Bank Reconciliation When Using ePayments

Knowledge is power! Knowing how the **ePayments process** works will help you to efficiently reconcile your credit card and bank account payments.

Understanding the Players

It is important to understand the key players and the roles they play when using ePayments with Jackrabbit.

- Your **Jackrabbit** database transmits the transactions (ePayments) to the ePayment gateway and receives approval or decline from the gateway. Jackrabbit is not involved in the approval/decline process.

- Your **Gateway (ePayment Partner)** accepts the transaction in 'bunny' language, translates to 'bank' language and forwards to your merchant services provider/merchant processor.

- The **Merchant Processor** coordinates with the card issuing bank to settle the transaction. The merchant processor's accepted or declined response is sent back to the gateway. The merchant processor is also responsible for depositing funds into your bank account.
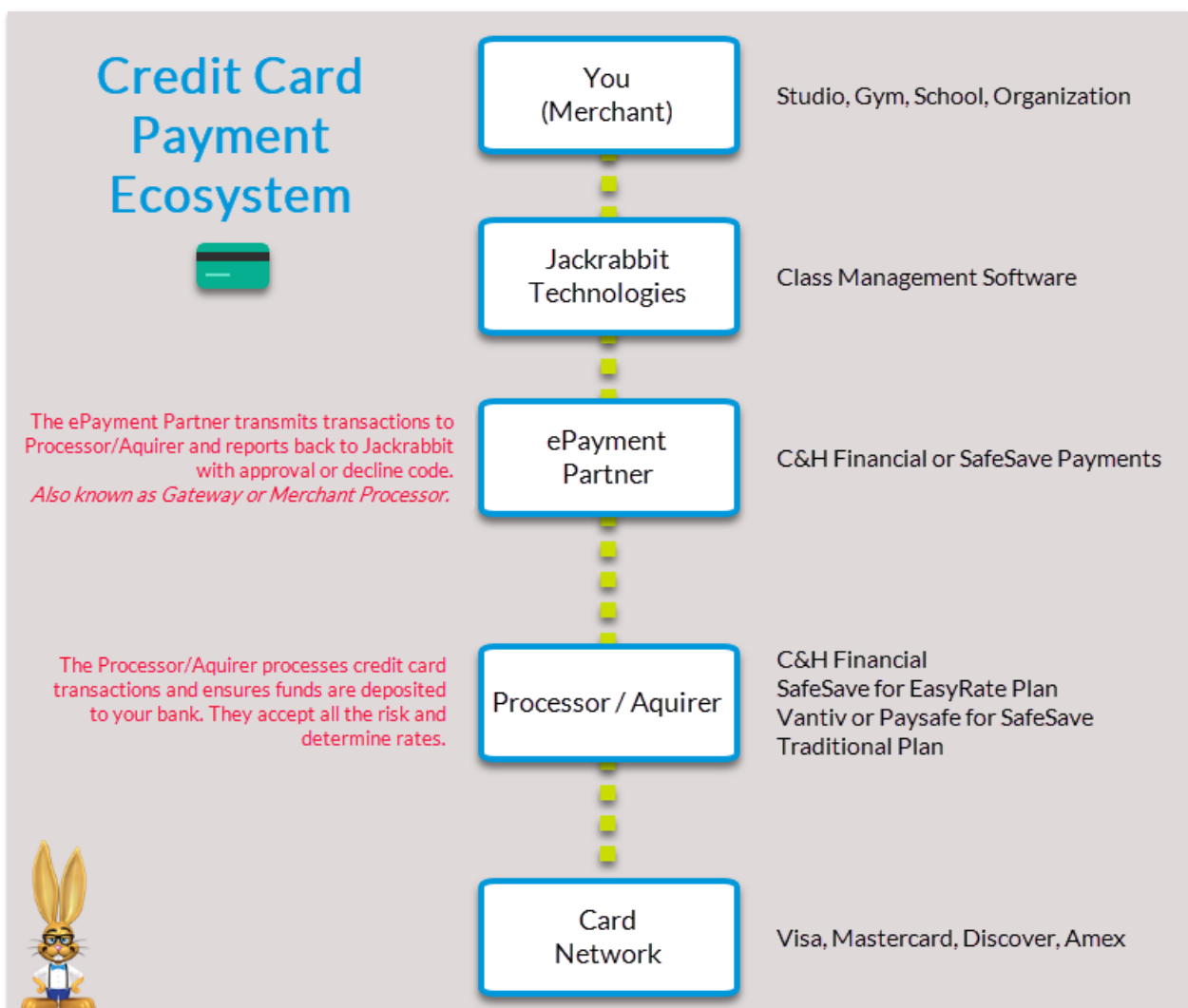
Understanding Transaction Settlement Times

Each gateway has a default settlement time. This is the time your transactions are actually sent out for processing with the merchant processor. The settlement time may affect when you receive your funds.

Jackrabbit

When an ePayment is initiated within Jackrabbit, it is immediately sent to the Gateway. There is no 'batching out' process. Transactions are stamped with the date the transaction was initiated, following the time/date settings in your Jackrabbit database. Reports in Jackrabbit are also based on that date.

Gateway (ePayment Partner)

Transactions are received in the gateway and held until your settlement time. At that time they are released by the gateway and submitted in a batch to the merchant processor for settlement.

Work with your gateway to set a **settlement time** that works best for your needs. If your settlement time is set to 8:00pm, all ePayments processed in your database between 8:01pm – 11:59pm will not be batched out until the following day. Jackrabbit's **Deposit Slip** will show that you received the money on 12/31/18 (for example) but your gateway settlement reports will show that money with a settlement date of 1/1/19. This can make reconciling a little trickier.

 We recommend adjusting the settlement time in your **virtual terminal account** to the latest possible time if you want your transactions to match with Jackrabbit reporting. Most gateway providers will not allow a settlement time later than 11:30pm.

Merchant Processor

Transactions are also batched out from the merchant processor. Each processor has their own default settlement times. Contact your processor to find out what their settlement time is. In most cases, you will receive your funds in 1-3 business days.

Reports & Tools for Reconciliation

Use the reports and tools available to make reconciliation easy!

Reports in Jackrabbit

- The Deposit Slip Report provides a list of payments (credits) received during the designated time

frame sorted by payment method.

- The Transaction Search allows you to search for Credits Only. Sort by the ePmt column to separate payments submitted to the gateway from non ePayments such as checks, cash, or a credit card payment processed outside of Jackrabbit. ePayments processed through Jackrabbit will have a symbol for approved or declined. You can also search on just ePayments transactions if you are reconciling your credit card statements.

If you process credit cards outside of Jackrabbit in addition to integrated ePayments, create a Payment Method drop-down value (e.g. Visa-nonJackrabbit) and use that when recording those payments. This will distinguish them from the ePayments you process in Jackrabbit, which is helpful in reconciling.

Other Tools You Can Use

- The Daily Settlement Detail email from your gateway
- The Batch Settlement reports in the virtual terminal
- Online account access and statements from your merchant processor
- Online account access and statements from your bank

Recommendations for Successful Reconciliation

1. Adjust your gateway **settlement time** in your virtual terminal.

2. Ensure that you are setup with a monthly billing structure for your merchant processing fees. This ensures all fees are taken at the end of the month and the daily deposits to your account will more closely match your Jackrabbit and gateway reports.

3. Follow up on bank draft/ACH payments in your bank account. Some banks will send out returned item notifications but not all do.

4. Review transactions in your **virtual terminal** regularly to ensure that they are in agreement with your Jackrabbit reports

Our ePayments specialists are here to help if you have questions along the way. Email them at **epayments@jackrabbittech.com**.