

FedLine

ACH Training Manual Federal Reserve Bank of Minneapolis

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CONTACTS

ACH Central Operations Support

Toll free **1-888-883-2180**

Local **612-204-5555**

Fax 612-204-5575

Monday through Friday **7:00 am CT to 7:30 pm CT**

During these hours, you will receive assistance with the following:

- ✓ Computer Interface (CI) customer support related to FedACH,
- ✓ pending or rejected files,
- ✓ customer service requests such as file traces, research requests and file remakes,
- ✓ input and output file status issues,
- ✓ questions about NACHA rules and formats,
- ✓ FedACH testing requests,
- ✓ accounting and billing statement inquiries, and
- ✓ contingency paper fax returns

FedACH Central Business Application Function Office

Monday through Friday **7:30 pm CT to 7:00 am CT**

During these hours, you will receive assistance with the following:

- ✓ Computer Interface (CI) customer support related to FedACH,
- ✓ pending or rejected files,
- ✓ customer service requests such as file traces, research requests and file remakes,
- ✓ input and output file status issues,
- ✓ emergency service-change database updates,
- ✓ extension requests

Customer Relations FedLine Help Desk

Toll Free **1-888-333-7010**

Local **612-204-7010**

Fax 612-629-4079

Monday through Friday **7:00 am CT to 5:45 pm CT**

The FedLine Help Desk will provide assistance with the following:

- ✓ problems with connectivity or transmission,
- ✓ set-up or testing of FedLine software or CI Frame Relay conversion,
- ✓ use of FedLine to create an ACH origination, a recurring batch, a standard batch, a contested/dishonored return, a return-item or NOC batch, and a reversal file,
- ✓ cleanup of the origination queue in FedLine
- ✓ importing or exporting of ACH files into FedLine, and
- ✓ EFTPS questions

Business Development Account Managers

Minneapolis Customers call Toll Free 1-800-553-9656 ext. 6933

Helena Customers call Toll Free 1-800-823-4333 ext. 3874

Your contact for:

- ✓ Information about new services or enhancements,
- ✓ sign up for enhancements or additional services

GETTING STARTED WITH ACH ORIGINATION

STEP BY STEP

1. Consider Membership in Regional ACH Association:

Prior to beginning your ACH origination operation, investigate membership in your regional ACH association. In the Ninth District, the Upper Midwest Automated Clearing House Association (UMACHA) provides service to Michigan's upper Peninsula, Minnesota, Montana, North Dakota, South Dakota, and northwestern Wisconsin.

UMACHA provides educational publications, workshops and seminars. They are a marketing resource and will provide materials for your use or assistance in setting up your individual program. They also assist the National Automated Clearing House Association (NACHA) in enforcing the NACHA Rules. Membership in an ACH association is optional. Addresses and phone numbers are provided below:

Upper Midwest Automated Clearing House Association (UMACHA)

5701 Shingle Creek Parkway
Suite 450
Brooklyn Center, MN 55430
(800) 348-3692

www.umacha.org

National Automated Clearing House Association (NACHA)

607 Herdon Parkway, Suite 200
Herdon, VA 22070
(703) 742-9190

www.nacha.org

2. Review Reference Materials:

Before you begin processing ACH transactions, you will want to obtain the following materials and review them carefully.

Federal Reserve Publications

Regulation E: Electronic Funds Transfer

This publication establishes the rights, liabilities, and responsibilities of financial institutions and consumers in electronic funds transfers.

Operating Circulars No. 4, No. 5, No. 9

These Operating Circulars establish Federal Reserve Bank operating guidelines and time schedules for: (1) electronic access, (2) clearing and settling ACH items, and (3) Federal payments, respectively.

You may print/view these publications on the www.frbservices.org website.

ACH Association Publications

ACH Rules

This publication contains rules and guidelines for originating, receiving, and processing ACH items. The ***ACH Rules*** are available from UMACHA or NACHA.

U.S. Treasury Publications

The Green Book

The Green Book provides rules and guidelines for processing and receiving Federal Government Recurring payments. To obtain the latest edition of ***The Green Book***, contact the U.S. Treasury Financial Management Service at (202) 874-6620, or UMACHA. The web site for the 2000 Green Book is www.fms.treas.gov/greenbook.

3. Visit with Other Originating Financial Institutions

There is no better way to explore the use of ACH than by talking to financial institutions that are originating ACH payments for their customers. You can find out about the products they are providing their customers, what kind of software they are using, and how they have priced the service to their customers. To assist you in this phase of information gathering, we have compiled a list of ACH Originators in the Ninth District for your reference. Please refer to hand out or you can obtain this list from your account manager.

4. Identify Potential Internal Uses of ACH

Before identifying customers that might be prospective ACH Originators, take a look around for ACH applications within your own organization. This can be a great way to begin ACH origination.

For example, you might offer your customers the convenience of having their monthly installment of mortgage loan payments automatically deducted from their checking accounts. Also, a payroll direct deposit program could be established for you employees. By beginning with these applications, your staff will become more comfortable with ACH and recognize its benefits. If employees like the features of ACH, they are more likely to encourage customers to use it

5. Assess Risk Issues

As with any new service, you will want to evaluate any risk associated with offering ACH origination. As the transactions and dollar volumes in ACH grow, there is increasing concern with payments system risk. As a result, no discussion of participation in ACH would be complete without discussing related risks and methods to reduce that risk.

For a more complete discussion of risk issues, please refer to the NACHA publication, ***ACH Risk Management Handbook***. To obtain a copy, please contact your regional ACH association.

Credit Risk

Credit Risk is the risk that a participant in a transaction cannot provide the necessary funds, as contracted, in order for settlement to take place. Typically, credit-risk-related losses arise from the failure or bankruptcy of a company. This type of risk can be associated with both ACH credit and debit transactions.

Controlling Credit Risk

As a participant in ACH, it is important to realize that there is potential credit risk and then take action to manage this risk. Originator default is the primary cause of credit risk. One way to minimize this risk is to develop methods to monitor your ACH origination customers and establish controls over the operation. Suggestions in the NACHA *ACH Risk Management Handbook* include developing methods for customer ratings, establishing specific credit limits by application, instituting supervised exception reporting, and processing agreements between participants which comprehensively address risk-related issues. The general rule for risk reduction is “**Know your Customer.**”

Operational Risk

Operational Risk is the risk that a transaction will be altered or delayed due to an unintentional error. Examples of operational risk include loss due to clerical error or hardware and software failures. As a result, the timing of ACH processing may be altered.

To decrease operational risk, you should review your procedures, identify areas of potential risk, and establish procedures to reduce risk.

Fraud Risk

Fraud risk results from a transaction being initiated or altered to misdirect or misappropriate funds. Fraud risk could result from your employees or your corporate customers' employees attempting to embezzle money, or from an external source gaining unauthorized access to the System.

You can reduce the chance that fraudulent activities can take place in your institution by ensuring that no single employee is responsible for the receipt, handling, and transmission of files. FedLine has built in controls that allow the separation of duties between the employee who originates the file and the employee who establishes host communications to transmit the file to the Fed. You should also ensure that responsibilities are rotated among employees and that all changes made to a file by your employees are documented, approved by management, and authorized by the customer.

Systemic Risk

Systemic Risk is best defined as the “domino effect.” It is the risk that an ACH participant's inability to settle its commitments will cause other participants to be unable to settle their commitments. This type of risk is not unique to the ACH Network; both check and wire transfer payments expose financial institution to systemic risk. Unlike credit, operational, and fraud risk, individual financial institutions alone cannot control their exposure to systemic risk. As an ACH Operator, the Federal Reserve monitors the system many times throughout the processing day for any potential systemic risk.

6. Establish Operating Procedures

Once you have decided to be an ACH Originator you will need to establish a connection with the Federal Reserve and complete the necessary ACH paperwork, establish information delivery with Corporate ACH Originators, develop your deposit deadlines. You will also need to establish a fee schedule and contingency plan.

PRODUCT DESCRIPTIONS

DIRECT DEPOSIT

Direct deposit provides a company the ability to credit its employees'/customers'/accounts with funds due to them via the ACH system. The **PPD** (Prearranged Payment and Deposit Entry) SEC code is used to identify a direct deposit.

- In most cases, the employee receives an earnings statement listing gross pay, minus deductions, along with net pay figure being deposited in the employee's account.
- Besides payroll deposits, direct deposit can be used for pensions, income disbursements on investment products (e.g., CDs, annuities, and mutual funds), travel settlements, and educational reimbursements.
- Employer's benefits
 1. Employee satisfaction—less employee time used for personal banking
 2. Reduced expenses for payroll processing—such as check printing, storage, and keeping check stock secure
 3. Greatly reduced expense for reconciliation of payroll account
 4. Administrative time saved for special payments, such as vacations or sick time. Eliminates the reissue of lost payroll checks.
- Employee's benefits
 1. No trips to their financial institution to make deposits
 2. No risk of lost or stolen paychecks
 3. Timely deposit of paycheck regardless of vacations or illness
 4. Confidentiality of payroll information
- Drawback—Loss of float on checks but the cost savings will, in most cases, be recovered because of the above benefits.

PRE-AUTHORIZED DEBITS—DIRECT PAYMENT

Direct payments are electronic payments that are created when the consumer gives the originating institution or corporation (Originator) authorization to debit his/her account on a regular basis. The **PPD** (Prearranged Payment and Deposit Entry) SEC code is used to identify a direct payment. The company obtains written authorization from the customer to debit his/her checking or savings account.

- The largest users are insurance companies but they are also used by cable TV, sports and health clubs, charitable organizations, utility companies, mortgage or rent payments, automobile loan payments, etc.
- The customer may or may not receive a confirmation of the transfer, depending on the wording of the authorization and whether the dollar amounts are fixed or varied.

- Customers are protected by Regulation E and the ACH Rules from loss and they have the right to cancel their authorization at any time.
- You may want to begin by offering this option to your loan customers.
- Company benefits
 1. Predictability of funds—improved efficiency
 2. Reduction of late payments and nonpayments
 3. Reduction of check handling
 4. Elimination of float
 5. Reduce operating costs
- Customer benefits
 1. No check writing with associated charges
 2. Reduced postage expense
 3. No late fees
 4. Save time preparing payments
 5. Improve budget planning process
 6. Save time balancing statement

CASH CONCENTRATION OR DISBURSEMENT

Cash concentration entries are large dollar entries that are transfers from a company's local branches or affiliates into a main office account at the originating financial institution. The **CCD** (Cash Concentration or Disbursement) SEC code is used to identify a corporate cash concentration or disbursement transaction.

- The primary users are retail firms, agribusiness companies, companies with multiple “lockbox” locations, insurance, and other financial service companies.
- Benefits
 1. Predictability of funds for loan paydowns and investments purposes
 2. Faster collection system than checks

OTHER TRANSACTIONS

Prenotifications (Prenotes)

A prenotification (prenote) is a non-dollar entry sent through the ACH by an Originator to a Receiving Depository Financial Institution (RDFI). It conveys the same information (with the exception of the dollar amount and Transaction code) that will be carried on subsequent entries, and it allows the RDFI to verify the accuracy of the account data. Prenotes are optional for all SEC codes and payment types. A prenote may be originated at any time; however, an Originator may not initiate an entry which creates a dollar value transfer until six business days after the date of the related prenote.

Returns (RET)

Any entry (including prenotes) initiated into the ACH system by the Originator may be returned by the RDFI if it cannot be posted. There are a number of reasons an entry cannot be posted. A complete list of Return Reason Codes is included in the current *ACH Rules book*.

Notifications of Change (NOC)

A Notification of Change (NOC) is a non-dollar entry sent by the RDFI back to the Originator through the Originating Depository Financial Institution (ODFI) when a prenote or live entry is received with incorrect information; however, enough information was received for the RDFI to post the item. Each reason for initiating an NOC is assigned a specific Change Code. A complete list of Change Codes is provided in the *ACH Rules book*.

Point-of-Purchase (POP)

Point-of-Purchase (POP) is an entry which allows Originators to initiate a one time debit to the Receiver's account for the in-person purchase of goods and services using the check/sharedraft as a source document.

Point-of-Sale (POS)

Point-of-Sale (POS) is a debit entry initiated at an electronic terminal as defined in Regulation E to effect a transfer of funds from a consumer account to pay an obligation incurred in a point-of-sale transaction, or to effect a point-of-sale terminal cash withdrawal. These entries carry the SEC code POS or SHR.

Re-presented Check (RCK)

Re-presented Check (RCK) is a debit entry initiated for the purpose of collecting a paper check that has been returned for insufficient or uncollected funds.

Telephone-Initiated (TEL)

Telephone-Initiated (TEL) entry is a one-time debit entry initiated by an Originator in accordance with the Receiver's oral authorization for the purchase of goods or services over the telephone.

Internet-Initiated (WEB)

Internet-Initiated (WEB) entry is a one-time or recurring debit entry initiated by an Originator pursuant to an authorization obtained from the Receiver via a secure Internet session.

Reversals

If an ACH file is a duplicate or erroneous, a reversal file can be created. A reversal file needs to be created within five banking days of the date of settlement and must be generated within 24 hours of discovery of the error. A correct file must accompany the reversal file. A reversal file has identical information as the original file except the **transaction codes are reversed** and the **batch description is “Reversal”**.

Rejects

Once ACH files are received by the ACH Operator, they are processed by editing the data to ensure that Specific information in the file is accurate, complete, and is in proper NACHA format. After the edit process is completed, the ACH Operator will forward an acknowledgment to the sending point indicating that the file has been received and identifying whether the file, batches, and/or items have errors.

Remakes

A remake is a file or a batch that has been recreated (remade).

Addendas

An addenda is an ACH record that carries supplemental data needed to completely identify an account holder(s) or provide information concerning a payment to the RDFI and Receiver. This is sometimes referred to as financial Electronic Data Interchange (EDI).

CLASSIFICATION OF ACH ENTRIES

Commercial ACH Transactions – entries originated by the private sector (i.e., non-Federal Government entries).

Government ACH Transactions – entries originated by Federal agencies (does not include state government payments).

- **Consumer ACH Transactions** – entries originated to individuals identified by Standard Entry Class Code PPD, PBR, PCK, POP, WEB and TEL.
- **Corporate ACH Transactions** – entries originated to businesses, organizations or governments identified by Standard Entry Class Codes CCD, CTX and CBR.

EDI

EDI is the computer-to-computer or application-to-application exchange of documents in a standardized Electronic format. EDI effectively replaces the mailing of traditional paper documents. The types of documents currently being exchanged include purchase orders, invoices, shipping notices, and health care claims, as well as payment and remittance information. In fact, over 300 standardized documents have been defined and are currently being exchanged. These documents encompass all types of businesses such as manufacturers, distributors, freight companies, financial institutions, health care providers, insurers, universities, and government entities.

Financial EDI

Financial EDI is the electronic exchange of payments, payment-related information, or financially related documents in standard formats between business partners. Financial EDI adds the additional component of funds transfer to the traditional exchange of information found in a typical EDI transaction. Financial institutions participate in financial EDI and the payments process in a unique way since they are the only parties that can move both the funds and the associated remittance information at the same time. How financial institutions further participate in the EDI process depends on whether they are the Originating Depository Financial Institution (ODFI) or the Receiving Financial Institution (RDFI) of the transaction.

Mandatory Remittance Processing Rule Change

Effective September 18, 1998, a change to the NACHA Operating Rules required financial institutions to provide businesses with remittance information received with ACH transactions. The amendment requires that "Upon the request of the receiving business customers, a financial institution must provide the payment-related information received with ACH transactions. The receiving financial institution must provide the remittance information to its business customer by the opening of business on the second banking day following the settlement date of the transaction".

*If your institution is interested in the Fed EDI software, contact you local Account Manager.

2002 NACHA RULE CHANGES

EFFECTIVE JANUARY 1, 2002

TERMINAL LOCATION

Modifies the *NACHA Operating Rules* governing POP entries to require that the terminal city and terminal state be included as part of the POP entry, and printed on the consumer's receipt and bank account statement. This amendment is necessary to maintain consistency between the *NACHA Operating Rules* and Regulation E.

EFFECTIVE MARCH 15, 2002

AFFIDAVIT AND ELECTRONIC COMMUNICATION ISSUES

Modifies the *NACHA Operating Rules* to facilitate the use of electronic agreements and the electronic storage of records in conformance with the Electronic Signatures in Global and National Commerce Act (E-Sign Act). This rule amendment allows any agreement, authorization, affidavit, or other record (e.g., notice, disclosure, etc.) that is required by the *NACHA Operating Rules* to be in writing to be executed in electronic form. This rule does not mandate that such documents be executed in electronic form but instead provides ACH participants with an alternative to the use of hard copy documentation. This rule amendment also removes the term "affidavit" from the Rules, replacing it instead with the term "written statement under penalty of perjury" in order to clarify that, for purposes of the *NACHA Operating Rules*, such a declaration need not be notarized. RDFI's may, at their option, continue to use affidavits and/or require notarization of such documents.

ELECTRONIC CHECK APPLICATIONS

Modifies the *NACHA Operating Rules* to (1) create a new Standard Entry Class Code, **ARC** (Accounts Receivable Entry), to specifically identify Single-Entry ACH debit transactions originated from converted consumer source documents (i.e., consumer checks) that have been provided to the Originator via the U.S. mail or at a drop box location (note: this amendment adopts a Regulation E approach for these entries); (2) eliminate the retention requirements related to the original item (i.e., the check) for Re-presented Check (RCK) Entries; and (3) add/modify specific return reason codes as they apply to ARC, POP, and RCK entries.

REINITIATION ISSUES

Modifies the *NACHA Operating Rules* to limit the number of times that an ACH entry returned using Return Reason Codes R01 (Insufficient Funds) or R09 (Uncollected Funds) may be reinitiated to a maximum of two reinitiation attempt following the return of the original entry. This limitation applies to all Standard Entry Class Codes except RCK, which has its own distinct limit of three total presentments in combination of paper and electronic.

2001 NACHA RULE CHANGES

EFFECTIVE DECEMBER 15, 2000 THROUGH MARCH 14, 2002

PPD ACCOUNTS RECEIVABLE TRUNCATED CHECK DEBIT ENTRIES

Established a short-term rule (effective December 15, 2000 through March 14, 2002) that permits the use of the PPD format by Originators to truncate consumer checks received through the U.S. mail for the payment of goods or services and to collect those payments via ACH debit entries. This short-term rule amendment provides a legal framework within the *NACHA Operating Rules* for the protection of ACH participants while testing the effectiveness and acceptance of this consumer check truncation application.

EFFECTIVE MARCH 16, 2001

CORRECTED RETURNS

Modifies the *NACHA Operating Rules* to shorten the time frame in which a corrected return entry must be transmitted by an RDFI from five to two banking days from the Settlement Date of the dishonored return entry, making this time frame consistent with the contested dishonored return process.

INTERNET-INITIATED ENTRIES

Modifies the *NACHA Operating Rules* to create a new Standard Entry Class Code, Internet-Initiated Entry (WEB), that must be used to identify consumer debit entries initiated pursuant to an authorization obtained from the Receiver via the Internet.

EFFECTIVE SEPTEMBER 14, 2001

TELEPHONE-INITIATED ENTRIES

Modifies the *NACHA Operating Rules* to create a new Standard Entry Class Code, Telephone-Initiated Entry (TEL), that must be used to identify Single Entry consumer debit entries initiated pursuant to an oral authorization obtained from the Receiver via the telephone.

2000 NACHA RULE CHANGES

EFFECTIVE DECEMBER 17, 1999

AUDIT REQUIREMENTS

Modified the rules compliance audit requirements within the *NACHA Operating Rules* to (1) require audits of rules compliance to be completed more frequently; audits must be completed annually rather than every three years; (2) provide greater coverage of rules provisions within the audit requirements; (3) require completion of an annual audit of rules compliance by third-party service providers that act on behalf of Participation DFIs; and (4) require retention of documentation by participating DFIs and third-party service providers that the annual audit has been completed. (Note: The first audit under this rule amendment must be completed by December 1, 2000.)

