance to their requirements and the cost assessments are also done. Therefore, BIPS enables organization for securing, authenticating and validating transactions even over the public networks, making businesses to expand over boundaries.

CONCLUSIONS

Electronic mediums have transpired and turned to be more lucrative. Paperless utilities have definitely gained more importance. Threats are demolished due to consistent tech support of digital signatures, encryption etc. making businesses to flourish over the domains. Businesses now have the opportunity of accomplishing transactions via multiple banks, denominate in multiple currencies and even acknowledge receipt without even visiting the brick and mortar offices. A payee hence may even set out the transaction with the help of eCheck, which aligns itself like a paper check but with several add-ons. eChecks therefore, has gained enormous prominence over the years.

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