

## **THE MOST FREQUENTLY ASKED QUESTIONS AND ANSWERS REGARDING ELECTRONIC FUNDS TRANSFER**

**1. What is Electronic Funds Transfer (EFT)?**

EFT is a process by which an account can be automatically debited and/or credited (once permission is obtained from the depositor) without having to write and mail a check. The system is precise because it utilizes the telecommunications network of the Federal Reserve to link your bank with the Montana Lottery's bank. An Automated Clearing House (ACH) acts as a middleman to route funds to the proper accounts.

**2. What are the advantages in using the EFT system?**

- A) You are assured the funds are received.
- B) You will know exactly when your account will be debited. The transaction will occur at the same time every collection cycle.
- C) The cost of writing and mailing a check is eliminated.

**3. Do I have to participate in EFT?**

All Montana Lottery retailers are required to participate in the system.

**4. Is a separate Lottery account advisable?**

This decision will be left to you. Whatever is easiest for you is fine with us. If you choose to open a separate account for the EFT transfers, you will be able to keep the Lottery transactions separate from your regular account, but your bank may charge extra for maintaining a separate account. You should discuss that with your bank.

**5. Can I use my present bank for EFT?**

In most cases, yes. However, in Montana, there are still a few banks that have difficulty handling EFT. You should contact your bank to determine if there may be a problem with using your present bank.

**6. What steps do I take with my bank so I can participate in the EFT system?**

Simply open a bank account (or use an existing account) and make your bank aware that there will be EFT transactions processed against your account. Notify the Lottery of your account number and transit routing number by completing and returning the EFT Authorization Form with your Retailer Application.

**7. Whose name should be on the account?**

You should use the business name exactly as it appears on your Montana Lottery Retailer Application.

**8. How much will it cost for this service?**

The transaction charges and/or service charges that Lottery retailers will pay vary with different banks. In most cases these charges have been reasonable.

Your bank charges should be considered when determining how much money to deposit in the account to cover the EFT sweep.

**9. Can I earn interest on this account?**

You should check with your bank regarding the feasibility of using an interest bearing account.

**10. Can this account be used by the Lottery to monitor my account?**

The Lottery can only debit or credit your account. The Lottery has no way of monitoring your activity or balances.

**11. How do I know when my account will be swept and for how much?**

Your account will be swept weekly for all monies due from the prior accounting week (Tuesday through Monday). Each Tuesday morning your lottery terminal will produce a settlement report for the prior accounting week. This report shows the total amount of your weekly sweep.

**12. When must my money be deposited in the EFT account for transfer to the Lottery?**

You should deposit the money into your EFT Account no later than 3 p.m. on Wednesday.

**13. What will happen if the proper amount of money is not in my EFT account at the time the transfer to the Lottery is effected?**

Even if your EFT account is just one cent short of having enough money at the time of the EFT transfer, the entire transaction will be returned to us as a Non-Sufficient Funds (NSF). The Lottery has established the following policy for handling NSF.

When the first NSF is received from Federal Reserve, we will contact you letting you know we have been notified of the NSF and will ask you to send us a cashier's check or money order to cover the NSF.

If we receive a second NSF notice from Federal Reserve, we may automatically inactivate your lottery terminal until we receive payment in full. This procedure will stop all orders and deliveries until your lottery terminal is reactivated. We will then review your payment history and take appropriate action, which could include revocation of your Lottery retailer license.

**Any non-sufficient fund (NSF) charges assessed by your bank will be your responsibility.**

**14. What do I do if I have a problem with my invoice but don't want to risk the Lottery getting a NSF notice?**

Immediately call Lottery Accounting on our toll free number, 1-800-443-5708, to discuss the problem. A determination will be made at that time regarding payment.

**15. Can third party checks be deposited to the EFT account?**

Checks can take a number of days to clear and become "available money." If checks are deposited into the EFT account, you should take into consideration that it will be several days before they will be available for EFT sweeps.

**16. Can I pay winning tickets with checks drawn against the EFT account?**

Yes. Just be sure that the checks written do not draw your account balance down below the amount required for your next EFT sweep.

**17. Who do I call if I have a problem with the EFT system?**

If you experience a problem with the EFT system, contact Lottery Accounting on our toll free number, 1-800-443-5708.

**18. What do I do if I need to change my EFT account?**

If you need to change your EFT account, please contact Lottery Accounting on our toll free number, 1-800-443-5708, at least two weeks in advance. You will need to complete the Change in EFT Account Authorization form.