PPD ACCOUNTS RECEIVABLE TRUNCATED CHECK DEBIT ENTRIES

Established a short-term rule (effective December 17, 1999 through December 14, 2000) that expands the usage of the PPD format to enable Originators to truncate consumer checks received through the U.S. mail for the payment of goods or services and to collect those payments via ACH debit entries. This short-term rule amendment provides a legal framework within the *NACHA Operating Rules* for the protection of ACH participants while testing the effectiveness and acceptance of this consumer check truncation application.

EFFECTIVE SEPTEMBER 15, 2000

CROSS-BORDER PAYMENTS

Establishes two new Standard Entry Class Codes, CBR (Corporate Cross-Border Transaction) and PBR (Consumer Cross-Border Transaction), to be used for the origination and receipt of cross-border entries. These new SEC Codes will enable these types of entries to be readily identified as cross-border payments.

POINT-OF-PURCHASE ENTRIES

Modifies the *NACHA Operating Rules* to create a new Standard Entry Class Code, POP (Point of Purchase Entry), that will replace the current use of the PPD format for the origination of a one-time ACH debit entry to a Receiver's account for purchases made in-person at the point-of-purchase. The initiation of this type of entry is based on a written authorization and a source document to obtain the routing and account number, as well as the serial number of the check. The check will be voided by the Originator and returned to the consumer at the point-of-purchase. As of September 15, 2000, this new SEC Code will supersede use of the PPD interim rule for point-of-purchase entries.

RE-PRESENTED CHECK ENTRIES

Establishes a new Standard Entry Class Code, RCK (Re-presented Check Entry), to provide commercial depositors and their financial institutions with a distinct format to use to transmit ACH debit entries to collect items (checks) that have been returned for insufficient or uncollected funds. This rule amendment supersedes an interim rule amendment, which enabled the Prearranged Payment and Deposit (PPD) format to be used to re-present items returned for insufficient or uncollected funds.

TYPES OF ACCOUNTS FOR ACH TRANSACTIONS

Establishes two new sets of transaction codes to support the transmission of ACH credit and debit entries to financial institutions' general ledger accounts and to support the transmission of credit entries to loan accounts. This rule amendment also accommodates the transmission of reversals to correct erroneous credit entries to loan accounts.

1999 NACHA RULE CHANGES

EFFECTIVE SEPTEMBER 17, 1999

POINT-OF-PURCHASE ENTRIES (INTERIM RULE)

Establishes a one year interim rule (effective September 17, 1999 through September 14, 2000) that provides a legal framework within the *NACHA Operating Rules* to initiate a non-recurring debit entry to a consumer's account using the consumer's check as the source document for account and routing transit number information. This rule amendment expands the definition of the PPD SEC Code to enable an Originator (i.e., merchant) to initiate a non-recurring debit. Use of the PPD format for this application will be superseded on September 15, 2000, by the final rule governing point-of-purchase entries, which establishes a new Standard Entry Class Code, POP.

RULE COMPLIANCE AUDIT REQUIREMENTS

Modifies the rules compliance audit requirements to: 1) require an annual audit of *ACH Rules* compliance (the existing audit requirement is once every three years); 2) require an audit of rules compliance by any third-party service provider that performs ACH processing on behalf of participating depository financial institutions (DFIs); 3) require retention of documentation by Participating DFIs and third-party service providers that an audit has been completed; and 4) require an audit of additional provisions as specified in the rules. As a reminder, 1999 is an audit year in conjunction with the existing three-year audit requirement. The first annual audit under this amendment must be completed by December 1, 2000.

EFFECTIVE SEPTEMBER 18, 1998

RE-PRESENTED CHECK ENTRIES (INTERIM RULE)

Establishes a two-year interim rule (effective September 18, 1998, through September 14, 2000) that provides a framework within the *NACHA Operating Rules* to re-present returned checks electronically via the ACH Network using the Prearranged Payment and Deposit (PPD) Standard Entry Class Code. This rule amendment expanded the definition of the PPD entry to allow this format to be used to transmit PPD debit entries to re-present check items that have been returned for insufficient or uncollected funds. Use of the PPD format for this application will be superseded on September 15, 2000, by the final rule governing re-presented check entries, which establishes a new Standard Entry Class Code, RCK.

EFFECTIVE DECEMBER 18, 1998

RULES ENFORCEMENT

The Rules Enforcement amendment includes a national system of fines and establishes a Rules Enforcement Panel as the final authority regarding: (1) the imposition of fines, (2) time frames and resolution dates necessary to resolve problems, and (3) determination as to rules violations. The Panel will be comprised of representatives from NACHA, regional ACH Associations, NACHA's Affiliate Membership, the Federal Reserve, private sector ACH operators, and financial institutions.

The enforcement rule, including the national system of fines, is applicable to financial institutions that are members of regional ACH associations and to access participants.

1999 NACHA RULE CHANGES (CONTINUED)

EFFECTIVE MARCH 19, 1999

ARBITRATION ISSUES

Modifies the arbitration procedures contained within the *NACHA Operating Rules* to (1) make the use of Arbitration Procedure A voluntary for both parties to a dispute, (2) revise the dollar thresholds for both Arbitration Procedures A and B, and (3) increase the minimum amount of damages that may be claimed and the required administrative fee to \$250.

COMPENSATION ISSUES

Modifies the compensation rules provisions contained within the *NACHA Operating Rules* to (1) modify the compensation formulas to include an applicable deposit insurance assessment within the calculation, (2) delete a section within the compensation rules that had previously been indefinitely deferred by the NACHA Executive Committee, and (3) correct an error reflected in the current compensation formulas.

EFFECTIVE SEPTEMBER 15, 2000

CROSS-BORDER PAYMENTS

Delays the implementation dates for this amendment to the *NACHA Operating Rules*, which establishes two new Standard Entry Class Codes, CBR (Corporate Cross-Border Transaction) and PBR (Consumer Cross-Border Transaction), to be used for the origination and receipt of cross-border ACH entries. These new SEC Codes will enable cross-border payments to be readily identified so that financial institutions may apply special handling requirements for cross-border payments, as appropriate.

RE-PRESENTED CHECK ENTRIES

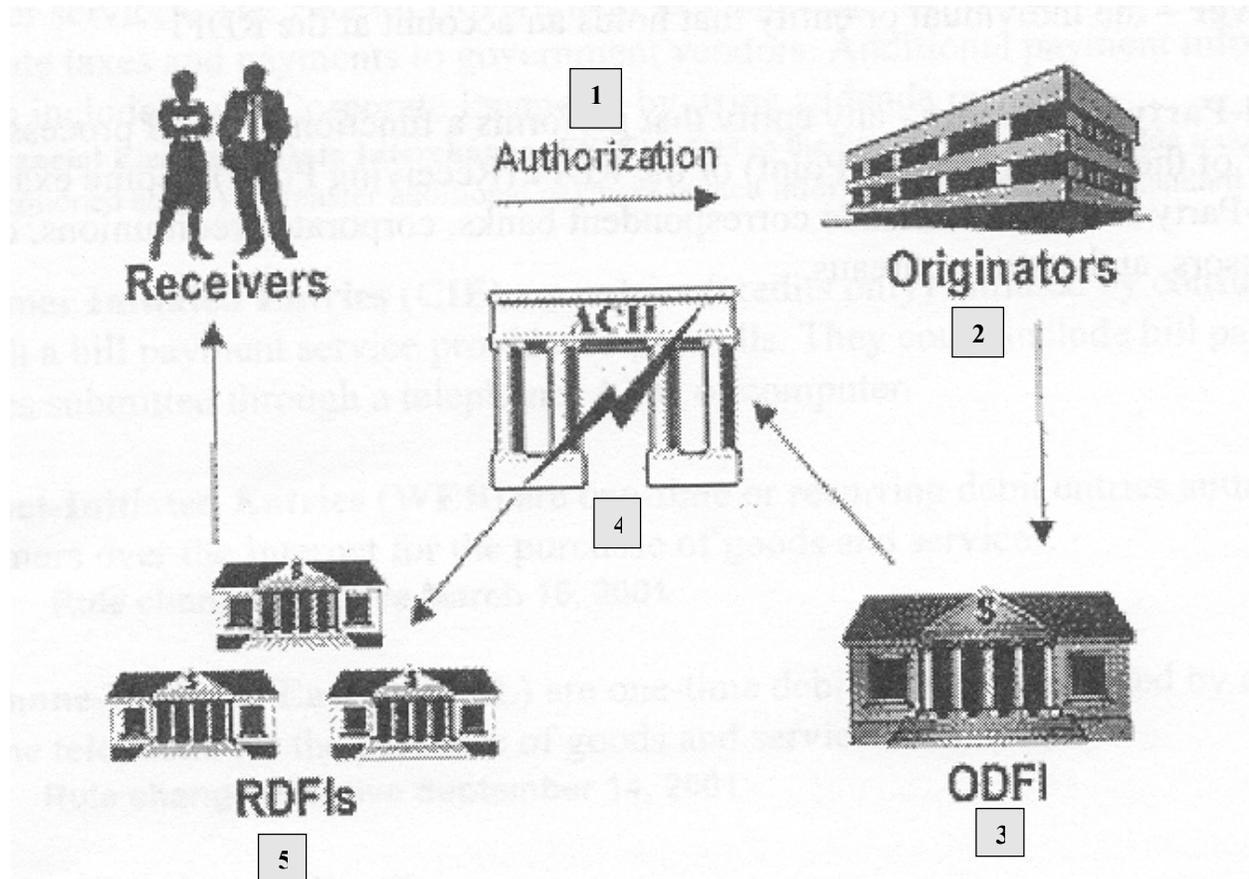
Delays the implementation date for this amendment to the *NACHA Operating Rules*, which establishes a new Standard Entry Class Code, RCK (Re-presented Check Entry), to provide commercial depositors and their financial institutions with a legal framework and technical specifications to transmit ACH debit entries to collect checks that have been returned for insufficient or uncollected funds. This rule amendment supersedes an interim rule amendment, which enabled the Prearranged Payment and Deposit (PPD) format to be used to re-present items returned for insufficient or uncollected funds.

TYPES OF ACCOUNTS FOR ACH TRANSACTIONS

Delays the implementation date for this amendment to the *NACHA Operating Rules*, which establishes two new sets of transaction codes to support the transmission of ACH credit and debit entries to financial institutions' general ledger accounts and to support the transmission of credit entries to loan accounts. This rule amendment also accommodates the transmission of reversals to correct erroneous credit entries to loan accounts.

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ACH PROCESSING FLOW



1. Customer signs authorization requesting a transaction.
2. Originating company (Originator) generates transaction to the Originating Depository Financial Institution (ODFI).
3. Originating Depository Financial Institution (ODFI) transmits an ACH file containing transaction to the ACH Operator.
4. The ACH Operator validates, balances, and passes settlement to the Originating Depository Financial Institution (ODFI) and Receiving Depository Financial Institution (RDFI), and distributes entries for the receiving institutions.
5. Receiving Depository Financial Institutions debit or credit individual or company (Receiver) accounts and post information on their statements.

ORIGINATOR

- The Originator (originating company) must have the ability to give the Originating Depository Financial Institution ACH data. Depending upon the size of the company, that may be either paper, for the smaller companies that are unable to create an ACH file, or an ACH formatted file. See ACH Origination Software Companies.

If an ACH file is created outside of the FedLine software, the first file should be a **test file** to ensure that the ACH format is correct, etc. Contact the ACH Central Operations Support Dept Toll Free at 1-888-883-2180 or Local 612-204-5555. *If ACH files are created on FedLine, a test file is not required*

- The only party that knows if an entry is timely and if the dollar figure is correct is the originating company.
- The company must be aware of the ACH rules and guidelines and either have a copy of them or have access to them.
- **Employee/Customer ACH Authorization Forms** are held by the originating company and are available from the UMACHA office. If the company is going to create their own authorizations, they must comply with the ACH rules and Regulation E. See sample authorizations. The company must keep the authorizations for **two years** after termination of the authorization.

If a Receiving Depository Financial Institution requests a copy of an authorization for one of their customers, the originator (originating company) is required to make it available.

- The Originator (originating company) must always have a **signed contract** with its Originating Depository Financial Institution. See sample of UMACHA's Company/Financial Institution ACH Agreement. It is recommended that your institution review the contract with legal counsel before signing.
- The Originator must send the Receiver notification 10 calendar days prior to variable debit transactions. Receiver notifications are not required for debit transactions that are fixed amounts. Receiver notifications must also be sent 7 calendar days prior to altering a scheduled payment date.

** Please refer to the current ACH Rules book for a complete listing of Originator obligations.*

ACH ORIGINATION SOFTWARE COMPANIES

Barrington Corporation
ACH for the PC, ACH Bind, Quick Wire
607 N.P. Ave #300
Fargo, ND 58102
(800) 779-0183
www.barringtoncorporation.com

Bottomline Technologies
Electronic Payments
155 Fleet Street
Portsmouth, NH 03801
(800) 472-1321 or
(800) 243-2528
www.bottomline.com

Brinkman Technologies, Inc
PowerLine Remote ACH Origination
CAP2000 Core ACH Processing
1445 MacArthur Drive, Suite #122
Carrollton, TX 75007-4457
(888) 285-5614
www.banksystems.com
www.nextbill.com

Brokat
Corporate Banking Suite
6625 The Corners Parkway, Suite #500
Norcross, GA 30092
(678) 533-4600
www.brokat.com

Equifax E-Banking Solutions
CustomerLink ACH Origination
103 Commerce Drive, Suite #120
Lake Mary, FL 32746
(407) 829-4445
www.efx-ebanking.com

FreedomWare Software Products
PC-REACH (Windows-Based ACH Origination)
P.O. Box 2604
Joplin, MO 64801
(800) 658-0244
www.freedomware.net

FundTech
FundTech ACH
157 Technology Parkway
Norcross, GA 30092
(678) 328-3400
www.fundtech.com

Magic-Wrighter, Inc.
ACH Direct
703 Three Mile Road NW
Grand Rapids, MI 49544
(800) 782-2376
www.mvpbanking.com

Open Solutions, Inc
eCommerce Banker, ACH
300 Winding Brook Dr.
Glastonbury, CT 06033
(860) 652-3155
www.opensolutions.com

SBT Business Technologies
ACH Access
3200 Highlands Parkway, Suite #250
Smyrna, GA 30082
(770) 436-2332
www.sbtinc.com

TROY AMDev, Inc.
AutoDraft CP, VIP, NOVA
P.O. Box 292124
Nashville, TN 37229-2124
(800) 628-7638
www.amdevach.com

NOTE: This is a sampling of software available. The Federal Reserve does not endorse any particular product. You may also want to contact your mainframe software vendor to find out if they have ACH origination packages available.

AUTOMATIC PAYMENT Direct Payment Authorization (Debit transactions)

Before any debit transaction can be generated, the individual whose account is being debited must have authorized the transaction. The authorization can be either in writing signed or similarly authenticated. This customer must also have a receipt or copy of the authorization explaining what they have authorized and the revocation procedures to keep for their files. The Originator is required to keep the authorizations on hand for a least two years after the authorization has been terminated. If, at any time, a RDFI requests a copy of an authorization for one of their customers, the originator is required to make it available.

AUTHORIZATION FOR AUTOMATIC PAYMENT	
● ★ STAPLE VOIDED CHECK HERE	<p>I authorize _____ and the financial institution named below to initiate entries to my checking/savings account. This authority will remain in effect until I notify you in writing to cancel it in such time as to afford the financial institution a reasonable opportunity to act on it. I can stop payment of any entry by notifying my financial institution 3 days before my account is charged. I can have the amount of an erroneous charge immediately credited to my account up to 15 days following issuance of my statement or 60 days after posting, whichever occurs first.</p> <p>_____ (NAME OF FINANCIAL INSTITUTION)</p> <p>_____ (ADDRESS OF FINANCIAL INSTITUTION) (STREET) (CITY) (STATE) (ZIP CODE)</p> <p>_____ (SIGNATURE) (DATE)</p> <p>_____ (NAME — PLEASE PRINT)</p> <p>_____ (ADDRESS — PLEASE PRINT)</p> <p>Checking Account No. _____ Savings Account No. _____ (OR) Account No. _____</p> <p>Financial Institution Routing Number _____ (between these symbols ⑆ ⑆ on the bottom left of your check)</p>
RETAIN FOR YOUR RECORDS	
on _____ I authorized (DATE)	
_____ (COMPANY NAME)	
_____ (ADDRESS)	
PHONE _____	
to initiate electronic entries to my checking/savings account and agreed to the terms listed on the authorization, for payment of: _____	
Initial payment amount: \$ _____ (If payment amount changes we will notify you.)	
To cancel write to address above.	

UPPER MIDWEST AUTOMATED CLEARING HOUSE ASSOCIATION, INC.

SAMPLE ODFI-ORIGINATOR ACH AGREEMENT

THIS AGREEMENT IS MADE THIS _____ day of _____ 200____, by and between _____ (the “Company”) and _____ (the “Financial Institution”).

The Company has requested that the Financial Institution permit it to initiate entries to accounts maintained at the Financial Institution and other financial institutions by means of the Automated Clearing House (the “ACH”) operated by the Upper Midwest Automated Clearing House Association, Inc. (“UMACHA”). The Financial Institution has agreed to do so on the terms of this Agreement.

Now, therefore, the Company and the Financial Institution agree as follows:

1. **Rules.** The Company acknowledges receipt of a copy of the operating rules of UMACHA (as amended from time to time, the “Rules”). The Company agrees to comply with and be bound by the Rules. The Financial Institution agrees to inform the Company of revisions to the Rules of which the Financial Institution has knowledge.

2. **Transmission of Entries; Securities Procedures.** The Company will transmit all debit and credit entries to the Financial Institution at the location, on or before the deadlines, described on Attachment 1 to the Agreement. The Company will conform all entries to the format, content and specifications contained in the Rules, except as provided in Attachment 1. The Company and the Financial Institution will comply with the security procedures described in Attachment 2 to the Agreement. The Company authorizes the Financial Institution to transmit all entries received by the Financial Institution from the Company in accordance with the terms of this Agreement and to credit or debit such entries to the specified accounts.

3. **Financial Institution Obligations.** In a timely manner and in accordance with the Rules, the Financial Institution will process, transmit, and settle for the entries received from the Company which comply with the terms of the Agreement, including the security procedures.

4. **Warranties.** The Company warrants to the Financial Institution all warranties the Financial Institution is deemed by the Rules to make with respect to entries originated by the Company. Without limiting the foregoing, the Company warrants and agrees that (a) each entry is accurate, is timely, has been authorized by the party whose account will be credited or debited, and otherwise complies with the Rules; (b) each debit entry is for a sum which, on the settlement date with respect to it will be owing to the Company from the party whose account will be debited, is for a sum specified by such party to be paid to the Company, or is a correction of a previously transmitted erroneous credit entry; (c) the Company will comply with the terms of the Electronic Funds Transfer Act, if applicable, or Uniform Commercial Code Article 4a if applicable, and shall otherwise perform its obligations under this Agreement in accordance with all applicable laws and regulations. The Company shall indemnify the Financial Institution against any loss, liability or expense (including attorneys’ fees and expenses) resulting from or arising out of any breach of any of the foregoing warranties or agreements.

5. **Provisional Credit.** The Company acknowledges that the Rules make provisional any credit given for an entry until the financial institution crediting the account specified in the entry receives final settlement. If the Financial Institution does not receive final settlement, it is entitled to a refund from the credited party and the originator of the entry shall not be deemed to have paid the party.

6. **Settlement.** The Company will maintain an account with the Financial Institution at all times during the term of this Agreement. The Company will maintain in the account as of the applicable settlement date immediately available funds sufficient to cover all credit entries initiated by it. The Company authorizes the Financial Institution to debit its account on the applicable settlement date in the amount of each entry.

7. **Cancellation or Amendment.** The Company shall have no right to cancel or amend any entry/file after its receipt by the Financial Institution. However, the Financial Institution shall use reasonable efforts to act on a request by the Company to cancel an entry/file before transmitting it to the ACH or crediting an on-us entry. Any such request shall comply with the security procedures described on Attachment 2 to the Agreement. The Financial Institution shall have no liability if it fails to effect the cancellation.

