

Overview of A.C.H. Payment Method For Direct Payment of Duties to U.S. Customs

The A.C.H. (Automated Clearing House) method of payment is an electronic method of payment which has been available in the United States for many years now. Almost all banks are capable of handling payments on the A.C.H. system.

In the beginning of 1990 the United States Customs Service incorporated the A.C.H. payment method with its already existent ability to electronically receive customs entries. American Shipping Co. has been utilizing both the electronic entry capabilities and the A.C.H. method of payment since inception. Through years of constant testing and upgrading we have been able to demonstrate that the A.C.H. method for paying Customs Duties coupled along with the Electronic Customs Entry is extremely advantageous for both the importers and ourselves as well. Being able to bypass the manual process of the customs cashiers, Customs Entries performed within this electronic environment have been clearing in record time, and payments to the government have been handled with minimum effort and maximum control.

What we would like to propose is that your company become a member of the A.C.H. payment process in order to complete the "electronic arena" in which your shipments are now being handled. We feel that by your company's usage of this method, you will gain valuable float time with your duty payments along with many other advantages.

All that needs to be done on your part as the importer is to complete the attached one page "MASTERFILE MAINTENANCE FORM", and we literally do all the work.

Once Customs receives the completed form they will issue you a unique Payor Identification number. This will be issued to you in the format of a formal letter which you will receive direct from U.S. Customs. With the information contained in the written confirmation you will receive, we will then input the data into our computers for ACH handling. Upon your approval we will then begin to transmit your entries to Customs as an A.C.H. paid entry. Your shipments will be presented to Customs for clearance and 10 working days later we will authorize the electronic payment. Two working days later your account will be debited for the duties represented on the entry that cleared 12 working days prior. **Business days include federal holidays and bank holidays.**



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OVERVIEW OF A.C.H. PAYMENT METHOD

For Direct Payment of Duties to U.S. Customs (con't)

Approximately 3-5 days after we send your entry to Customs, you will receive a printout a fax generated report from our computers which will indicate to you (a) How much will be transferred from your account (b) When it will be transferred from your account (c) Our/your reference number (d) Customs entry number. This printout once received will give you approximately a five to seven day lead time to arrange for funds to be available in the account designated for these transfers. The date shown at the top of the printout indicates the day we actually authorize Customs to debit your account. Two working days thereafter your account balance will reflect the electronic fund transfer. (Please note that all A.C.H. payment information is also available through our "Electronic Freight Tracking" and can be retrieved at your command).

One common question most importers have is if they should open a separate account for this function. We do not suggest that you open a separate account for these transactions as it defeats the purpose of having the money available to you for a longer period of time (float time).

As you can see, we do all the work so there should be no additional work load on your part. This arrangement also gives you better control and longer usage of your funds. It also insures that your payments are going direct to U.S. Customs. Duty amounts normally reflected on our invoice to you will still indicate the duty to be paid but will no longer appear in the column as an amount due. Rather there will be a memo notation as to the amount to be paid. Presently, the majority of our clients are on this system and all that are on it see it as a tremendous advantage.

We ask that you seriously consider using this direct payment option and request that you complete the attached Masterfile Maintenance Form and return it to us so you can start taking advantage of this wonderful program.

Should you have any further questions or wish to meet with us to discuss this further, please call us so we may accommodate you.

Thank you for your consideration.



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