

# WHAT YOU SHOULD KNOW ABOUT *Automated Clearing House (ACH) & Periodic Monthly Statement (PMS)*

## INTRODUCTION

The Automated Clearing House (ACH) is an electronic payment option that allows participants to pay Customs duties, taxes, and fees electronically. ACH allows importers to pay duties with one electronic transaction in a secure environment. ACH fulfills the need for swift, accurate payment transfers in today's competitive business environment.

## Benefits and How to Apply

*Applying for ACH is very easy. Once the ACH application is received and approved, you will be assigned a unique payer unit number thus making you eligible to pay duties via ACH.*

The ACH process is simple: Your broker transmits the payment authorization to Customs through the Automated Broker Interface (ABI). One ACH payment is made per duty statement. The payer's account is debited and the Customs account is credited with the amount due. It is secure and eliminates the time consuming use of cash or checks to pay duties, taxes and fees.

Here are some additional ACH benefits:

- *Controls cash flow by identifying the exact day to allocate funds*
- *Allows you to obtain an additional ten days to pay duties, taxes and fees on quota and other special merchandise classes*
- *Reduces administrative and check processing costs*
- *Reduces administrative errors related to check processing*
- *Eliminates lost or stolen check problems*
- *Simplifies accounting system updates*
- *Reduces reconciliation costs*

How your broker can help you even further with ACH:

- *Your broker should adjust its automated ACH system to provide the payment alert on any day you choose.*
- *Your broker should send you an advanced ACH report that indicates covered shipments, their value, and the duty calculations.*
- *Your broker should notify you electronically of Customs' acceptance of your ACH payment.*

Your biggest advantage will be the opportunity to participate in periodic monthly statement (PMS) processing. Once your ACH account is established, your broker can apply for PMS processing on your behalf.

By using PMS processing, importers may deposit duties on the 15th business day of the month following the month in which the goods are released. This means merchandise released on the first to the last day of the month can be scheduled for duty payment on the following month's Periodic Monthly Statement. This eliminates the need to process duty payments on a transaction by transaction basis. Customs does not assess any interest charges for payments made via PMS!

PMS streamlines duty statement processing while also positively impacting your cash flow. You can have a once a month, interest free duty payment. With PMS, Customs has effectively extended your payment terms. This gives your company flexibility in managing the working capital required for duty payments.

Your broker should provide you with electronic PMS statements. You should also ask your broker to provide you with a PMS "month-at-a-glance" view through their system.

## ABOUT SHAPIRO

Shapiro, a third generation family-owned business founded in 1915, provides creative and flexible logistics services. With six offices, over 100 employees, and worldwide strategic alliances, Shapiro is the supply chain partner that delivers customized, compliant, and reliable solutions to address your specific import and export needs. Only Shapiro has an experienced and personable staff that truly cares about your company and commits themselves to proactively achieving your business goals.

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