8. **Rejection of Entries.** The Financial Institution shall reject any entry, including an on-us entry, which does not comply with the requirements of Section 1 of this Agreement and may reject any entry if the Company is not otherwise in compliance with the terms of the Agreement. The Financial Institution shall notify the Company by _____ (means) of such rejection no later than the business day such entry would otherwise have been transmitted by the Financial Institution to the ACH or, in the case of an on-us entry, its effective entry date.

9. **Notice of Returned Entries.** The Financial Institution shall notify the Company by _____ (means) of the receipt of a returned entry from the ACH no later than one business day after the business day of such receipt. The Financial Institution shall have no obligation to retransmit a returned entry if the Financial Institution complied with the terms of this Agreement with respect to the original entry.

10. **Notifications of Change.** The Financial Institution will notify the Company of all notification of changes received no later than ____ (must be within 2 days) business days after the receipt of the entries by _____ (mail, fax, transmission, etc.). The Company agrees to make the changes submitted within 6 banking days of the settlement date of the original entry or before the next “live” entry, whichever is later. If the Notification of Change is incorrect, the Company will generate a refused notification of change and deliver it to the Financial Institution.

11. **Reversals.** The Company may initiate a reversing entry or file of entries as permitted by the Rules.

12. **Periodic Statement.** The periodic statement issued by the Financial Institution for the Company’s account will reflect entries credited and debited to the Company’s account. The Company agrees to notify the Financial Institution within a reasonable time not to exceed thirty (30) days after the Company receives a periodic statement of any discrepancy between the Company’s records and the information in the periodic statement.

13. **Fees.** The Company agrees to pay the Financial Institution for services provided under the Agreement in accordance with the schedule of charges attached to this Agreement as Attachment 3. The Financial Institution may change its fees from time to time upon notice to the Company.

14. **Liability.**
- (a) The Financial Institution shall be responsible only for performing the services expressly provided for in the Agreement, and shall be liable only for its gross negligence or willful misconduct in performing those services. In no event shall the Financial Institution have any liability for any consequential, special, punitive or indirect loss or damage which the Company may incur or suffer in connection with this Agreement. In addition, the financial institution shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communications facilities, equipment failure, war, emergency conditions, or other conditions beyond the financial institution's control.
 - (b) In no event shall the Financial Institution have any liability for any consequential, special, punitive or indirect loss or damage which the Company may incur or suffer in connection with this Agreement, including without limitation loss or damage from subsequent wrongful dishonor resulting from the Financial Institution's acts or omissions pursuant to this Agreement.
 - (c) Without limiting the generality of the foregoing provisions, the Financial Institution shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, ware, emergency conditions or other circumstances beyond the Financial Institution's control. In addition, the Financial Institution shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in the Financial Institution's having exceeded any limitation upon its intra-day net funds positions established pursuant to present or future Federal Reserve guidelines or in the Financial Institution's otherwise violating any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.
 - (d) Subject to the foregoing limitations, the Financial Institution's liability for loss shall be limited to general monetary damages not to exceed the total amount paid by the Company for the affected ACH service, as performed by the Financial Institution under this agreement for the preceding 30 calendar days.
15. **Inconsistency of Name and Account Number.** The Company acknowledges that, if an entry describes the receiver inconsistently by name and account number, payment of the entry may be made on the basis of the account number even if it identifies a person different from the named receiver.
16. **Data Retention** The Company shall retain data on file adequate to permit remaking of entries for five (5) business days following the date of their transmittal to the Financial Institution as provided herein and shall provide such data to the Financial Institution upon its request.
17. **Termination** The Financial Institution may amend the terms of the Agreement from time to time by notice to the Company. Either party may terminate this Agreement upon ten (10) days written notice to the other. The Financial Institution shall have no obligation to transmit entries if the Company is in default of any of its obligation under this Agreement, including the obligation to pay the Financial Institution for each credit entry. The Financial Institution shall be entitled to rely on any written notice believed by it in good faith to be signed by one of the Authorized Representatives whose names and signatures are set forth on Attachment 4 to the Agreement.

18. **Fines for Non-Compliance with the Rules** If a fine is assessed against the financial institution it will be the responsibility of the Company to pay the fine unless the parties determine the fine was caused by an improper action by the financial institution.
19. **Acknowledgment that Entries May NOT Be Initiated in Violation of the Laws of the United States**. The company acknowledges that it will not generate transactions that violate the laws of the United States, including the sanction laws administered by OFAC.
20. **Entire Agreement** This agreement (including the Schedules attached hereto), together with the Account Agreement, is the complete and exclusive statement of the agreement between the Financial Institution and the Company with respect to the subject matter hereof and supersedes any prior agreement(s) between the Financial Institution and the Company with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the Account Agreement, the terms of this Agreement shall govern. In the event performance of the services provided herein in accordance with the terms of this Agreement would result in a violation of any present or future statute, regulation, or government policy to which the Financial Institution is subject and which governs or affects the transactions contemplated by this Agreement, then this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation, or policy, and the Financial Institution shall incur no liability to the Company as a result of such violation or amendment.
21. **Non-Assignment** The Company may not assign the Agreement or any of the rights or duties hereunder to any person without the Financial Institution's prior written consent.
22. **Binding Agreement Benefits** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representative, successors, and assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against the Financial Institution or the Company hereunder.
23. **Headings** Headings are used for reference purposes only and shall not be deemed a part of this Agreement.
24. **Governing Law** This Agreement shall be construed in accordance with and governed by the laws of the State of _____ and the NACHA rules.

COMPANY

By _____

Name: _____

Title: _____

FINANCIAL INSTITUTION

By _____

Name: _____

Title: _____

Attachments

5/00

** For a current copy, please contact UMACHA.*

ATTACHMENT INDEX

Attachment 1: Delivery location: If input is electronic, the phone number and the security method to be used by our institution. If tape, diskette, or paper, the physical location where the input must be delivered.

Financial Institution ACH deadlines: Input cycles you will accept work in, and cutoff time for delivery of input or transmission completion. Be sure your customers understand that they should complete the effective entry date field in the ACH batch header record with the banking day they would like the file to be settled.

Format and content of entries: If the format to be used by your customer is different than standard ACH format, it should be included as an attachment.

Attachment 2: Security Procedures: UCC 4A demands that for corporate credits there be a “commercially reasonable” security procedure in place to guard against loss. UMACHA suggests that this procedure be used for all types of originated transactions. Depending on the media of input you are accepting, some of the following suggestions should be initialized:

1. Encryption of information when data is transmitted
2. Multiple passwords and call back procedures for data transmission
3. Transmittal forms with total entries, dollars, effective entry date, and signature, with a call back or voice response system for verification
4. Company input schedule so that your institution knows when to expect a file

Attachment 3: Fees: Include all fees charged for ACH transactions. Included should be monthly base fees or per input fees, transaction fees, and exception processing fees. If data base management or key entry functions are utilized, a fee for these services should be included.

Attachment 4: Authorized representatives: From both the company and the financial institution. Be sure to include second and third shift contacts and phone numbers in case there are problems that need to be dealt with during non-banking hours.

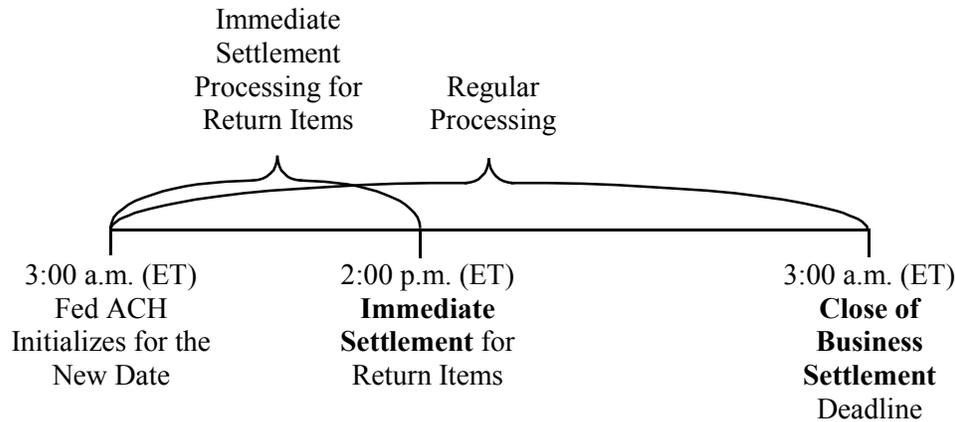
ORIGINATING DEPOSITORY FINANCIAL INSTITUTION (ODFI)

- To originate ACH entries, financial institutions need to be either members of their local association—Upper Midwest Automated Clearing House Association (UMACHA) in this District, or become Access Participants in which paperwork is signed directly with the local Federal Reserve Bank.
- The Originating Depository Financial Institution (ODFI) warrants the Receiving Depository Financial Institution that every entry is authorized, timely, and accurate. The ODFI must be sure that the Originator (company) has authorizations for all transactions.
- The company’s credit rating should be evaluated before origination is considered to reduce the ODFI’s credit risk. Credit ratings should also be checked periodically during the year.
- An audit of its ACH operations will be completed once every year.
- It is required that there be an **agreement** between the Originator (originating company) and the Originating Depository Financial Institution. It is recommended that both parties review the contract with legal counsel before signing to ensure all issues dealing with liabilities are understood. If an institution chooses to originate transactions for a company without a contract, there is significant liability on that Originating Depository Financial Institution.
- The ODFI is required to edit and deliver the transactions to the ACH Operator for processing in a timely manner. See “Time Schedule and Settlement for ACH Items.” If there is a problem, the ODFI is the contact point for all other parties involved including the Receiving Depository Financial Institution, the ACH Operator, and the Originator.
- Depending upon the volume, it may be easier and relatively inexpensive to send your on-us items on the file to the ACH Operator. The items drawn on your institution will be delivered on the next output file.
- A prenote is a zero dollar entry with a special transaction code that an Originator may generate. If used, the Originator may initiate entries to a Receiver’s account no sooner than six banking days from the settlement date of the prenotification entry. The purpose of the prenote is to allow the RDFI time to check the information on the prenote and notify (NOC) the ODFI if the information is incorrect. If the RDFI doesn’t recognize the customer on the prenote, the item should be returned as a return item with zeros in the amount field.
- If an ACH file is a duplicate or erroneous, a reversal file can be created. A **reversal** file needs to be created within five banking days of the date of settlement and must be generated within 24 hours of discovery of the error. A correct file must accompany the reversal file. A reversal file has identical information as the original file except the transaction codes are reversed and the batch description is “Reversal.” See—Create Reversal Batches.

** Please refer to the current ACH Rules book for a complete listing of ODFI obligations.*

TIME SCHEDULE AND SETTLEMENT

ACH DEPOSIT SCHEDULE



Fed ACH will have only two deposit deadlines (all times are Eastern Time):

Immediate Settlement Deadline—return items delivered prior to this deadline will receive immediate settlement. Items deposited by this deadline will be available to the receiving institution in time to meet the NACHA deadline for posting and availability to the recipient account by opening of business the following day.

Close of Business Settlement Deadline—all items deposited prior to this deadline can settle that morning or the next day if the item is a two-day item.

ACH DELIVERY SCHEDULE

Because incoming files are immediately edited, the files are made available to receiving points within a maximum of three hours of deposit time. In addition to the ability to request files from Fed ACH any time during the day, you can also choose one of three scheduled deliveries.

You can choose to receive files from Fed ACH

- ✓ once a day (no later than 6:00 a.m. ET),
- ✓ two times per day (no later than 4:00 p.m. and 6:00 a.m. ET), or
- ✓ four times per day (no later than 1:00 p.m., 4:00 p.m., 10:00 p.m., and 6:00 a.m. ET).

Effective Date Windows

Items (other than Return Entries, Notification of Change, Truncated Entry, Truncated Entries Exchange) should specify an effective date within the following effective date windows, computed from our processing date.

- Debits – may be posted *no earlier* than the settlement date
- Credits – must be made available *no later* than the settlement date

<u>Class</u>	<u>Effective Date Window</u>
Credit Items	One (1) or two (2) banking days
Debit Items	One (1) banking day only

Note: Items with an effective date later than the effective date window will be returned to the sender on their next ACH file.

Settlement Dates

If an effective date is not specified, or if an item specifies an effective date the same as or earlier than our processing date, the settlement date is the banking day following our processing date (next banking day). The settlement date for return items and NACS items is the banking day of processing (day cycle) or the next banking day (night cycle).

If an item specified a settlement date that is a standard Reserve Bank holiday, the settlement is the next banking day for us.

NOTE: For a complete time schedule listing of Reserve Bank holidays and more detailed settlement information, see Appendix 2 to Operating Letter No. 13.

Section 4.4 Availability of Entries, Crediting and Debiting of Entries

Subsection 4.4.1 Availability of Credit Entries to Receivers

Subject to its right to return or reject entries in accordance with these rules, each RDFI must make the amount of each credit entry received from its ACH Operator available to the Receiver for withdrawal or cash withdrawal no later than the settlement date of the entry, with the following exception. **Each PPD credit entry that is made available to an RDFI by its ACH Operator by 5:00 p.m. (RDFI's local time) on the banking day prior to the settlement date must be made available to the Receiver for withdrawal or cash withdrawal at the opening of business on the settlement date.** For purposes of the preceding sentence, opening of business is defined as the later of 9:00 a.m. (RDFI's local time) or the time the RDFI's teller facilities (including ATMs) are available for customer account withdrawals.

Calculating Federal Reserve Daylight Overdraft Account Position

- Post at 8:30 a.m. E.T.
Debits to FI's for credit items originated and credits to FI's for credit items received.
- Post at 11:00 a.m. E.T.:
Credits to FI's for debit items originated and debits to FI's for debit items received.
- Post at 5:00 p.m. E.T.:
Same-day ACH Transaction (ACH Return Items and Truncated Entries)

ACH OPERATORS

- The *Federal Reserve ACH Operator* processes ACH interbank transactions along with three private sector ACH operators, the *American Clearing House Association*, the *Electronic Payments Network (EPN)*, and *Visa ACH Services*.

The obligations of ACH Operators are:

- Time of Operation—Monday through Friday.
- The ACH Operators shall process ACH entries and files to FedACH, reject items, batches, and files when necessary, total the debit and credit activity, and calculate the settlement amounts for such day with respect to all entries.
- Return and Rejection by Fed ACH.
- Record Retention—one year.
- Non-Settled Entries—if Participating DFI is unable to meet its settlement obligations, ACH Operator can return or reverse entries.

RECEIVING DEPOSITORY FINANCIAL INSTITUTIONS (RDFI)

- Receiving Depository Financial Institutions are required:
 1. To accept transactions as they are received, verify control totals, post transactions, and display certain information on the customer's statement.
 2. To sign agreements with their local association (UMACHA for Ninth District) or their Federal Reserve Office if they are Access Participants.
 3. To accept all debits, credits, and zero dollar entries going to either checking or savings accounts.
- For credits, the RDFI needs to make available to the Receiver for withdrawal or cash withdrawal no later than the date of settlement. Credit entries are provisional until the RDFI receives final settlement through the Federal Reserve Bank. For debits, the RDFI cannot charge a Receiver's account prior to settlement date.
- RDFIs must return entries timely or if information is incorrect, notify originators. List of the legitimate return reason and change codes are located in the *NACHA Operating Rules*. (Also located as an F6 function in FedLine.)
- The earliest cutoff for handling ACH entries or entry data is 2:00 p.m.
- RDFIs are required to check any prenote item received.
- RDFIs are required to retain records of transaction data for six years. RDFIs need to be able to furnish a printout or other reproduction of ACH data and may impose a reasonable charge for furnishing such information.
- If RDFIs have questions concerning U.S. Treasury direct deposits, they should contact the Financial Management Service at:
 - Kansas City FMS Customer Asst. Staff
(816) 414-2100
 - San Francisco FMS Customer Asst. Staff
(415) 817-7300
 - Other U.S. Treasury contacts are listed in Chapter 12
Assistance of the Treasury Green Book
- U.S. Government claims on payments need to be reimbursed first.
- If RDFIs have questions concerning Social Security direct deposits, they should contact:
 - Rosanne Connelly (410) 965-2659 Fax (410) 965-0384
 - Marstella Brown (410) 965-2847
 - All other questions (410) 965-5328
- IRS questions for FI's representing customers: 1-888-338-7968

MARKETING ACH

- UMACHA recommends you choose one or two individuals to market ACH services. These individuals should be allowed the time to learn how the system functions and then plan a calling schedule to educate and sell ACH to the corporate marketplace.
- Sample letters, brochures, statement stuffers can be purchased from UMACHA.
- Enclosing statement stuffers (available at no charge from SSA) in your monthly statements to retirees that describe the benefits of direct deposit for Social Security payments.
- Placing teller tents in your lobbies that increase consumer awareness of direct deposit (also available from SSA at no charge).
- Expanding the use of direct deposit within your organization by offering it for payroll payments, income distributions on investment products, travel settlements, and educational reimbursements. Using direct deposit internally shows employees you support the service, which will encourage them to use direct deposit and promote it to your customers.
- It is important that time is spent with the company assisting them in the development of an interface between their software and the ACH system.
- Fed pricing. See next page or visit www.frbervices.org website

2002 FEE SCHEDULE

Service	Billing Code	Fee
Origination (per item or record)¹		
Items in small files	57201	\$.0040
Items in large files	57111	\$.0025
Addenda record	57219	\$.0010
Facsimile Exception Returns/NOCs	57240	\$15.00 ²
Voice Response Return/NOCs	57241	\$2.00 ³
Receipt (per item or record)		
Item	57220, 57221	\$.0035
Addenda record	57222	\$.0010
Miscellaneous		
Account Servicing	57234	\$25.00/RTN/month
FedACH Settlement	57234, 57932	\$20.00/RTN/month
Information Extract File	57227	\$10.00/RTN/month
Input File Processing	57230, 57231	\$5.00/file
International ACH		
Cross-Border Item	57223, 57224	\$0.0390 ⁴
Same-Day Recall of Item at Receiving Gateway	57226	\$3.50
Same-Day Recall of Item Not at Receiving Gtwy	57226	\$5.00
Item Trace	57226	\$5.00
Microfiche	57226	\$3.00
Delivery by Courier	57226	\$10.00
Non-Electronic Input/Output⁵		
Tape	57242, 57243	\$25.00/tape
Paper	57244	\$15.00/file
FedEDI Software		Free to electronic access connections

¹ Small files contain fewer than 2,500 items; large files contain 2,500 or more items.

² The fee includes the item and addenda fees in addition to the conversion fee. Reserve Banks also assess a \$15 fee for every government paper return/NOC they process.

³ The fee includes the transaction fee and the conversion fee. The fee includes the item and addenda fees in addition to the conversion fee.

⁴ This per-item surcharge is in addition to the standard item, addenda, and input file processing fees.

⁵ Limited services are offered in contingency situations.

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PROCESSING INCOMING FILES

Processing Incoming ACH Files

ACH files are available at 6:00 a.m ET.

Once ACH files are received, the following message will appear on your printer.

```
>>ACH FILE AHMMDDAI.002 received from the host on MM/DD/YY at HH:MM:SS
FROM: 6910-0013-4 ASF APPLICATION SUPERVI FILE ID MODIFIER: A
TO: XXXX-XXXX-X NAME OF CUSTOMER REF:
```

The file name **AHMMDDAI.002** is broken down as follows:

AH—Automated Clearing House
MM—Month
DD—Day of file, usually previous business day
A—Modifier
I—Incoming file
.002—File extension

ACH files, once received on FedLine, may be printed, copied to an external device, marked processed, or deleted.

ACH INCOMING FILE PROCESSING	
File name: <input type="text"/>	Status:
SELECT ONE OR MORE OF THE FOLLOWING ACTIONS	
(To select, type an X next to the option)	
Print File: <input checked="" type="checkbox"/>	Report Type: <input type="checkbox"/>
Copy File to external device: <input checked="" type="checkbox"/>	Device : CR/LF Option:
Mark file processed: <input checked="" type="checkbox"/>	Copy to Name:
Delete file: (Must be selected separately)	

To access this function:

Select **(AH)** AUTOMATED CLEARING HOUSE from the main menu of FedLine

Select option **#72 PROCESS RECEIVED FILE**

FILE NAME: Press **<F6>** to display available files.

