

# Understand how Bank Draft/ACH Payments Process

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Even though the procedure to charge a credit card or create a bank draft payment is the same in Jackrabbit, it is essential to understand that, unlike credit card payments, bank drafts/ACH payments are not processed in real time. **It can take up to 5-10 business days for the transaction to actually settle.** Because of this, an important step in processing bank draft/ACH payments is to follow up on each payment to ensure it has a completed status and has been deposited into your bank.

When you process a bank draft/ACH payment in Jackrabbit, it is sent to your payment partner. If the transmission is successful and the partner receives the payment, it is recorded on the *Family* record > *Transactions* tab, and the balance is adjusted.

The payment will have an approved status (from the green checkmark in the *ePmt* column). Initially, all bank draft/ACH payments are approved unless the bank routing number or bank account number is invalid and the transmission to the payment partner fails. When they receive the payment, the partner transmits the approval back to Jackrabbit. However, it is only the acknowledgment from the partner that the request has been successfully received and sent to the merchant processor.

Because Jackrabbit does not receive further information indicating whether the bank draft/ACH payment was ultimately accepted or declined, a note is recorded on the payment transaction advising to "Monitor ACH settlement in Virtual Terminal and Bank Account". You can monitor the settlement using the settlement statements you receive from your payment partner, which will notify you of any failed bank drafts, or by logging in to the virtual terminal with your partner (merchant login).

When you are notified that a family's bank draft/ACH payment has been declined, you must update the initial transaction in Jackrabbit (*Family* record > *Transactions* tab) to show that the payment was not approved and the family still owes the payment amount. This is done by recording an NSF (bounced) check. [Learn how to Record an NSF \(Bounced\) Check.](#)

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