



U.S. Bank Direct Payment Plan Overview

A smart and easy way to automate your payment with Direct Payment.

Direct Payment is a repetitive payment between businesses and consumers that enables the service provider to deduct scheduled payments from the customer's checking or savings account. It's a dependable, flexible, and convenient process that does not require the consumer to use a computer or access the internet.

With Direct Payment, you will:

- Save time by having one less check to write
- Reduce postage costs with one less bill to mail
- Eliminate late fees or charges by making payment(s) automatically

How does Direct Payment work?

You (the customer) will authorize regularly scheduled payments to be deducted from your checking or savings account by completing and submitting an authorization form. Payments are originated one business day before the specified day that they are due. Direct Payment is usually a repetitive payment that will remain in effect until the customer terminates the authorization. If the payment amount varies, the business must notify you before the payment date. It's just that simple!

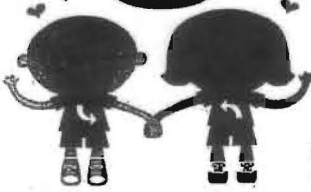
What are the steps in setting up Direct Payment?

1. The customer must authorize the company to debit payments from his or her checking or savings account by completing an authorization form.
2. If the amount of the monthly payment varies, the business must send the customer a notification of the payment amount prior to the payment transaction. The customer may also waive their right to notification by signing a variable amount authorization form.
3. Businesses may perform a test run by sending the customer's checking or savings account information, but no dollar amount, to the customer's financial institution via the ACH Network (called a pre-notification). After the test, the business is notified of any entries that couldn't be posted and of any changes that need to be made to the account information via fax or through U.S. Bank Information Reporting service.
4. After making any necessary changes, the company processes the live ACH transactions by delivering a NACHA file, either through ACH Direct File Transmission or SinglePoint ACH to U.S. Bank.
5. U.S. Bank will process the ACH file, and deliver the transactional information for distribution through the ACH Network one day prior to the Direct Payment settlement date.
6. U.S. Bank will credit the company's account with the total amount of the Direct Payment transactions that were on the file on the same day the transactions are debited from the customer's accounts (settlement date).

Source: Direct Deposit and Direct Payment www.electronicpayments.org

What is ACH?

The Automated ClearingHouse (ACH) Network is a nationwide system that processes electronic payments on behalf of depository financial institutions. The ACH Network was established in the 1970s as an electronic substitute for recurring check disbursements and collections. The ACH system is designed to serve all depository financial institutions, regardless of size, on an equitable basis. The system uses batch processing which costs less than on-line, real time processing systems. This feature makes ACH payments less expensive than other electronic payment methods such as wire transfers, and allows many financial institutions to participate.



Duncan Academy Direct Payment Plan Form

All you need to do is:

1. Mark the box before type of account to indicate whether your payment will be deducted from your checking or savings account.
2. Fill in your name, financial institution name and location and date.
3. Attach a voided check for verification of all financial institution information. If you are unable to attach the voided check, please fill in your account number and routing number.

NOTE: Be sure to sign the form!

AUTHORIZATION FOR DIRECT PAYMENT

I authorize (insert company name) _____ to initiate electronic debit entries to my: checking account or savings account for payment of my (type of bill) _____. I understand I will receive a notice if the amount changes. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. This authority will remain in effect until I have cancelled it in writing.

Date _____

Financial Institution Name (Please Print) _____

Account Number at Financial Institution _____

Financial Institution Routing/Transit Number _____

Financial Institution City and State _____

Signature _____

PLEASE KEEP A COPY OF THE AUTHORIZATION FOR YOUR RECORDS

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