PRINT FILE: **X**

REPORT TYPE: H—Header/control file data
 C—Check file/record totals
 S—Summary of batches
 F—Full entry register report
 B—Both full report and check totals

COPY FILE TO EXTERNAL DEVICE: **X**

DEVICE: A:
 B:
 Identify
 Blink

CR/LF Option: N Standard NACHA file
 Y Modified NACHA file—each record terminated with CR/LF characters

COPY TO NAME:

MARK FILE PROCESSED: **X**

DELETE FILE: Leave blank.

NOTE: Files using the device IDENTIFY are copied to the PC's C:\FLEXPORT directory. Files stored there are *not* automatically deleted by FedLine.

Do not place an "X" in the Delete File field or you will not be able to use the Derive a Return feature in the Automated Clearing House application.

The statement '**FILE ALREADY EXISTS DO YOU WISH TO REPLACE IT (Y/N)?**' will appear if the COPY TO NAME field contains a name already used. Press Y if you want the newly received file to write over the existing file on the hard drive.

SYSTEM RESPONSE: You will receive the message, **Are you really finished processing? Press 'Y'.**

Balancing Procedures for Incoming ACH Files

1. Ensure ACH **Balance Report** has been received and printed.

AJQ71301	FEDERAL RESERVE SYSTEM AUTOMATED CLEARING HOUSE	PAGE: 0 17:23 11/20/97							
PROC: 11/20/97	ACH END-OF-DAY BALANCE REPORT BY ABA								
SP/RP ABA: 096400009	OUTPUT FILE OPTION:								
RFI ABA:									
FILE	FILE	TOTAL	TOTAL	ITEM/ADDN STAT/					
TYP	DATE	TIME	FILE	ID	TOTAL	CREDITS	COUNT	APPL	NODE
			DEBITS						
OUT	I120	0352	I120A	203.46	1,670.91	48	AJ01	I1L09991	

2. Process incoming ACH file by using the steps on pages 35 and 36 of this manual.
3. On the Incoming ACH Files form (pg 38), fill in the Current Date, File Date, File ID, Entry/Addenda Count, Debit and Credit File Totals from printout produced by FedLine.
4. Verify information is identical to the ACH Balance Report **or** ACH Statement of Activity, and initial the Incoming ACH Files form.
5. Sign-off FedLine:
 - Press <ALT S> keys
 - Press <Y>
 - When the sign-on screen is displayed:
 - Press <ALT><CTRL> and to reboot the system.
6. Upload ACH file to mainframe and verify that totals are identical to the Balance Report/ACH Statement of Activity and the FedLine printout before processing. Initial the Mainframe Totals column in the Incoming ACH Files form.

Returns and NOCs—General Information

Return Items:

1. “In general, return entries must be received by the RDFI’s ACH operator by its deposit deadline for the return entry to be made available to the ODFI no later than the opening of business on the second day following the Settlement Date of the original entry.” NACHA Operating Guidelines.
2. **Debits returned by consumers as not authorized (R10) or because authorization has been revoked (R07).** An RDFI may return these items within 60 days of the settlement date of the original entry. The receiving financial institution is required to obtain a signed affidavit from the consumer prior to returning the transaction (R10 or R07). These affidavits need to be kept on file for one year, during which time the originator can request a copy.

Notification of Change:

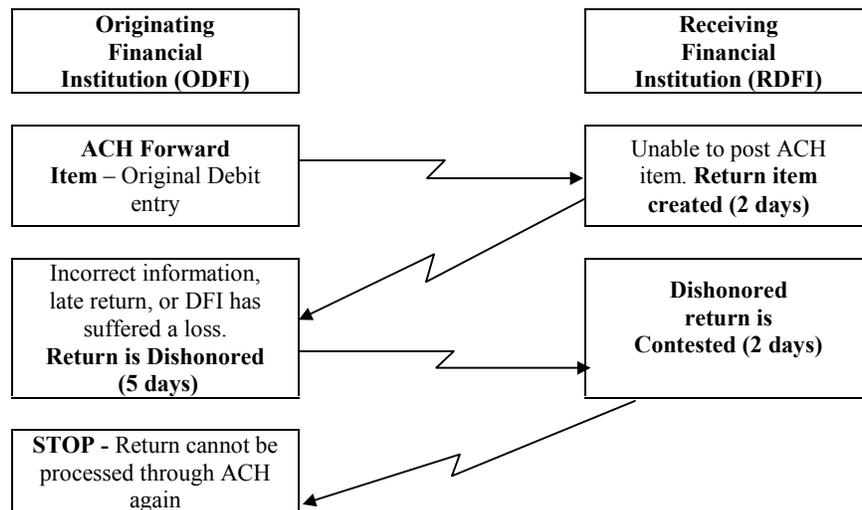
A Notification of Change entry must be transmitted by the RDFI within two banking days of the Settlement Date of the entry to which the NOC relates, except when the NOC is initiated as a result of a merger acquisition or other similar event. ODFIs are required to provide to the originator, within two banking days of the settlement date of the NOC or corrected NOC, a minimum level of information relating to NOCs and corrected NOCs. The originator must make the changes six banking days from the date of receipt or prior to initiating another entry.

Dishonored Returns:

If the return item includes incorrect information, is returned late, or the originator has suffered a loss as the result, the originator can dishonor the return back to the receiving institution for those reasons. Return items must be dishonored within 5 banking days after the settlement date of the returned entry.

Contested Dishonored Returns:

Contested returns or corrected returns need to be sent within 2 banking days after the settlement date of the dishonored return item.



Return Reason Codes R14 & R15

- R14 – Representative Payee deceased or unable to continue in that capacity
- R15 – Beneficiary or Account Holder (other than a representative payee) deceased.

FOUR STEPS FOR ACH RETURNS AND NOCs

1. **03**—Create an active batch or
04—Derive a return item (Can only be used by FIs that receive their ACH file or ACH Information File over FedLine)

<F9>

2. **21**—Select and queue batches
<F10> or to eliminate step 3 **<CTRL E>**

3. Host communications (**HC**)
10—Establish a session 4-file traffic

Note: Once an ACH file has been sent to the Fed, the following message will appear on your printer:

>>**OUTGOING FILE: AH0303BO.001, Queued on host MM/DD/YY 13:52:03**

4. Wait for Short Acknowledgment and Balance

The following is an example of an ACH File Acknowledgment that will be produced for every input file. The acknowledgment will identify the file, give the date and time the file was processed and will indicate the status of the file.

```
***** ACKNOWLEDGMENT OF ACH FILE DEPOSITS *****A
SERVICING FRB: FRB-MINNEAPOLIS ACH                                REPORT DATE AND TIME:
                                                                    11/20/97   11:22

FILE STATUS: ***** FRB TEST DATA *****

IMMEDIATE ORIGIN NAME: BANK OF SOMEWHERE
IMMEDIATE ORIGIN:      0964-0000-9
IMMEDIATE DEST:       0910-0008-0
FILE CREATION DATE:   11/19/97
FILE CREATION TIME:   04:44
FILE ID MODIFIER:     D
FILE PROCESS DATE AND TIME: 01/20/97 11:02

-----COUNT-----
      BATCHES:          1      DEBIT: $    49.00
ENTRY/ADDENDA:        2      CREDITS:$    .00

FILE STATUS: FILE ACCEPTED WITH NO ERRORS

***** END OF ACKNOWLEDGMENT *****
```

FedLine Return Item Screen

ACH BATCH INFORMATION COLLECTED IN FILE:	BATCH #:	STATUS:
ACH RETURN ITEM		
Transaction Code 8 Standard Entry Class Code 15 Company Entry Description 4	Original Trace Number 9 DI Account Number / 10 / Effective Entry Date / 6 /	
Amount \$ 11		
ORIGINATED BY: Comp. Name 1 Comp. Discr Data (2) Comp. ID 3 Comp. Descriptive Date (5) Terminal City : 16 Terminal State : 17 DI ID Creating this batch:	FOR THE ACCOUNT OF: Indiv ID/CHK Serial (Man. For RCK/POP) (12) Disc Data/Pay Type (14) Individual Name / 13 / Return Reason Code Date of Event () ()	
ADDITIONAL INFORMATION: ()		

7.4 ACH Standard Entry Register Format

DATE MM/DD/YY	AUTOMATED CLEARING AND SETTLEMENT FACILITY CITY, STATE ZIP	PAGE X XXXX-XXXX-X
	ENTRY REGISTER	FILE DATE MM-DD-YY FILE TIME XX.XX FILE ID X
RECEIVING POINT XXXX-XXXX-X FINANCIAL ORGANIZATION NAME		
RECEIVING INSTITUTION XXXX-XXXX-X 7 FINANCIAL ORGANIZATION NAME		
1	3	2
COMPANY US TREASURY	XXXXXXXXXXXX	SETT OSC XEEEEEEEEEEEEEE
4	6	15
SOC SEC	EFFECTIVE ENTRY DATE	MM/DD/YY XXX ORIGIN NO. XXXX XXXX BATCH ID NO XXX
13	12	9
INDIVIDUAL NAME	INDIVIDUAL ID	TRACE NUMBER
AMOUNT		8
	Chk Serial Nbr 3365 CentMN	10
		14
		11
XXXXCUSTOMERXXX	1231231231212	1111111111111111 DEMAND CR 12312
XXXXCUSTOMERXXX	1231231231231	2222222222222222 SAVINGS CR 12121
XXXXCUSTOMERXXX	1231231231231	3333333333333333 DEMAND DB 12121
		TOTAL DEBITS TOTAL CREDITS
===BATCH TOTALS===	ENTRY-ADDENDA COUNT XXXX	999.99 999.99

ACH Lesson One

- ❑ Create the following return items using the sample file for Hollywood, Inc., on the following page.
- ❑ Be sure to record your batch numbers for each entry.

Entry #1

BATCH _____

Your customers, Wilma and Fred, have closed their account with your institution because they moved out of state. Return this demand credit of \$329.00 as account closed.

Entry #2

BATCH _____

Your customer, Elvis Presley, is deceased. Return the demand credit of \$5,443.89 as customer deceased. Date of death should be 08/16/77.

- ❑ Your return item batches are ready for collecting into a file for transmission; batch balancing is not required.
- ❑ Print a full report, and collect all returns entered.

FOUR STEPS FOR ACH RETURNS	
1. Create an Active Batch (03)	3. Host Communications
2. Select and Queue (21)	4. Balance

Sample ACH File
Hollywood Inc.

Company Payroll	Hollywood Inc. Effective Entry Date	3237891237 mm/dd/yy	SETT 000 DSC 1 PPD	Origin No. 0000-0000	Batch ID No. 0000053
Receiving Financial Institution					
Individual Name	Individual ID Number	Trace Number	Entry Type	Account Number	DISC Debit Amount Credit Amount
0971-0000					
Anderson, Hans	3838	091000020053001	Demand CR	012874397234	100.00
0971-0000					
Bacall, Lauren		091000020053002	Demand CR	12383920957	200.00
0971-0000					
Costello, Lou		091000020053003	Demand CR	10239218757	400.00
0971-0000					
Devito, Danny	348898	091000020053004	Demand CR	38492734	234.09
0971-0000					
Elvis, Presley	1230981230938	091000020053005	Demand CR	213981038018	5443.89
0971-0000					
Fabret, Annette	47623478	091000020053006	Demand CR	123980	342.00
0971-0000					
Gorgeous, Gary	23098234	091000020053007	Demand CR	29823	342.00
0971-0000					
Hanson, Jon	9839	091000020053008	Demand CR	12812	213.65
0971-0000					
Ignadowitz, Dale	2323823	091000020053009	Demand CR	29803819	784.82
0971-0000					
Jackson, Michael	239804832	091000020053010	Demand CR	1209138093813	4332.00
0971-0000					
Zebro, Mark	3897237834	091000020053011	Demand CR	55421	99.00
0971-0000					
Wilma and Fred	23948209823	091000020053012	Demand CR	129812	329.00
0971-0000					
Fred and Ethel	234234234	091000020053013	Demand CR	101088	462.98
0971-0000					
Lane, Lois	981230	091000020053014	Demand CR	1239810380	432.00
0971-0000					
Kent, Clark	2820482482	091000020053015	Demand CR	669829	200.00

Select and Queue Batches

Select and Queue Batches (**Option 21 from the AH menu**) allows you to select and queue particular or all batches for transmission to the FRB.

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:24:39
*****
FILE INFORMATION
DI IDENTIFICATION NUMBER: 096700000  DI NAME: FEDLINE BK FOUR
REFERENCE CODE: ( )
PRINT A REPORT:       REPORT TYPE:  F
COPY FILE:                                DEVICE: CR/LF Option: N
OPTIONAL NAME:
PLACE AN 'X' HERE TO COLLECT INDIVIDUAL BATCHES: 
BATCH CATEGORY SELECTION
Mark each batch category you wish to collect.
RETURNS:   NOCs:  ACKNOWLEDGMENTS:  STANDARD/ENR BATCHES:
    
```

After indicating the type of individual batches to collect, press <Enter>

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:25:59
*****
BATCH SELECTION
Page 01
-----
To select a batch, place an 'X' in its SELECT field
-----
BATCH #  ENTRY CLASS  ITEM COUNT  DEBIT DOLLARS  CREDIT DOLLARS  SEL
-----  -
0003      PPD           001           0.00           100.00         
-----
REQUEST: (Enter an 'X' for your choice)
NEXT      PREVIOUS      PROCESS SELECTIONS 
    
```

After indicating with an X which batch #'s you wish to collect into a file, and placing an X at Process Selections, press <Enter>. FedLine will print and queue (Session 4) the ACH file. Host Communicate session 4 to the Federal Reserve.

FedLine Dishonored Return Item Screen

<p><i>(first screen)</i></p> <p>Transaction Code 21 Demand credit A Standard Entry Class Code PPD 2 Company Entry Description PAYROLL 4</p>	<p>Original Trace Number 039287593019375 1 DI Account Number /32589 3 / Effective Entry Date /103097/ 5</p> <p>Amount \$ 6,325.02 6</p>
<p>ORIGINATED BY:</p> <p>Comp. Name US CITIZENS 7 Comp. Discr Data (PR9103A) 8 Comp. ID /1234567890/ 9 Comp. Descriptive Date (971030) 10 Terminal City : 16 Terminal State: 17</p>	<p>FOR THE ACCOUNT OF:</p> <p>Indiv ID/Chk Serial (Man. For RCK/POP) (032875012 11) Disc Data/Pay Type (13) 12 Individual Name /JOHN DOE 13 / Return Reason Code Date of Event R04 15 () <i>Incorrect Account Number</i></p>
<p>RETURNED BY:</p> <p>RECEIVING DI ID 039287594 14</p>	<p>ADDITIONAL INFORMATION: () (Page down for Contested and Dishonored Returns)</p> <hr/> <p><i>(second screen)</i></p> <p>(Dishonored Return Item Information) Return Item: Trace Number /101000004783629/ 18 Return Item: Settlement Date /103097/ 19 Reason Code: (R67) B</p> <p>(Contested Dishonored Item Return Information) Dishonored Return Item: Trace Number / / Dishonored Return Item: Settlement Date / / Original Item: Settlement Date / / Reason Code: ()</p>

* See next page for Register Format

ACH Standard Entry Register Format

ENTRY REGISTER PRINT
(Denotes return item)

RECEIVING POINT	0392-8759-4 ABC BANK	FILE DATE	971029
		FILE TIME	0215
		FILE ID	A
COMPANY	U.S. CITIZENS <u>7</u> 1234567890 <u>9</u> SETT 073	OCS 1	PPD PR9103A <u>8</u>
	<u>4</u> PAYROLL EFFECTIVE ENTRY DATE 10/30/97 <u>5</u>	PPD <u>2</u>	ORIGIN NO 1010-0000
			BATCH ID NO. <u>10</u> 971030
			BATCH ID NO. 0000023
RECEIVING FINANCIAL INSTITUTION			
INDIVIDUAL NAME	INDIVIDUAL ID NUMBER	TRACE NUMBER	ENTRY TYPE
		ACCT. NUMBER	DISC
		DEBIT AMT	CREDIT AMT
<i>Chk Serial Nbr</i>			
3365 CentMN ← For POP Entries (Terminal City/Terminal State) <u>16 and 17</u>			
0392-8759 <u>14</u>			
JOHN DOE <u>13</u>	032875012 <u>11</u>	<u>18</u> 101000004783629	DEMAND CR <u>A</u>
		32589 <u>3</u>	13 <u>12</u>
			<u>6</u> 6,325.02
SYMBOL: R04 ROUTED TO 10100000 ORIG TRACE 039287593019375 <u>1</u>			
	BATCH TOTALS	ENTRY - ADDENDA COUNT	TOTAL DBS
		2	TOTAL CRS
			0.00
			6325.02
		SETTLEMENT DATE (10/30/97)	<u>19</u>

ACH TRANSACTION CODES AND DISHONORED RETURN REASON CODES

A Transaction Codes

- 21 - Demand Credit
- 26 - Demand Debit
- 31 - Savings Credit
- 36 - Savings Debit

B Automated Dishonored Return Reason Codes Used by ODFIs

- R61 - Misrouted Return
- R62 - Incorrect Trace Number
- R63 - Incorrect Dollar Amount
- R64 - Incorrect Individual Identification
- R65 - Incorrect Transaction Code
- R66 - Incorrect Company Identification
- *R67 - Duplicate Return
- *R68 - Untimely Return
- R69 - Multiple Errors—two or more of the following fields are incorrect:
Original Entry Trace Number, Amount, Individual Identification, Company Identification or Transaction Code.
- R70 - Permissible Return Not Accepted

* RDFI's who use FedLine for derived returns should not receive dishonored returns with the codes R61-66, 69. Using the derived return feature of FedLine should eliminate those returns.

FedLine Contested/Corrected Dishonored Return Item Screen

<p><i>(first screen)</i></p> <p>Transaction Code 21 Demand credit A Standard Entry Class Code PPD 2 Company Entry Description PAYROLL 4</p>	<p>Original Trace Number 039287593019375 1 DI Account Number /32589 3 / Effective Entry Date /103097/ 5</p>
<p>ORIGINATED BY:</p> <p>Comp. Name US CITIZENS 7 Comp. Discr Data (PR9103A) 8 Comp. ID /1234567890/ 9 Comp. Descriptive Date (971030) 10 Terminal City : 16 Terminal State : 17</p>	<p>Amount \$ 6,325.02 6</p> <p>FOR THE ACCOUNT OF:</p> <p>Indiv ID/Chk Serial (Man. For RCK/POP) (032875012) 11 Disc Data/Pay Type (13) 12 Individual Name /JOHN DOE 13 / Return Reason Code Date of Event R04 15 () <i>Incorrect Account Number</i></p>
<p>RETURNED BY:</p> <p>RECEIVING DI ID 039287594 14</p>	
<p>ADDITIONAL INFORMATION: () (Page down for Contested and Dishonored Returns)</p> <p>=====</p>	
<p><i>(second screen)</i></p> <p>(Dishonored Return Item Information)</p> <p>Return Item: Trace Number /101000004783629/ 18 Return Item: Settlement Date /103097/ 19 (NOTE: 073 Julian Date must be converted to MM/DD/YY) Reason Code: (R67) 20</p> <p>(Contested Dishonored Item Return Information)</p> <p>Dishonored Return Item: Trace Number /039287596431294/ 21 Dishonored Return Item: Settlement Date /110197/ 22 Original Item: Settlement Date / _____ / B Reason Code: (R71) C</p>	

* See next page for Register Format

ACH Standard Entry Register Format

ENTRY REGISTER PRINT
(Denotes return item)

RECEIVING POINT	1010-0000-0 XYZ BANK	FILE DATE	971030
		FILE TIME	0308
		FILE ID	A
COMPANY	U.S. CITIZENS <u>7</u> 1234567890 <u>9</u> SETT 076	OCS 1	PPD PR9103A <u>8</u>
	<u>4</u> PAYROLL EFFECTIVE ENTRY DATE 10-30-97 <u>5</u>	PPD <u>2</u>	ORIGIN NO 0392-8759
			BATCH ID NO. 0000056
RECEIVING FINANCIAL INSTITUTION			
INDIVIDUAL NAME	INDIVIDUAL ID NUMBER	TRACE NUMBER	ENTRY TYPE
	<i>Chk Serial Nbr</i>		ACCT. NUMBER DISC
	<u>3365</u> <i>CentMN</i>	<i>For POP Entries (Terminal City/Terminal State)</i>	<u>16 and 17</u>
1010-0000 <u>14</u>			
JOHN DOE <u>13</u>	032875012 <u>11</u>	039287596431294 <u>21</u>	DEMAND CR <u>A</u>
SYMBOL: R67	ROUTED TO 10100000 ORIG TRACE 039287593019375 <u>1</u>		32589 3 13 <u>12</u>
<u>20</u>			10100000478362907304
	BATCH TOTALS	ENTRY - ADDENDA COUNT	<u>18</u> 2 <u>19 15</u>
			TOTAL DBS
			TOTAL CRS
			0.00 6325.02
			SETTLEMENT DATE 76 (10/30/97) <u>22</u>

ACH TRANSACTION CODES AND CONTESTED/CORRECTED
DISHONORED RETURN REASON CODES

A Transaction Codes

- 21 - Demand Credit
- 26 - Demand Debit
- 31 - Savings Credit
- 36 - Savings Debit

B Complete only if Contested Dishonored Return Code is R73.

C Contested/Corrected Dishonored Return Reason Codes

- R71 - Misrouted Dishonored Return
- R72 - Untimely Dishonored Return
- R73 - Timely Original Return
(In this situation, the "Date of Event" is the date you returned the original item and the "Original Item: Settlement Date" is the settlement date noted on the original entry register.)
- R74 - Corrected Return
(The original entry information is completed with the corrected data inserted in the prescribed location.)

ACH Lesson Two

- Create the following notification of changes (NOC) using the sample Schneider file on the following page.
- Be sure to record your batch numbers for each entry.

Entry #1

Batch _____

Your customer **Paul E. Crosby's** account number is incorrect. The correct account number should be 085-384-6. Notify the originator of the correct account number.

Entry #2

Batch _____

Diane R. Ausen's demand credit of \$53.18 is supposed to be to her savings account, not checking account. The account number is also incorrect, it should be 464584244. Notify the originator of the correct account number and correct transaction code.

Entry #3

Batch _____

Julie A. Johnson has changed her last name. Notify the originator that the account name has changed to Smith.

- Your notification of change batches are ready for collecting into a file for transmission; batch balancing is not required.
- Print full report, and collect all notification of changes entered.

Transaction Codes for Forward ACH Items	
Code	Description
22	Demand Credit
27	Demand Debit
32	Savings Credit
37	Savings Debit

FOUR STEPS FOR NOCs	
1. Create an Active Batch (03)	3. Host Communications
2. Select and Queue (21)	4. Balance

Sample ACH File
Schneider (USA)

Company Dividends	Schneider (USA) Effective Entry Date mm/dd/yy	1411455302 PPD	SETT Origin No.	OSC 1	INC., A 9A61 Batch ID No. 0000002	103097	
Receiving Financial Institution							
Individual Name	Individual ID Number	Trace Number	Entry Type	Account Number	DISC	Debit Amount	Credit Amount
2910-7511 Quiggle Margo	472463516	096000600000008	Saving CR	9000016002	08		40.00
2910-7511 Thatcher Robert J	261849598	096000600000009	Demand CR	122-2636-936	08	PRE*****	
2910-7511 Walker Linda J	469502722	096000600000010	Demand CR	94554305	08		337.33
2910-7511 Ausen Diane R	477967472	096000600000012	Demand CR	9769078	08		53.18
2910-7511 Murray Janet R	474504542	096000600000013	Demand CR	413800908300	08		314.30
2910-7511 Crosby Paul E	473961423	096000600000014	Demand CR	313801620703	08		277.81
2910-7511 Olson Marlene A	477664338	096000600000015	Demand CR	705800145512	08		270.72
2910-7511 McCalla Margaret	468665790	096000600000016	Saving CR	70100490	08		50.00
2910-7511 McCalla Margaret	468665790	096000600000017	Demand CR	34577635	08		353.14
2910-7511 Enge Beverly J	472843125	096000600000018	Saving CR	185418415	08		50.00
2910-7511 Enge Beverly J	472843125	096000600000019	Demand CR	1222627307	08		257.90
2910-7511 Newman Kathy M	471541745	096000600000020	Demand CR	467911	08		221.36
2910-7511 Johnson Julie A	470729753	096000600000021	Demand CR	614801501602	08		282.23

NACHA Rule for NOCs—Original Item Receiver ID

Create an Active Batch Automated Clearing House		MM/DD/YYYY HH:MM
ACH BATCH INFORMATION: COLLECTED IN FILE:		Batch #: Status:
=====NOTIFICATION OF CHANGE=====		
Transaction Code 21 A Demand Credit Standard Entry Class Code COR Company Entry Description Payroll 3	Original Trace Number 039287593019375 1 DI Account Number / 32589 2 / Effective Entry Date / 103097 4 /	
- ORIGINATED BY: Comp. Name US Citizens 6 Comp. Discr Data (PR9103 A 7) Comp. ID 1234567890 Comp. Descriptive Date (971030 9)	Change Field 1 32588 5 Change Field 2 / / FOR THE ACCOUNT OF: Indiv ID (032875012 10) Disc Data (13 11) Individual Name / John Doe 12 /	
RETURNED BY: Originating DI ID Original Item Receiver ID 	Change Code C01 14	
REFUSAL OF CHANGE ONLY		
Code	Trace #	
o....		

The 9-digit **Original Item Receiver ID** field is only used when a RDFI purchases branches or accounts from another RDFI but is not allowed to place the original RDFI's routing number in the NOC's Originating DFI Identification field.

FedLine Refused Notification of Change Item Screen

Transaction Code 21 <u>A</u> Demand credit Standard Entry Class Code COR Company Entry Description PAYROLL <u>3</u>	Original Trace Number 039287593019375 <u>1</u> DI Account Number /32589 <u>2</u> / Effective Entry Date /103097/ <u>4</u>
ORIGINATED BY: Comp. Name US CITIZENS <u>6</u> Comp. Discr Data (PR9103A) <u>7</u> Comp. ID /1234567890/ <u>8</u> Comp. Descriptive Date (103097) <u>9</u>	Change Field 1 32588 <u>5</u> Change Field 2/ / Change Field 3/ / (<i>will appear if PgDn key is hit</i>)
RETURNED BY: Originating DI ID Original Item Receiver ID (03928759) <u>13</u>	FOR THE ACCOUNT OF: Indiv ID (032875012 <u>10</u>) Disc Data (13) <u>11</u> Individual Name /JOHN DOE <u>12</u> / Change Code C01 <u>14</u> <i>Incorrect Account Number</i>
REFUSAL OF CHANGE ONLY Code B C61 Trace # 15 101000000000001	

ACH Standard Entry Register Format

ENTRY REGISTER PRINT <i>(Denotes NOC item)</i>							
RECEIVING POINT	0392-8759-4 ABC BANK			FILE DATE	97/11/01		
				FILE TIME	1211		
				FILE ID	A		
COMPANY	U.S. CITIZENS <u>6</u> 1234567890 <u>8</u> SETT 074	OSC 1	PPD PR9103A <u>7</u>		<u>9</u> 971030		
	PAYROLL <u>3</u> EFFECTIVE ENTRY DATE 10-30-97	COR	ORIGIN NO 1010-0000	BATCH ID NO.	0000001		
RECEIVING FINANCIAL INSTITUTION	<u>4</u>						
INDIVIDUAL NAME	INDIVIDUAL ID NUMBER	TRACE NUMBER	ENTRY TYPE	ACCT. NUMBER	DISC	DEBIT AMT	CREDIT AMT
0392-8759 <u>13</u>	COR JOHN DOE <u>12</u>	032875012 <u>10</u>	101000000000001 <u>15</u>	DEMAND CR <u>A</u>	32589 <u>2</u>	13 <u>11</u>	6,325.02
	COR CODE: C01	ORIG TRACE 039287593019375 <u>1</u>	**CORRECTION INFOR**32588 <u>5</u>				
	<u>14</u>	**BATCH TOTALS**	ENTRY - ADDENDA COUNT	2	TOTAL DBS	TOTAL CRS	
					0.00	6325.02	
SETTLEMENT DATE 74 (11/01/97)							

NOC TRANSACTION CODES AND REFUSED NOC REASON CODES

A Transaction Codes

21 - Demand Credit
26 - Demand Debit
31 - Savings Credit
36 - Savings Debit
41 - General Ledger Credit
46 - General Ledger Debit
51 - Loan Credit
56 - Loan Rev Debit

B Reason Codes for Refusing Noc

C61 - Misrouted Notification of Change
C62 - Incorrect Trace Number
C63 - Incorrect Company ID Number
C64 - Incorrect Individual ID Number
C65 - Incorrect Formatted Corrected Data
C66 - Incorrect Discretionary Data
C67 - Transit Routing Number Not From Original Entry
Detail Record
C68 - DFI Account Number Not From Original
Entry Detail Record
C69 - Incorrect Transaction Code

Balancing Procedures for Outgoing ACH Files

1. After an ACH batch(es) has been selected and queued, a full report will print displaying file information.
The following information should be included in the "Outgoing ACH Files" form (pg 58):

Current Date
File Date
File ID
Entry/Addenda Count
File Totals (Debit and Credit)

Transmit File to Federal Reserve - Establish Session 4.

2. Once an ACH file has been sent, the following message will appear on your printer:

>>OUTGOING FILE: AH0119FO.001, queued on host MM/DD/YY 13:52:03

3. You should receive an Acknowledgment of ACH Files Deposited also referred to as File Acknowledgments after you transmit the file.

The following is an example of an ACH File Acknowledgment that will be produced for every input file. The acknowledgment will identify the file, give the date and time the file was processed and will indicate the status of the file.

```
***** ACKNOWLEDGMENT OF ACH FILE DEPOSITS *****A
SERVICING FRB: FRB-MINNEAPOLIS ACH                                REPORT DATE AND TIME:
                                                                    11/20/97   11:22

FILE STATUS: ***** FRB TEST DATA *****

IMMEDIATE ORIGIN NAME: BANK OF SOMEWHERE
IMMEDIATE ORIGIN:       0964-0000-9
IMMEDIATE DEST:        0910-0008-0
FILE CREATION DATE:    11/19/97
FILE CREATION TIME:    04:44
FILE ID MODIFIER:      D
FILE PROCESS DATE AND TIME: 01/20/97 11:02

-----COUNT-----

      BATCHES:           1      DEBIT:           $49.00
ENTRY/ADDENDA:         2      CREDITS          $ .00

-----

FILE STATUS: FILE ACCEPTED WITH NO ERRORS

***** END OF ACKNOWLEDGMENT *****
```

Verify that the information on the Acknowledgment is identical to the file information on the Outgoing ACH File form. Also ensure that the **FILE STATUS:** field has "File Accepted with no errors," and initial the Outgoing ACH File form.

File Status Messages:

- File Accepted With No Errors
- File Accepted With Item Level Errors
(Number of Items Rejected = X)
- File Accepted With Batch Level Errors
(Number of Items Rejected = X)
- File Rejected With Batch Level Errors
- File Rejected With File Level Errors
- File Pended With File Level Errors
- File Pended With Batch Level Errors
- Pended File Accepted
- Pended File Rejected

4. The following morning, check the ACH Balance Report or ACH Advice(s) to ensure that the outgoing file information is listed. Initial the Balance Report column on the Outgoing ACH File form.

The following is an example of an ACH Balance Report.

AJQ71301		FEDERAL RESERVE SYSTEM AUTOMATED CLEARING HOUSE				PAGE: 0 17:23 11/20/97	
PROC: 11/20/97							
ACH END-OF-DAY BALANCE REPORT BY ABA							
SP/RP ABA: 096400009							
RFI ABA:				OUTPUT FILE OPTION:			
FILE		FILE	TOTAL	TOTAL	ITEM/ADDN	STAT/	
TYP	DATE	TIME	ID	DEBITS	CREDITS	COUNT	APPL NODE
IN	1120	1102	1119F	49.00	0.00	2	ACCP I1L09999
OUT	1120	0352	1120A	203.46	1,670.91	48	AJ01 I1L09991

INCOMING FILE STATUS CODES:

- ACCP** = File was accepted
- PEND = File was pended
- REJ = File was rejected
- ACPP = File was accepted with pended batches
- ACPR = File was accepted with rejected batches
- PNDA = File was accepted but once pended
- L2SP = File was pended for level 2 security (Appl Id of Tape)
- RLSP = File has been released but is still pended (waiting to be edited)
- REJB = File was rejected at batch level
- REJP = File was rejected but once pended

SAMPLE IMMEDIATE SETTLEMENT ADVICE

<p>(1) FEDERAL RESERVE BANK AUTOMATED CLEARING HOUSE</p>						1
<p>(2) & (3) ACCOUNT HOLDER ADVICE</p>						
<p>IMMEDIATE SETTLEMENT</p>						
<p>(4) ABA 0964-0000-9</p>			<p>(5) PROCESS DATE 11/15/01</p>			
<p>(6) BANK OF SOMEWHERE P. O. BOX 126 SOMEWHERE MN 99999-9999</p>						
<p>(7) FAX 000000000000 BIN NUMBER - 40512330</p>						
<p>(8) DETAIL INFORMATION:</p>						
ACTIVITY INFORMATION	ABA/NODE	FILE ID	SETTLEMENT DATE	DEBIT AMOUNT	CREDIT AMOUNT	
ACTIVITY ORIGINATED		(11)	(12)	(13)	(14)	
(9)	11L09999	1115A	11/15		49.00	
<p>SUMMARY INFORMATION:</p>						
TRAN CODE	5705 - IMMEDIATE TRANSACTION			11/15	49.00	
<p>***** END OF REPORT *****</p>						

SAMPLE END OF DAY SETTLEMENT ADVICE

(1) FEDERAL RESERVE BANK
AUTOMATED CLEARING HOUSE

1

(2) & (3) ACCOUNT HOLDER ADVICE
END-OF-DAY SETTLEMENT

(4) ABA 0964-0000-9

(5) PROCESS DATE 11/15/01

(6) BANK OF SOMEWHERE
P. O. BOX 126
SOMEWHERE MN 99999-9999

(7) FAX 000000000000

BIN NUMBER - 40512330

(8) DETAIL INFORMATION:

ACTIVITY INFORMATION	ABA/NODE	FILE ID (11)	SETTLEMENT DATE (12)	DEBIT AMOUNT (13)	CREDIT AMOUNT (14)
ACTIVITY ORIGINATED (9)					
	(10) 11L0999 1110999	1115A*	11/16		150.00
		1115B	11/16	5,000.00	300.00
SUMMARY ORIGINATED:			11/16	5,000.00	450.00
(15) ACTIVITY RECEIVED					
	0964-0000-9	1115A	11/16 11/17	25,000.00	20,000.00 45,000.00
	0964-0000-9	1115B	11/16 11/17	15,000.00	10,000.00 5,500.00
SUMMARY RECEIVED			11/16	40,000.00	30,000.00 50,500.00
(16) SUMMARY INFORMATION:					
TRAN CODE					
5701 - DEBITS ORIGINATED			11/16		450.00
5705 - DEBITS RECEIVED				40,000.00	
5703 - CREDITS ORIGINATED				5,000.00	
5704 - CREDITS RECEIVED					30,000.00
5704 - CREDITS RECEIVED			11/17		50,500.00

* (17) EFFECTIVE ENTRY DATE CHANGED

***** END OF REPORT *****

Example: The work of the 15th is distributed to the DFI on the 16th.

**(Con't) SAMPLE
ADVICE EXPLANATIONS**

- (1) The area of the Federal Reserve Bank generating this statement.
- (2) The type of account your institution has for settlement at the Federal Reserve.
 - *Account Holder Advice* – an institution using their Reserve account for settlement.
 - *Respondent/Subaccount Advice* – an institution using a Correspondent Bank for settlement.
- (3) The type of settlement statement.
 - *End of Day* – totals for all transactions processed on that date except those included on the immediate advice.
 - *Immediate* – totals of ACH returns originated or received prior to 2:00 PM ET.
- (4) The ABA number or routing transit number of the institution.
- (5) The processing date of the ACH items sent or received.
Note: The processing date is the date when items are distributed through the ACH system.
- (6) The name and address of your institution.
- (7) The fax number of your institution if statement is received via fax (Fedmail).
- (8) The ACH files originated or received by or on behalf of your institution.
- (9) ACH files originated or received by or on behalf of your institution.
- (10) ABA of the institution sending on your behalf or FedLine terminal node.
- (11) The file id# for files originated or received by your institution.
- (12) The date files will settle to your Reserve account or your Correspondents account.
Note: The settlement date is when money moves into or out of your account at the Fed or your correspondent account with the Fed.
- (13) The total file amount for credits originated or debits received by your institution.
- (14) The total file amount for debits originated or credits received by your institution.
- (15) The ACH files that are distributed to your institution or processor from the Federal Reserve Bank.
- (16) The grand total of all files originated or received by your institution.
- (17) The ACH file originated was current or prior dated – the date of the file is changed automatically.

Sample File Acknowledgments

File Acknowledgments

The following is an example of an ACH File Acknowledgment that will be produced for every input file. The acknowledgment will identify the file, give the date and time the file was processed and will indicate the status of the file. The file acknowledgment shows that the file was accepted with no errors.

```
***** ACKNOWLEDGMENT OF ACH FILE DEPOSITS *****
SERVICING FRB: FRB-MINNEAPOLIS ACH                                REPORT DATE AND TIME:
                                                                12/10/97   11:22

FILE STATUS: ***** FRB TEST DATA *****

IMMEDIATE ORIGIN NAME: BANK OF SOMEWHERE
IMMEDIATE ORIGIN:      0964-0000-9
IMMEDIATE DEST:       0910-0008-0
FILE CREATION DATE:   12/10/97
FILE CREATION TIME:   04:44
FILE ID MODIFIER:     D
FILE PROCESS DATE AND TIME: 12/10/97 11:02

-----COUNT-----
      BATCHES:           1      DEBIT: $      49.00
ENTRY/ADDENDA:         2      CREDITS:$      .00

-----
FILE STATUS: FILE ACCEPTED WITH NO ERRORS
***** END OF ACKNOWLEDGMENT *****
```

Sample File Acknowledgments (con't)

Rejected or Pended File Acknowledgments

ACH items, batches, or the entire ACH file can reject or pend. If a file of ACH items rejects or pends, the file status will state "File rejected with file level errors." You will receive a phone call for all files that reject or pend along with a file acknowledgment. For pended files, you will be asked whether or not you want the file "overridden." If you do, you will receive another file acknowledgment stating "pended" file accepted. The following is an example:

```

***** ACKNOWLEDGMENT OF ACH FILE DEPOSITS *****B
SERVICING FRB: FRB-MINNEAPOLIS ACH                                REPORT DATE AND TIME:
                                                                12/11/97  9:31

FILE STATUS: ***** FRB TEST DATA *****

IMMEDIATE ORIGIN NAME: FEDLINE BANK
IMMEDIATE ORIGIN:      0910-0000-0
IMMEDIATE DEST:       0910-0008-0
FILE CREATION DATE:   12/11/97
FILE CREATION TIME:   01:54
FILE ID MODIFIER:     3
FILE PROCESS DATE AND TIME: 12/11/97 10:05

-----COUNT-----AMOUNT-----
      BATCHES:                230    DEBIT:      $    9,113,011.34
ENTRY/ADDENDA:              18,079    CREDITS:    $    1,689,156.97

-----
FILE STATUS: FILE PENDED WITH FILE LEVEL ERRORS

FC110-SUSPECTED PREVIOUS PROCESSING DAY DUPLICATE FILE - DOLLAR AMOUNTS
PREVIOUS FILE: CREATION DATE/TIME 971206/1705 MODIFIER Z PROCESSED 971106

***** END OF ACKNOWLEDGMENT*****
    
```

ACH Balance Report

The following is an example of an ACH Balance Report. Balance Reports will include file control information on all originated files except presort files, all received files, and all cross zone files received. Balance Reports are created following ACH Operations final distribution.

```

CC1  PROD          FEDERAL RESERVE SYSTEM
                          AUTOMATED CLEARING HOUSE                      03:15  12/12/97

PROC: 12/11/97

                          ACH END-OF-DAY BALANCE REPORT BY ABA

SP/RP ABA: 096400009

                          OUTPUT FILE OPTION  COMMINGLED
FILE  TYP  DATE  TIME  FILE  TOTAL  TOTAL  ITEM/ADDN  STAT/
ID    DEBITS  CREDITS  COUNT  APPL  NODE
IN    1211  1816  12106  2,108.97  0.00  14  ACCP  11L09999
OUT   1211  1005  1211A  3,565,717.49  1,657,671.76  1635  AJ01  11L09991
    
```

STEPS FOR DERIVING RETURNS AND NOCs

Only receiving point destinations on outgoing ACH files can use this function.

1. SELECT **04**—Derive a Return <Enter>
2. AT FEDLINE FILE NAME: PRESS <F6>
Select the file name that the item is contained in and PRESS <TAB>
3. <TAB> to TRACE NUMBER
4. ENTER IN THE 15-DIGIT TRACE NUMBER OF ITEM AND PRESS <Enter>

FedLine will display the ACH item. If the item is correct:

5. Press <Enter>

FedLine will prompt:

6. Select R for Return
Select N for NOC
7. Fill in the required fields needed
8. Press <Enter>

If you wish to derive another RET or NOC, press <F2> and the search criteria screen will be displayed.

9. Select and Queue Batches (**21**)
<F10> or <CTRL E> (eliminates Step 10)
10. Host Communications (**HC**)

**ACH Derive Returns
Lesson One**

Create the following batches using the derive a return item function.

Entry #1

Batch _____

Pet Clinic has changed their account number.
Notify the originator of the new account #8320170.

Entry #2

Batch _____

Return the demand debit of 14.35 for Brooks because of insufficient funds.

Collect your batches into a file and transmit the file.

FOUR STEPS FOR DERIVE A RETURN

- | | |
|---------------------------------|-------------------------------|
| 1. Derive a Return (04) | 3. Host Communications |
| 2. Select and Queue (21) | 4. Balance |

**ACH Derive Returns
Lesson Two**

Entry #1

Batch _____

Thurston Furniture changed their account number.
Notify the originator of the new account #8404004.

Entry #2

Batch _____

Return the demand credit of \$996.62 for
Marilyn Monroe because her account was closed.

Entry #3

Batch _____

You received a prenote for Main Street Amoco.
The account number is incorrect. Notify the
originator of the correct account #8352064.

FOUR STEPS FOR DERIVE A RETURN

- | | |
|---------------------------------|-------------------------------|
| 1. Derive a Return (04) | 3. Host Communications |
| 2. Select and Queue (21) | 4. Balance |

STEPS FOR DERIVING DISHONORED AND CONTESTED DISHONORED RETURNS

1. Select **AH**-Automated Clearing House <Enter>.
2. Select **04**-Derive a Return Item <Enter>.
3. At FedLine File Name: Press <F6>.
Select the file name that the return or dishonored return is contained in and press <TAB>.
4. <TAB> to Trace Number.
5. Enter the 15-digit Trace Number of the return or dishonored return and press <Enter>.

FedLine will display the ACH return or dishonored return selected.
6. If the item is correct, press <Enter>.

FedLine will prompt:

Are you sure? Create Dishonored Return? Press 'Y' or 'N'
--

7. Select **"Y"** for dishonored return.

(Steps continue on next page.)

DERIVE ACH DISHONORED RETURN

<p><i>(first screen)</i></p> <p>Transaction Code 21 Demand credit Standard Entry Class Code PPD Company Entry Description PAYROLL</p>	<p>Original Trace Number 039287593019375 DI Account Number /32589 / Effective Entry Date /103097/ Amount \$ 6,325.02</p>
<p>ORIGINATED BY:</p> <p>Comp. Name US CITIZENS Comp. Discr Data (PR9103A) Comp. ID /1234567890/ Comp. Descriptive Date (102897) Terminal City: Terminal State:</p>	<p>FOR THE ACCOUNT OF:</p> <p>Indiv ID/Chk Serial (Man. For RCK/POP) (032875012) Disc Data/Pay Typy (13) Individual Name /JOHN DOE / Return Reason Code Date of Event R04 () Incorrect Account Number</p>
<p>RETURNED BY:</p> <p>Originating DI ID Original Item Receiver ID 039287594</p>	
<p>ADDITIONAL INFORMATION: () (Page down for Contested and Dishonored Returns)</p>	
<p><i>(second screen)</i></p> <p>(Dishonored Return Item Information)</p> <p>Return Item: Trace Number /101000004783629/ Return Item: Settlement Date /103097/ Reason Code: R67</p> <p>(Contested Dishonored Item Return Information)</p> <p>Dishonored Return Item: Trace Number / / Dishonored Return Item: Settlement Date / / Original Item: Settlement Date / / Reason Code: ()</p>	

8. Press <Page Down>.

9. <TAB> type in following:

- A. Return Item: Settlement Date
- B. Reason Code: <F6>

<Enter>

10. If you wish to derive additional dishonored return items, press <F2> and the ACH-File Search Selection Criteria screen will be displayed.

11. Select 21-Select and Queue Batches

<F10> or <CTRL E> eliminates step 12.

12. Select HC-Host Communications, establish Session 4

DERIVE ACH CONTESTED/CORRECTED DISHONORED RETURN

<p><i>(first screen)</i></p> <p>Transaction Code 21 Demand credit Standard Entry Class Code PPD Company Entry Description PAYROLL</p>	<p>Original Trace Number 039287593019375 DI Account Number /32589 / Effective Entry Date /103097/</p>
<p>ORIGINATED BY:</p> <p>Comp. Name US CITIZENS Comp. Discr Data (PR9103A) Comp. ID /1234567890/ Comp. Descriptive Date (971030) Terminal City: Terminal State:</p> <p>RETURNED BY:</p> <p>RECEIVING DI ID 039287594</p>	<p>Amount \$ 6,325.02</p> <p>FOR THE ACCOUNT OF: Indiv ID/Chk Serial (Man. For RCK/POP) (032875012) Disc Data/Pay Type (13) Individual Name /JOHN DOE / Return Reason Code Date of Event R04 () <i>Incorrect Account Number</i></p>
<p>ADDITIONAL INFORMATION: () (Page down for Contested and Dishonored Returns)</p>	
<p><i>(second screen)</i></p> <p>(Dishonored Return Item Information) Return Item: Trace Number /101000004783629/ Return Item: Settlement Date /103097/ Reason Code: (R67)</p> <p>(Contested Dishonored Item Return Information) Dishonored Return Item: Trace Number /039287596431294/ Dishonored Return Item: Settlement Date /110197/ Original Item: Settlement Date Reason Code: (R71)</p>	

FedLine will prompt:

Are you sure?
Create Contested Dishonored Return?
Press 'Y' or 'N'

7. Select "Y" for contested dishonored return.
8. Press <Page Down>.
9. <TAB> type in following:
 - A. Return Item: Settlement Date
<TAB>
 - B. Dishonored Return Item: Settlement Date
 - C. Original Item: Settlement is only used if Dishonored Return is contested for untimely (R73).
 - D. Reason Code: <F6>

FEDLINE STANDARD ACH ORIGINATION

- Step 1.** Select **03**—Create an Active Batch <Enter>
Select AHBATCH Enter a Standard Batch <Enter>
A. Fill in the Company Information screen <Enter>
 <F4 for first detail>
B. Fill in the Individual Information screen <Enter>
- Step 2.** Balance your batch by depressing **ALT + F1** at the last detail record
<Page Down>
Balance Batch <Y>
<Enter>
<F9>
- Step 3.** Select **21**—Select and Queue Batches <Enter>
- Step 4.** <Ctrl E> Quick Session Screen
Establish Session 4
<F9>
- Step 5.** Select **30**—Copy Active Batch to Recurring <Enter>
Key in your Batch Number
Depress <Enter> twice

ENTER AN ID FOR THIS RECURRING BATCH _____

<Enter>

- Step 6.** Wait for Short Acknowledgement and Balance.

BATCH HEADER SCREEN (COMPANY INFORMATION)

```

Create an Active Batch Automated Clearing House Date Time
##### *MC-F6* #####
ACH BATCH INFORMATION:      Last Detail:      Batch A:      Status:

SERVICE CLASS CODE:
COMPANY/MERCHANT NAME:
COMPANY DISCRETIONARY DATA: (          )
COMPANY IDENTIFICATION:

STANDARD ENTRY CLASS CODE:

COMPANY ENTRY DESCRIPTION:
COMPANY DESCRIPTIVE DATE: (    )

EFFECTIVE ENTRY DATE: /    /

ORIGINATING DI ID: ABA  NAME OF INSTITUTION

(Hit PgDn for Balance Processing)
(F3 for screen and function help)
    
```

Select 03—Create an Active Batch. Select AHBATCH—Enter a Standard Batch.

- SERVICE CLASS CODE: 200=mixed debits and credits
 220=credits only
 225=debits only

- COMPANY/MERCHANT NAME:

- COMPANY DISCRETIONARY DATA: Optional (allows originators to include codes for specialized handling of items in a batch)

- COMPANY IDENTIFICATION: Can be 10 digits. First digit can be any of the following but is not required:
 1=IRS Employer ID
 3=Data Universal Numbering Systems
 9=User Assigned

- STANDARD ENTRY CLASS CODE: PPD=Prearranged Payments and Deposits
 CCD=Cash Concentration or Disbursement, CIE, CTX, DNE, MTE, POP, POS, RCK, SHR, TEL, TRC, TRX, WEB, XCK

- COMPANY ENTRY DESCRIPTION: (Payroll, Mnth. dues, Ins. Prem., redepchk, purchase, reversal etc.)

- COMPANY DESCRIPTIVE DATE: Optional (date for descriptive purposes only)

- EFFECTIVE ENTRY DATE: Date the Originator wants the items to settle

- ORIGINATION DI ID: FedLine will display your ABA number.

After the screen is completed, <Enter>. A batch number appears. Record it and press <F4> for the first detail.

DETAIL RECORD (INDIVIDUAL INFORMATION)

```

Create an Active Batch Automated Clearing House Date Time
##### *MC-F6* #####
ACH BATCH INFORMATION:      BATCH A: 0001
PPD DETAIL INFORMATION:    DETAIL A:

TRANSACTION CODE:

RECEIVING DI ID NUMBER:
DI ACCOUNT NUMBER: /      /
AMOUNT:
INDIVIDUAL ID NUMBER: (    )
INDIVIDUAL NAME/TRACE: /      /
DISCRETIONARY DATA: (    )

##### OPTIONAL SPECIAL ADDENDA #####
    
```

TRANSACTION CODE: (F-6) 22=Demand Credit, 23=Prenote Demand Credit, 24=Zero Dollar Demand Credit
 27=Demand Debit, 28=Prenote Demand Debit, 29=Zero Dollar Demand Debit
 32=Savings Credit, 33=Prenote SavingsCredit, 34=Zero Dollar Savings Credit
 37=Savings Debit, 38=Prenote Savings Debit, 39=Zero Dollar Savings Debit
 42=General Ledger Deposit Credit, 43=Prenote General Ledger Credit
 47=General Ledger Pymt Debit, 48=Prenote General Ledger Debit
 52=Loan Account Credit, 53=Prenote Loan Account Credit
 55=Loan Account Debit, 56=Prenote Loan Account Debit

RECEIVING DI ID NUMBER: ABA of the customer's deposing institution

DI ACCOUNT NUMBER: Customer's account number at his deposing institution

AMOUNT: (Prenotes entered in following format: 0.00)

INDIVIDUAL ID NUMBER: Optional (how the company identifies the individual)

INDIVIDUAL NAME/TRACE: Individual's name (last name first)

DISCRETIONARY DATA: Optional (code used by originator to further identify entry)

After the screen is completed, press <Enter>. To get the next detail record, press <F4>.

After all detail records are entered, the batch must be balanced by pressing <ALT>+<F1> to return to the batch header screen and then page down. See next page.

BALANCING BATCH

Create an Active Batch Automated Clearing House Date Time ##### ACH BATCH INFORMATION: Last Detail: Batch A: Status: COLLECTED IN FILE: BALANCE BATCH? N (Y/N) <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 10px auto; width: 80%;">If the following two fields are filled in, they must match the actual total of all your detail records.</div> TOTAL DEBIT ENTRY DOLLAR AMOUNT: TOTAL CREDIT ENTRY DOLLAR AMOUNT: ITEM COUNT:
--

This is the second page of the Create an Active Batch header screen in the Automated Clearing House (AH) application.

BALANCE BATCH? Y <Enter>

FedLine will calculate the batch totals. Check to make sure the batch totals are correct and record them.

Select and Queue Batches

Select 21—Select and Queue Batches. The function allows you to select and queue individual batches and create an ACH file.

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:24:39
*****
          FILE INFORMATION
          DI IDENTIFICATION NUMBER: 096700000   DI NAME: FEDLINE BK FOUR
          REFERENCE CODE: ( )
          PRINT A REPORT:           REPORT TYPE:  F
          COPY FILE:                                DEVICE: CR/LF Option: N
          OPTIONAL NAME:
          PLACE AN 'X' HERE TO COLLECT INDIVIDUAL BATCHES: 
          BATCH CATEGORY SELECTION
          Mark each batch category you wish to collect.
          RETURNS:   NOCs:   ACKNOWLEDGMENTS:   STANDARD/ENR BATCHES: 
    
```

After indicating the type of batches to collect, press <Enter>

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:25:59
*****
          BATCH SELECTION
          Page 01
          -----
          To select a batch, place an 'X' in its SELECT field
          -----
          BATCH #  ENTRY CLASS  ITEM COUNT  DEBIT DOLLARS  CREDIT DOLLARS  SEL
          -----  -----  -----  -----  -----  -----
          0003      PPD          001          0.00          100.00          
          -----
          REQUEST: (Enter an 'X' for your choice)
          NEXT      PREVIOUS      PROCESS SELECTIONS 
    
```

After indicating, with an X, which batches you wish to collect into a file and placing an X at Process Selections, press <Enter>. FedLine will print and queue the ACH file.

Balancing Procedures for Outgoing ACH Files

1. After an ACH batch(es) has been selected and queued, a full report will print displaying file information. The following information should be included in the “Outgoing ACH Files ” form:

Current Date
 File Date
 File ID
 Entry/Addenda Count
 File Totals (Debit and Credit)

Transmit file to Federal Reserve Establishing Session 4.

2. Once an ACH file has been sent, the following message will appear on your printer:

>>Your file AH0416C0.UDT, has been successfully received, queued on host MM/DD/YY 13:52:03

3. You should receive an Acknowledgment of ACH Files Deposited also referred to as File Acknowledgments after you transmit the file.

The following is an example of an ACH File Acknowledgment that will be produced for every input file. The acknowledgment will identify the file, give the date and time the file was processed and will indicate the status of the file.

```

***** ACKNOWLEDGMENT OF ACH FILE DEPOSITS *****A
SERVICING FRB: FEDERAL RESERVE BANK OF MINNEAPOLIS          REPORT DATE AND TIME:
                                                                MM/DD/YY  11:22

FILE STATUS: FILE ACCEPTED WITH NO ERRORS

IMMEDIATE ORIGIN NAME:      BANK OF SOMEWHERE
IMMEDIATE ORIGIN:           0964-0000-9
IMMEDIATE DEST:             0910-0008-0
FILE CREATION DATE:         MM/DD/YY
FILE CREATION TIME:         04:44
FILE ID MODIFIER:           D
FILE PROCESS DATE AND TIME: MM/DD/YY  11:02

-----COUNT-----AMOUNT----
BATCHES:                  1      DEBIT:      $      49.00
ENTRY/ADDENDA:            2      CREDITS:    $       .00

-----
FILE STATUS: FILE ACCEPTED WITH NO ERRORS
***** END OF ACKNOWLEDGMENT *****
    
```

Verify that the information on the File Acknowledgment is identical to the file information on the Outgoing ACH File form. Also ensure that the FILE STATUS: field has “File Accepted with no errors,” and initial the Outgoing ACH File form.

FedLine Training: ACH

File Status Messages:

- File Accepted With No Errors
- File Accepted With Item Level Errors
(Number of Items Rejected = X)
- File Accepted With Batch Level Errors
(Number of Items Rejected = X)
- File Rejected With Batch Level Errors
- File Rejected With File Level Errors
- File Pended With File Level Errors
- File Pended With Batch Level Errors
- Pended File Accepted
- Pended File Rejected

4. The following morning, check the ACH Balance Report or ACH End-Of-Day Advice(s) to ensure that the outgoing file information is listed. Initial the Balance Report column on the Outgoing ACH File form.

The following is an example of an ACH Balance Report.

FEDERAL RESERVE SYSTEM							PAGE: 0	
AUTOMATED CLEARING HOUSE							17:23 MM/DD/YY	
PROC: MM/DD/YY								
ACH END-OF-DAY BALANCE REPORT BY ABA								
SP/RP ABA: 096400009								
RFI ABA:								
OUTPUT FILE OPTION:								
FILE	FILE	TOTAL	TOTAL	ITEM/ADDN STAT/				
TYP	DATE	TIME	ID	DEBITS	CREDITS	COUNT	APPL	NODE
IN	1120	1102	1119D	49.00	0.00	2	ACCP	IIL09999
OUT	1120	0352	1120A	203.46	1,670.91	48	AJ01	IIL09991

INCOMING FILE STATUS CODES:

- ACCP** = File was accepted
- PEND** = File was pended
- REJ** = File was rejected
- ACPP** = File was accepted with pended batches
- ACPR** = File was accepted with rejected batches
- PNDA** = File was accepted but once pended
- L2SP** = File was pended for level 2 security (Appl Id of Tape)
- RLSP** = File has been released but is still pended (waiting to be edited)
- REJB** = File was rejected at batch level
- REJP** = File was rejected but once pended

SAMPLE NEW FED ACH ADVICE

FEDERAL RESERVE BANK AUTOMATED CLEARING HOUSE				1	
ACCOUNT HOLDER ADVICE IMMEDIATE SETTLEMENT					
ABA 0964-0000-9				PROCESS DATE MM/DD/YY	
BANK OF SOMEWHERE P. O. BOX 126 SOMEWHERE MN 99999-9999					
FAX 000000000000					
BIN NUMBER - 40512330					
DETAIL INFORMATION:					
ACTIVITY INFORMATION	ABA/NODE	FILE ID	SETTLEMENT DATE	DEBIT AMOUNT	CREDIT AMOUNT
ACTIVITY ORIGINATED					
	11L09999	1119D	* 11/19		49.00
SUMMARY INFORMATION:					
TRAN CODE					
5705 - IMMEDIATE TRANSACTION		11/19		49.00	
* EFFECTIVE ENTRY DATE CHANGE					
		***** END OF REPORT *****			

FedLine Training: ACH

FEDERAL RESERVE BANK AUTOMATED CLEARING HOUSE						1
ACCOUNT HOLDER ADVICE END-OF-DAY SETTLEMENT						
ABA 0964-0000-9			PROCESS DATE MM/DD/YY			
BANK OF SOMEWHERE P. O. BOX 126 SOMEWHERE MN 99999-9999						
FAX 000000000000						
BIN NUMBER - 40512330						
DETAIL INFORMATION:						
ACTIVITY INFORMATION	ABA/NODE	FILE ID	SETTLEMENT DATE	DEBIT AMOUNT	CREDIT AMOUNT	
ACTIVITY ORIGINATED						
	11L09999	1120A	11/20	203.46	1,670.91	
SUMMARY RECEIVED:			11/20	203.46	1,670.91	
SUMMARY INFORMATION:						
TRAN CODE						
5705	- DEBITS RECEIVED		11/20	203.46		
5704	- CREDITS RECEIVED				1,670.91	
* EFFECTIVE ENTRY DATE CHANGE						
***** END OF REPORT *****						

Sample File Acknowledgments

File Acknowledgments

The following is an example of an ACH File Acknowledgment that will be produced for every input file. The acknowledgment will identify the file, give the date and time the file was processed and will indicate the status of the file. The file acknowledgment shows that the file was accepted with no errors.

```
***** ACKNOWLEDGMENT OF ACH FILE DEPOSITS *****A
SERVICING FRB: FEDERAL RESERVE BANK OF MINNEAPOLIS      REPORT DATE AND TIME:
                                                         MM/DD/YY  11:22

FILE STATUS: FILE ACCEPTED WITH NO ERRORS

IMMEDIATE ORIGIN NAME: BANK OF SOMEWHERE
IMMEDIATE ORIGIN:      0964-0000-9
IMMEDIATE DEST:       0910-0008-0
FILE CREATION DATE:   MM/DD/YY
FILE CREATION TIME:   04:44
FILE ID MODIFIER:     D
FILE PROCESS DATE AND TIME: MM/DD/YY 11:02

-----COUNT-----AMOUNT----
      BATCHES:      1      DEBIT:      $      49.00
ENTRY/ADDENDA:     2      CREDITS:     $      .00

-----
FILE STATUS: FILE ACCEPTED WITH NO ERRORS

***** END OF ACKNOWLEDGMENT *****
```

Rejected or Pended File Acknowledgments

ACH items, batches, or the entire ACH file can reject or pend. If a file of ACH items rejects or pends, the file status will state "File rejected with file level errors." You will receive a phone call for all files that reject or pend along with a file acknowledgment. For pended files, you will be asked whether or not you want the file "overridden." If you do, you will receive another file acknowledgment stating "pended" file accepted. The following is an example:

```

***** ACKNOWLEDGMENT OF ACH FILE DEPOSITS *****B
SERVICING FRB: FEDERAL RESERVE BANK OF MINNEAPOLIS      REPORT DATE AND TIME:
                                                    MM/DD/YY  9:31

FILE STATUS: FILE PENDED WITH FILE LEVEL ERRORS

IMMEDIATE ORIGIN NAME: FEDLINE BANK
IMMEDIATE ORIGIN:      0910-0000-0
IMMEDIATE DEST:       0910-0008-0
FILE CREATION DATE:   MM/DD/YY
FILE CREATION TIME:   01:54
FILE ID MODIFIER:     6
FILE PROCESS DATE AND TIME: MM/DD/YY 10:05

-----COUNT-----AMOUNT-----
      BATCHES:                1    DEBIT:      $      2,108.97
ENTRY/ADDENDA:              14    CREDITS:   $           0.00

-----

FILE STATUS: FILE PENDED WITH FILE LEVEL ERRORS

FC110-SUSPECTED PREVIOUS PROCESSING DAY DUPLICATE FILE - DOLLAR AMOUNTS
PREVIOUS FILE: CREATION DATE/TIME YYMMDD MODIFIER Z PROCESSED YYMMDD

***** END OF ACKNOWLEDGMENT *****
    
```

ACH Balance Report

The following is an example of an ACH Balance Report. Balance Reports will include file control information on all originated files except presort files, all received files, and all cross zone files received. Balance Reports are created following ACH Operations final distribution.

```

CC1  PROD          FEDERAL RESERVE SYSTEM
                        AUTOMATED CLEARING HOUSE          03:15 MM/DD/YY

PROC: MM/DD/YY

                        ACH END-OF-DAY BALANCE REPORT BY ABA

SP/RP ABA: 096400009

                        OUTPUT FILE OPTION  COMMINGLED

FILE      FILE      TOTAL      ITEM/ADDN STAT/
TYP  DATE  TIME  ID      DEBITS    CREDITS    COUNT APPL  NODE
IN   1211  1816  12106   2,108.97   0.00      14  ACCP  I1L09999
OUT  1211  1005  1211A   3,565,717.49  1,657,671.76  1635 AJ01  I1L09991
    
```

RECURRING ACH BATCH

Step 1. Select **31**—Copy Recurring Batch to Active <Enter>
Key in your Recurring Batch ID
<Enter>
The batch header record will be displayed. If this is the correct recurring batch:
<Enter>
FedLine will assign an active batch number at the bottom of your screen
<F9>

****OPTIONS****

Step 2. Select **07**—Update Within Active Batch <Enter>
Enter your Batch Number <Enter>
Change your Effective Entry date <Enter>
<F4 for first detail>
Make changes to all appropriate details

Step 3. Balance your batch <Alt+F1>
<Page Down>
Balance Batch <Y>
<Enter>
<F9>

****OR****

Step 2. Select **08**—Quick Active Update <Enter>
You can update the DI Account Number, Individual Name, Individual ID, Amount, and/or mark the item for deletion. To move within columns use <Ctrl D> or <Ctrl U>.
<Enter>
<F9>

Step 3. Select **07**—Update Within Active Batch to Balance <Enter>
Enter your batch number <Enter>
Change your Effective Entry Date <Enter> (to add prenotes <Alt+F2>, <F4>, <Alt+F1>)
<Page Down>
Balance Batch <Y>
<Enter>
<F9>

Step 4. Select **21**—Select and Queue Batches <Enter>

Step 5. <Ctrl E> Quick Session Screen
Establish Session 4.
<F9>

NOTE : *Recurring ACH Batch instructions continued on next page.*

RECURRING ACH BATCH (Cont.)

- Step 6.** Select **30**—Copy Active Batch to Recurring <Enter>
Key in your active batch number
<Enter>
The batch header record will be displayed. If this is the correct batch:
<Enter>
Enter an ID for this batch
<Enter>
Your batch will be saved as a recurring
Note: If this recurring batch already exists, you will be asked if you wish to replace it. Press
“Y” to replace.

QUICK ACTIVE UPDATE

1. Select **AH**-Automated Clearing House <Enter>
2. Select **08**—Quick Active Update <Enter>
3. Enter your Active Batch Number or <F6>
<Enter>

The following screen will be displayed.

Item No.	DI Acct #	Individual Name	ID	(TRAN) Code	Amount	Delete Flag
001	12312312	JORDAN, MICHAEL		22	1,000.00	
002	102938123	CLINTON, BILL		22	1,000.00	X
003	12187312	PUCKETT, KIRBY		22	1,000.00	

Next Page: Previous Page: Go to Page
 INFORMATION:

4. You can update the **DI ACCOUNT NUMBER, INDIVIDUAL NAME, INDIVIDUAL ID, TRAN CODE, AMOUNT**, or **mark the item for deletion**. At the Tran Code field <F6> is available. The screen will display up to eleven detail records.
<Enter>

FedLine will edit the Service Class Code and Tran Code field to ensure compatibility. After all items are updated, balance your batch:
Depress <F9>.

5. Select **07**—Update Within Actv Batch <Enter>
6. Enter your batch number or <F6>.
<Enter>
7. Change the Effective Entry Date <Enter>. (To add a prenote <Alt F2>, <F4>. Add prenote information <Enter>, <Alt> + <F1> to balance batch.)
<Page Down>
8. Enter 'Y' to balance the batch. <Enter>
Depress <F9>.
9. Select **21**—Select and Queue Batches. <Enter>
10. <Ctrl E> Quick Session Screen

FEDLINE AUTOMATED ENROLLMENT ORIGINATION

- Step 1.** Select **03**—Create an Active Batch <Enter>
Select AHENRSTD Enter an Automated Enrollment Batch <Enter>
A. Fill in the Batch Header screen <Enter>
 <F4 for first detail>
B. Fill in the ENR Detail Information screen <Enter>
- Step 2.** Balance your batch by depressing <ALT + F1> at the last detail record
Tab to Close Batch field, press **Y**
<Enter>
<F9>
- Step 3.** Select **21**—Select and Queue Batches <Enter>
- Step 4.** <Ctrl E> Quick Session Screen
Establish Session 4

BATCH HEADER SCREEN

Create an Active Batch Automated Clearing House	MM/DD/YYYY HH:MM
<hr/>	
ACH BATCH INFORMATION: Last Detail: COLLECTED IN FILE:	BATCH #: STATUS:
SERVICE CLASS CODE: 220 Credits Only	
DI NAME: FedLine Bk One	
DI ROUTING NUMBER: 096400009	
STANDARD ENTRY CLASS CODE: ENR	Automated Enrollment
ENTRY DESCRIPTION: AutoEnroll	
ORIGINATING DI ID: 096400009 FEDLINE BK ONE	
<hr/>	
CLOSE BATCH? N (Y/N)	
<hr/>	

1. Select **AH**—Automated Clearing House <Enter>
2. Select **03**—Create an Active Batch <Enter>
3. Select **AHENRSTD** Enter an Automated Enrollment Batch <Enter>

The following fields will be automatically populated.

*Service Class Code: 220 Credits Only

*DI Name: Name of your financial institution
(abbreviations are accepted)

*DI Routing Number: Your routing number

*Standard Entry Class Code: ENR

*Entry Description: AUTOENROLL

*Originating DI ID: Your routing number

4. Press <Enter>
5. Press <F4> for detail screen

ENTRY DETAIL SCREEN

ACH BATCH INFORMATION:	BATCH #: _____					
ENR DETAIL INFORMATION:	DETAIL #: _____					
AGENCY ID NUMBER: <input style="width: 100px; height: 20px;" type="text"/>						
TYPE OF BENEFIT: <input style="width: 100px; height: 20px;" type="text"/>						
----- ENR SPECIAL ADDENDA -----						
Tran Code	Rec. DI	Acct. #	SSN	Last Name	First Name	Payee Indicator
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

6. Select **Agency ID**: FedLine will automatically display a multiple-choice menu to select the routing number of the appropriate agency.

Select **655060042** to enroll customers for the following benefit payments: *Note: the following will be F6 choices in the **TYPE OF BENEFIT** field when this aba is used*

- SOCIAL SECURITY (Retirement Survivors & Disability)
- SUPP SECURITY (Social Security Supplemental Income)
- RAILROAD RET BD (Railroad Retirement/Annuity)
- RAILROAD UISI (Railroad Retirement Unemployment/Sickness)
- VA COMP/PENSON (Veterans Administration Compensation & Pension)
- VA LIFE INSUR (VA Life Insurance)
- VA EDUCATN MGIB (VA Education)
- VA EDUC MGID/SR (Veterans Education/Selected Reserve)
- VA VOC REHAB EMP (Veterans Vocational Rehab & Emp Benefits)
- CIVIL SERV CSA (Office of Personnel & Management Retirement/Annuity)
- CIVIL SERV CSF (Office of Personnel & Management Survivor/Annuity)
- MIL SURVIVOR (Dept of Defense, Annuitants)

Select **111736991** to enroll customers for the following benefit payments: *Note: the following will be F6 choices in the **TYPE OF BENEFIT** field when this aba is used*

- SOCIAL SECURITY (Retirement Survivors & Disability)
- SUPP SECURITY (Social Security Supplemental Income)
- RAILROAD RET BD (Railroad Retirement/Annuity)
- RAILROAD UISI (Railroad Retirement Unemployment/Sickness)
- VA COMP/PENSON (Veterans Administration Compensation & Pension)
- VA LIFE INSUR (VA Life Insurance)

VA EDUCATN MGIB	(VA Education)
VA EDUC MGID/SR	(Veterans Education/Selected Reserve)
VA VOC REHAB EMP	(Veterans Vocational Rehab & Emp Benefits)
CIVIL SERV CSA	(Office of Personnel & Management Retirement/Annuity)
CIVIL SERV CSF	(Office of Personnel & Management Survivor/Annuity)
MIL SURVIVOR	(Dept of Defense, Annuitants)

Select **102036516** to enroll customers for the following benefit payments: *Note: the following will be F6 choices in the TYPE OF BENEFIT field when this aba is used*

SOCIAL SECURITY	(Retirement Survivors & Disability)
SUPP SECURITY	(Social Security Supplemental Income)
RAILROAD RET BD	(Railroad Retirement/Annuity)
RAILROAD UISI	(Railroad Retirement Unemployment/Sickness)
VA COMP/PENSON	(Veterans Administration Compensation & Pension)
VA LIFE INSUR	(VA Life Insurance)
VA EDUCATN MGIB	(VA Education)
VA EDUC MGID/SR	(Veterans Education/Selected Reserve)
VA VOC REHAB EMP	(Veterans Vocational Rehab & Emp Benefits)
CIVIL SERV CSA	(Office of Personnel & Management Retirement/Annuity)
CIVIL SERV CSF	(Office of Personnel & Management Survivor/Annuity)
MIL SURVIVOR	(Dept of Defense, Annuitants)

NOTE: Additional benefit payments may be added in the future.

7. Select **Type of Benefit**: Press <F6> to select the benefit that corresponds with the agency ID selected above: *See Step 6*
8. **ENR Special Addenda:**

Transaction Code: Press <F6> for choices (22 Demand Credit and 32 Savings Credit). You will supply the appropriate transaction code according to what type of account the beneficiary (your customer) wants the benefit payment directed.

Rec. DI: Type in the routing number of the institution where the benefit payment should be directed (generally will be the routing transit number of your institution, but can be the routing number of another financial institution).

Acct. #: Type in the account number to which the benefit payment will be posted.

SSN: Type in the Social Security number of the beneficiary (the customer).

Last Name: Type in the last name of the beneficiary (the customer). Complete the name as space allows.

First Name: Type in the first name of the beneficiary (the customer). Complete the name as space allows.

Payee Indicator: Press <F6> to select **0** or **1** from the multiple choice window. The 0 indicates that there is no representative payee (e.g., nursing home or other entity that receives the payment on behalf of the beneficiary) and a 1 indicates that there is a representative payee.

9. Press <Enter>

10. Press <F4> to retrieve a new entry detail screen or press the <ALT> and <F1> keys simultaneously to return to the Batch Header screen and tab to the "CLOSE BATCH?" field, press Y and <Enter>.

Paying Agencies

Social Security:	800-772-1213
Veterans Affairs:	800-827-1000
Office of Personnel Management:	888-767-6738
Railroad Retirement Board:	800-808-0772

(or call your local RRB office)

Select and Queue Batches

Select 21—Select and Queue Batches. The function allows you to select and queue individual batches and create an ACH file.

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:24:39
*****
                                FILE INFORMATION
DI IDENTIFICATION NUMBER: 096700000   DI NAME: FEDLINE BK FOUR
REFERENCE CODE:      (    )
PRINT A REPORT:               REPORT TYPE:     
COPY FILE:          DEVICE: CR/LF Option: N
                                OPTIONAL NAME:
PLACE AN 'X' HERE TO COLLECT INDIVIDUAL BATCHES: 
                                BATCH CATEGORY SELECTION
                                Mark each batch category you wish to collect.
RETURNS:   NOCs:   ACKNOWLEDGMENTS:   STANDARD/ENR BATCHES: 
    
```

After indicating the type of batches to collect, press <Enter>

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:25:59
*****
                                BATCH SELECTION
                                Page 01
-----
                                To select a batch, place an 'X' in its SELECT field
-----
BATCH #  ENTRY CLASS  ITEM COUNT  DEBIT DOLLARS  CREDIT DOLLARS  SEL
-----  -
0003    PPD          001          0.00          100.00          
-----
                                REQUEST: (Enter an 'X' for your choice)
NEXT      PREVIOUS      PROCESS SELECTIONS 
    
```

Indicate which batch(es) you wish to collect into a file by placing an X in the SEL column. Put an X at Process Selections field and press <Enter>. FedLine will print and queue the ACH file.

RECURRING BATCH TOOLS

Recurring Batch Tools Automated Clearing House MM/DD/YYYY 09:12:42
F6*

RECURRING BATCH TOOLS

Page 000 of 000

ACTION:
SORT OPTIONS:

SORT ORDER:

<u>Batch</u>	<u>Entry</u>	<u>Last</u>	<u>Service</u>	<u>Merchant Name</u>	<u>Sel</u>
<u>Number</u>	<u>Class</u>	<u>Detail</u>	<u>Class Code</u>		

Next Page:
INFORMATION:

Previous Page:

Goto Page:

Select 38—Recurring Batch Tools

This function provides DIs with options to manage their stored recurring batches.

Action: M-Merge Two Batches
S-Sort a Batch
N-Renumber a Batch
P-Split a Batch
R-Rename a Batch
D-Delete a Batch
C-Copy a Batch

Sort Options: I-Individual ID
N-Individual Name
A-Accounting Number
R-Receiving ABA

Sort Order: A-Ascending
D-Descending

Place an X under SEL for each recurring batch you want to change. For the Sort and Renumber option, you can select only one batch at a time.

<Enter>

The Next Page, Previous Page, and go to Page options are only used when there are more than nine recurring batches.

MERGING PRENOTE RECURRING INTO RECURRING

In order to merge two recurring batches together, they must have identical Company Names, Company Identifications, Standard Entry Class Codes, and Company Entry Descriptions.

Step 1. Create a Prenote Recurring Batch, Steps 1 through 5

Note: Name the Prenote Recurring something other than the Recurring you want to merge it into.

Step 2. Select **38**—Recurring Batch Tools <Enter>

A. Action field: **M**

B. Select Recurring Batches you want to merge with an **X**
<Enter>

C. Enter the new Batch Number Type in a Recurring Batch name. It must start with an alpha character.
<Enter>

D. Okay to merge batch “” with batch “”
Press **Y**
 Merge Completed

SORTING RECURRING BATCH

Step 1. Select **38**—Recurring Batch Tools <Enter>

A. Action field **S**

B. Sort Options:
<F6> for options

C. Sort Order: **A**

D. Select the Recurring Batches you want to sort with an **X**
<Enter>

Sort Completed

REQUEST CUSTOMER INFO

1. Select **AH**—Automated Clearing House <Enter>.
2. Select **50**—Request Customer Info <Enter>.

Request Customer Info	Automated Clearing House	MM/DD/YYYY	15:48:46
	TEST MODE	MC-F6	
CUSTOMER INQUIRY			
Customer ABA:	096120004		
Inquiring About ABA:			
Report Type:			

Customer ABA: Your financial institution’s nine-digit ABA, required field.

Inquiring About ABA: The nine-digit ABA of the financial institution you want information on. If you need the 9th digit of an ABA number, press <ALT + F9> and key in the 8 digits. FedLine will calculate the 9th digit.

Report Type: Press <F6> to see your choice—required field.

Report **01**—View a Profile—You may receive a profile for any ABA. Reports 02-08 are only available on those ABAs related to your institution.

After you have entered this request, FedLine will respond by printing the following message:

=====			
Queuing Service Transaction	DATE: YYYYDDMM	TIME: 111226	
=====			
=====			
CUSTOMER INQUIRY:			
#URC	Customer ABA	Inquiring About ABA	Report Type
AH0011	096120004	096110001	01
=====			
=====			

After you have successfully transmitted the request on Session 1, FedLine will print the following acknowledgment and report:

>> Outgoing message URC: AH0011, Queued on HOST MM/DD/YY 11:13:29

CC1 - TEST - DIT	FEDERAL RESERVE SYSTEM	PAGE:	1
AJPM341U	AUTOMATED CLEARING HOUSE	12:10	mm/dd/yy
PROC: mm/dd/yy	CUSTOMER PROFILE		
ABA: 0961-1000-1	NAME: FEDLINE BANK SEVEN		
ORIGINATOR:	Y		
RECEIVER:	ALL		
TRUNCATION PARTICIPATION:	N		
ASSOCIATION ABA NAME:			
SERVICING FRB NAME:	FRB-MINNEAPOLIS ACH		
ADDRESS:	90 HENNEPIN AVENUE		
	MPLS MN 55480 0000		
	COUNTRY: US		
CONTACT NAME: Mary Poppins	EXT	CNTRY	CITY
CONTACT PHONE: 612 - 204-7010			

PROCESS FILE INFO

1. Select **AH**-Automated Clearing House <Enter>.
2. Select **60**-Process File Info <Enter>.
3. **Request Balance Report**

This message requests that the FRB send a balance report that will list each of the incoming and outgoing ACH files that have been processed for the day you requested (either current or previous day).

Process File Info	Automated Clearing House	MM/DD/YYYY	08:14:14
REQUEST ACH BALANCE REPORT			
Processing Day:	<input type="text" value="C Current"/>		
Sending/Receiving Pt ABA:	<input type="text"/>		
RFI ABA:			
Node Number:			

4. Processing Day: FedLine's default value is C - Current Day. If you need yesterday's activity, <SHIFT> + <TAB> and enter a **P** - Previous Day.
5. Sending/Receiving Pt ABA: Your ABA
6. RFI ABA: Leave blank
7. Node Number: Leave blank.

After you have entered this request, FedLine will respond by printing the following message:

=====				
Queuing Service Transaction	DATE: YYYYMMDD	TIME: 144935		
=====				
REQUEST ACH BALANCE REPORT:				
#URC	Process Day	SP/RP ABA	RFI ABA	Node
AH0001	C	096700000		
=====				
=====				

FedLine Training: ACH

After you have successfully transmitted the request over Session 1, FedLine will print the Balance Report (sample follows):

AJPM712U	FEDERAL RESERVE SYSTEM		AUTOMATED CLEARING HOUSE		15:56	PAGE: 1		
PROC: MM/DD/YY						MM/DD/YY		
ACH BALANCE REPORT BY ABA								
SP/RP ABA: 096700000								
RFI ABA:								
OUTPUT FILE OPTION:								
FILE			FILE	TOTAL	TOTAL	ITEM/ADDN STAT/		
TYP	DATE	TIME	ID	DEBITS	CREDITS	COUNT	APPL	NODE
IN	0919	1102	0919A	49.00	95.00	2	ACCP	11L09999

INQUIRE ON FILES AWAITING DELIVERY

1. Select **AH**-Automated Clearing House <Enter>.
2. Select **60**-Process File Info <Enter>.
3. **Inquire on Files Awaiting Delivery**

This request informs you of the number and dollar amounts of the ACH entries that have been received by the FRB for you since your last distribution.

Process File Info Automated Clearing House MM/DD/YYYY 08:14:34

INQUIRE ACH FILES AWAITING DELIVERY

Receiving Pt ABA:

RFI ABA:

4. Receiving Pt ABA: Your ABA

RFI ABA: Leave blank

After you have entered this request, FedLine will print the following message:

```
=====
Queuing Service Transaction    DATE: YYYYMMDD    TIME: 131915
=====
ACH FILES AWAITING DELIVERY INQUIRY:
#URC            Recv Pt ABA            RFI ABA
AH0001           096700000
=====
```

After you have successfully transmitted the request on Session 1, FedLine will print the following report:

CC1 TEST DIT	FEDERAL RESERVE SYSTEM		PAGE: 1
AJPM710U	AUTOMATED CLEARING HOUSE	14:23	MM/DD/YY
PROC: MM/DD/YY			
INQUIRE ACH FILES AWAITING DELIVERY			
RECEIVING PT ABA: 096700000	RFI ABA:		
DELIVERY OPTION: 01	COMMINGLED		
DELIVERY APPL	FILE	ITEM/ADDN	DEBIT
CATEGORY ID	ID	COUNT	AMOUNT
ALL ITEM TYPES AJ01	0926A	3	9.29
			CREDIT
			AMOUNT
			0.00

REQUEST FILE DELIVERY

1. Select **AH**-Automated Clearing House <Enter>.
2. Select **60**-Process File Info <Enter>.
3. **Request File Delivery**

This message requests that the FRB prepare an ACH file to be delivered immediately. This would generate an additional ACH file.

Process File Info	Automated Clearing House	MM/DD/YYYY 08:14:26
REQUEST DELIVERY OF ACH FILES		
Receiving Pt ABA:	<input style="width: 100%;" type="text"/>	
RFI ABA:	<input style="width: 100%;" type="text"/>	
Request ALL Files:	<input style="width: 100%;" type="text"/>	
Appl ID:	<input style="width: 100%;" type="text"/>	

4. Receiving Pt ABA: Your ABA
RFI ABA: Leave blank
5. Request All Files: X
Appl ID: Leave blank

After you have entered this message, FedLine will respond by printing the following message:

=====						
Queuing Service Transaction		DATE: YYYYMMDD		TIME: 132512		
=====						
ACH REQUEST DELIVERY OF ACH FILES:						
#URC	Recv Pt ABA	RFI ABA	REQUEST ALL FILES			
AH0002	096700000		X			
ID1	ID2	ID3	ID4	ID5	ID6	ID7
=====						
=====						

After you have successfully transmitted the request on Session 1, FedLine will print the following report:

CC1 TEST DIT	FEDERAL RESERVE SYSTEM			PAGE: 1	
AJPM711U	AUTOMATED CLEARING HOUSE			14:29	MM/DD/YYYY
PROC: MM/DD/YY					
REQUEST DELIVERY OF ACH FILES					
RECEIVING POINT ABA: 096700000			RFI ABA:		
DELIVERY OPTION: 01			OUTPUT FILE OPTION: COMMINGLED		
DELIVERY	APPL	FILE	ITEM/ADDNDEBIT	CREDIT	
CATEGORY	ID	ID	COUNT	AMOUNT	AMOUNT
ALL ITEM TYPES	AJ01	0926A	3	9.29	0.00

Once you have received this report, establish Session 4 and receive the requested ACH file.

ACH FILE TRACE INQUIRY

1. Select **AH**—Automated Clearing House <Enter>.
2. Select **60**—Process File Info <Enter>.
3. Select **AHFLTRC** File Trace <Enter>.

The ACH File Trace/Inquiry Screen is used to inquire on the status of a file that has been sent or received on the current processing date or ten previous processing dates.

Process File Info	Automated Clearing House	MM/DD/YYYY	15:56:55
TEST MODE		MC-F6	
ACH FILE TRACE INQUIRY			
Sending/Receiving Pt ABA:			
FRB Process Date:			
File Type:			
File ID:			
Total Debits:			
Total Credits:			

- Sending/Receiving Pt ABA:** The nine-digit routing transit number of the file to be viewed. This is a required field.
- FRB Process Date:** The date that the file was processed at the Federal Reserve Bank. This field will default to current day if left blank. The date is in the MMDDYY format.
- File Type:** Indicates the trace/inquiry is for a sent file, received file, or both sent and received files. This is a required field. The MC-F6 key will provide field options.
- File ID:** The five-character code (field ID and modifier) that uniquely identifies the files being traced. You can enter just the first four characters (file ID), or all five characters (file ID and modifier). This is an optional field.
- Total Debits:** The debit dollar amount of the file to be viewed. This is an optional field. Enter the dollar amount using a decimal point.
- Total Credits:** The credit dollar amount of the file to be viewed. This is an optional field. Enter the dollar amount using a decimal point.

FedLine Training: ACH

After you have entered this request, FedLine will respond by printing the following message:

Queuing Service Transaction		DATE: YYYYMMDD	TIME: 84038			
=====						
=====						
ACH FILE TRACE INQUIRY:						
#URC	Snd/Rcv Pt ABA	Process Date	File Type	File ID	Total Debits	Total Credits
AH0005	096400004	MM/DD/YY	S	01274	\$	\$
=====						
=====						

After you have successfully transmitted the request on Session 1, FedLine will print the following acknowledgment and report:

>>Outgoing message URC: AH0006, Queued on HOST 01/27/99 14:36:53

CC1 - TEST - DIT	FEDERAL RESERVE SYSTEM	PAGE: 1						
AJPM728U	AUTOMATED CLEARING HOUSE	15.35.57 mm/dd/yy						
PROC: mm/dd/yy								
FEDLINE FILE TRACE REPORT								
ABA: 096900004	FRB PROCESS DATE: 01/27/99	TYPE: SENT						
FILE ID: 01274	TOTAL DB:	TOTAL CR:						
FILE	FILE	TOTAL	ITEM	FILE	I/B			
TYPE	DATE	TIME	ID	DEBITS	CREDIT	COUNT	STATUS	REJ
SENT	0127	1454	01274	355.53	0.00	6	ACCEPTED	

ACH ITEM TRACE INQUIRY

1. Select **AH**—Automated Clearing House <Enter>.
2. Select **60**—Process File Info <Enter>.
3. Select **AHITMTRC** Item Trace <Enter>.

The ACH Item Trace Screen is used to inquire on the status of items sent or received on ten previous business days. An item trace cannot be done on an item sent or received on the current processing day.

Process File Info	Automated Clearing House	MM/DD/YYYY	08:30:41
TEST MODE		MC-F6	
ACH ITEM TRACE INQUIRY			
Trace Number:			
FRB Process Date:		to	
Dollar Amount:			
RFI ABA:			
Effective Entry Date:			

Trace Number: Enter the 15-digit trace number OR enter the dollar amount, RFI ABA, and the effective entry date.

FRB Process Date: Is the beginning date to be searched (MMDDYY). The date must be greater than or equal to the TO date. This field will default to the previous processing day if not filled in.

FRB Process Date To: Is a previous process date within ten-days (MMDDYY) This date must be less than or equal to the FROM date. This field will default to the previous processing day if not filled in.

Dollar Amount: Optional field.

RFI ABA: Optional field.

Effective Entry Date: Optional field.

FedLine Training: ACH

After you have entered this request, FedLine will respond by printing the following message:

```
=====
Queueing Service Transaction          DATE: YYYYMMDD          TIME: 84143
=====
ACH ITEM TRACE INQUIRY:
#URC  Trace Number  FRB Process Date  Dollar Amt  Recv DFI ABA  Eff Entry Date
AH0006 096150000007008      to          $
=====
=====
```

After you have successfully transmitted the request on Session 1, FedLine will print the following acknowledgment and report:

>>Outgoing message URC: AH0006, Queued on HOST 01/28/99 14:39:55

```
CC1 - TEST - DIT                                FEDERAL RESERVE SYSTEM                                PAGE: 1
AJPM702U                                         AUTOMATED CLEARING HOUSE                            15:40 01/28/99
PROC: 01/28/99                                  ACH ITEM DETAIL SUMMARY
                                                OUTPUT FILE INFORMATION
RECEIVING PT ABA: 0961-2000-4                   FILE ID & MOD: 0127A
TOTAL DEBITS      :          783.79              TOTAL CREDITS:          996.52

                                                OUTPUT BATCH INFORMATION
COMPANY NAME      :   DAYTONS                    0000007
CMPY DISC DATA   :                               COMPANY ID       :   1556678888
TOTAL DEBITS     :           0.00                TOTAL CREDITS    :           996.52
SERVICE CLASS   :   220      SEC CODE: PPD      SETTLEMENT DATE : 01/28/97

                                                ITEM INFORMATION
INDIVIDUAL NAME:  GUESS                          ACCT NO: 912300
IDENTIFICATION NO:
TRACE NUMBER     :   09615000-0007008           DOLLAR AMT:      996.52      TRAN CODE: 22
RECV DFI ABA    :   0961-2000-4                EFF ENTRY DATE: 01/27/99   DISC DATA :
                                                RETURN REAS:

*****
TOTAL NUMBER OF ITEMS FOUND MATCHING SELECTION CRITERIA:          1

***** END OF REPORT *****
```

ACH FILE REMAKE REQUEST

1. Select **AH**—Automated Clearing House <Enter>.
2. Select **60**—Process File Info <Enter>.
3. Select **AHRMKFL** Remake Files <Enter>.

The ACH File Remake Request Screen is used to request a remake of an incoming ACH file. Remakes will be available for the current day and for ten prior processing days.

Process File Info	Automated Clearing House	MM/DD/YYYY	08:30:12
MC-F6			
ACH FILE REMAKE REQUEST			
Receiving Pt ABA:			
File ID & Mod:			
Total Debits:			
Total Credits:			
Item Count:			

- | | |
|--------------------------|---|
| Receiving Pt ABA: | The nine-digit ABA for file remake. This field is required. |
| File ID Modifier: | The five-character code that uniquely identifies the files being traced. You can enter the first four characters (file ID) or all five characters (file ID and modifier). This is a required field. |
| Total Debits: | The debit dollar amount of the file to be remake. This is a required field. Enter the dollar amount using a decimal point. |
| Total Credits: | The credit dollar amount of the file to be remake. This is a required field. Enter the dollar amount using a decimal point. |
| Item Count: | The number of ACH items in the ACH file requested for remake. This is a required field. |

FedLine Training: ACH

After you have entered this request, FedLine will respond by printing the following message:

```
=====
Queuing Service Transaction          DATE: YYYYMMDD          TIME: 132806
=====
ACH FILE REMAKE REQUEST:
#URC      Snd/Rcv Pt ABA      File ID      Total Debits      Total Credits      Item Count
AH0002    096900004              0127A        $  783.79         $   996.52         0000009
=====
```

After you have successfully transmitted the request on Session 1, FedLine will print the following acknowledgment and report:

>>Outgoing message URC: AH0002, Queued on HOST 01/27/99 14:32:21

```
CC1 - TEST - DIT                FEDERAL RESERVE SYSTEM
AJPA724N                        AUTOMATED CLEARING HOUSE          14:32 01/27/99
PROC: 01/27/99                  REMAKE REPORT

TYPE: FILE      RECV PT: 096900004  REQST BY: BETH  DATE/TIME 01/27/99 14:28
MESSAGE: SUCCESFUL FILE REMAKE

FILEID BATCH NBR      DEBITS      CREDITS      ITEMS      APPLID      NODE      MEDIUM
-----
0127A                783.79      996.52       9          AJ01        I1LT3S03  ELECT

***** END OF REPORT *****
```

This message will print when remade file is received by FedLine.

>> ACH FILE AH0127AI.002 received from the host on 01/27/1999 at 13:38:14

FROM: 6910-0013-4 APPLICATION SUPERVISOR FILE-ID MODIFIER: A
TO: 0969-0000-4 FEDLINE BANK - SIX REF:

***** WARNING *** File AH0127AI.002 may be a duplicate transmission *****
Please check this file carefully during manual processing.

REMAKE ADVICES

1. SELECT **AH**—Automated Clearing House <Enter>.
2. Select **62**—Remake advices.

The ACH Remake Advices Screen is used to request a remake of an advice that has been misplaced, destroyed, or suppressed.

Remake Advices	Automated Clearing House	MM/DD/YYYY	08:32:14
MC-F6			
ACH REMAKE ADVICES			
Original Advice ABA: Original Process Date: Time of Day: Advice Type: Electronic Delivery Format: P PDF Receiving Pt ABA: Node:			

- Original Advice ABA:** The nine-digit routing transit number of the institution that received the original advice. **This field is required.**
- Original Process Date:** The date on which the advice was originally created. *This is an optional field.* Enter date as MMDDYY.
- Time of Day:** Indicates whether the original advice was an Immediate advice, End-of-Day advice, or both. **This is a required field.** The MC-F6 key will provide field options.
- Advice Type:** Indicates the type of advice to be remade. The MC-F6 key will provide field options. *This is an optional field.*
- Format Code:** Indicates how this institution has chosen to have its advice formatted. **This is a required field.** The MC-F6 key will provide field options.
- Receiving Pt ABA:** The nine-digit routing transit number of the institution that receives entries on behalf of a receiving institution. **This is a required field.**
- Bulkdata Node:** Identifies the node where the remake is to be routed. *This is an optional field.*

FedLine Training: ACH

After you have entered this request, FedLine will respond by printing the following message:

```
=====
Queuing Service Transaction          DATE: YYYYMMDD          TIME: 83511
=====
ACH ADVICE REMAKE REQUEST:
#URC   ORIGABA  ORIGDATE  TIMEDAY  ADVTYPE  FORMAT  RECPTABA  NODE
AH0001 096120004 012299   E        P        P        096120004
=====
```

After you have successfully transmitted the request on Session 1, FedLine will print the following acknowledgment and reports:

>>Outgoing message URC: AH0010, Queued on HOST 01/27/99 14:52:29

```
CC1 - TEST - DIT                FEDERAL RESERVE SYSTEM                PAGE: 1
AJPM720U                        AUTOMATED CLEARING HOUSE              15:49 01/27/99
PROC: 01/27/99                   REMAKE ADVICES

ORIGINAL          ORIGINAL          RECEIVING PT/    DELIVER          TIME OF
ADVICE ABA       TYPE PROC DATE    SV PROVIDER      NODE            MDM/FM          DAY   OP ID
0961-2000-4      01/22/99         0961-2000-4     I1LT3M03        ELCT PDF        EOD   I1LAP00
RESULT: 06533    ADVICE REMAKE REQUEST SUCCESSFULLY SUBMITTED
***** END OF REPORT *****
```

```
CC1 - TEST - DIT                FEDERAL RESERVE SYSTEM                PAGE: 1
AJPA722U                        AUTOMATED CLEARING HOUSE              15:50 01/27/99
PROC: 01/27/99                   REMAKE ADVICES

ORIGINAL          ORIGINAL          RECEIVING PT/    DELIVER          TIME OF
ADVICE ABA       TYPE PROC DATE    SV PROVIDER      NODE            MDM/FM          DAY   OP ID
0961-2000-4      01/22/99         0961-2000-4     I1LT3M03        ELCT PDF        EOD   I1RLH00
RESULT: 06532    ADVICE SUCCESSFULLY REMADE
***** END OF REPORT *****
```

FEDERAL RESERVE SYSTEM
 AUTOMATED CLEARING HOUSE

ACCOUNT HOLDER ADVICE
 END-OF-DAY SETTLEMENT - REMAKE

ABA #0961-2000-4

PROCESS DATE 01/22/99

FEDLINE BANK EIGHT
 PO BOX 291
 MPLS MN 55480

FAX 000000000000

BIN NUMBER -

***** TEST ADVICE *****

DETAIL INFORMATION:

ACTIVITY INFORMATION	ABA/NODE FILE ID	SETTLEMENT DATE	DEBIT AMOUNT	CREDIT AMOUNT
----------------------	------------------	-----------------	--------------	---------------

ACTIVITY ORIGINATED

IILT3M03	0122R	* 1/23	1,549.36	1,549.36
IILT3M03	0122S	* 1/23	1,651.73	1,651.73

SUMMARY ORIGINATED:	1/23	3,201.09	3,201.09
---------------------	------	----------	----------

ACTIVITY RECEIVED

IILT3M03	0122A	1/23	3,201.09	3,201.09
----------	-------	------	----------	----------

SUMMARY RECEIVED:	1/23	3,201.09	3,201.09
-------------------	------	----------	----------

SUMMARY INFORMATION:

TRAN
 CODE

5701 - DEBITS ORIGINATED	1/23		3,201.09
5702 - DEBITS RECEIVED		3,201.09	
5703 - CREDITS ORIGINATED		3,201.09	
5704 - CREDITS RECEIVED			3,201.09

* EFFECTIVE ENTRY DATE CHANGED

***** END OF REPORT *****

OFF-LINE—EXPORTING AN ACH FILE

Select & Queue Batches	Automated Clearing House	MM/DD/YYYY	09:09:31
##### MC-F6* #####			
FILE INFORMATION			
DI IDENTIFICATION NUMBER: 096700000		DI NAME: FEDLINE BK FOUR	
REFERENCE CODE: ()			
PRINT A REPORT:	<input checked="" type="checkbox"/>	REPORT TYPE:	<input type="checkbox"/> F
COPY FILE:	<input checked="" type="checkbox"/>	DEVICE:	<input type="text"/> CR/LF Option: <input type="checkbox"/> N
OPTIONAL NAME:			
PLACE AN 'X' HERE TO COLLECT INDIVIDUAL BATCHES:			<input checked="" type="checkbox"/>
BATCH CATEGORY SELECTION Mark each batch category you wish to collect.			
RETURNS:	NOC'S:	ACKNOWLEDGMENTS:	STANDARD ENR BATCHES: <input checked="" type="checkbox"/>

Select 21—Select & Queue Batches <Enter>

ACH files can be exported from an off-line PC.

PRINT A REPORT: X

REPORT TYPE: F - Full
 S - Summary—Only lists the batch number and standard entry class code

COPY FILE: X

DEVICE: A:
 B:
 Identify = hard drive
 Blink

CR/LF OPTION: N Standard NACHA file
 Y Modified NACHA file—each record terminated CR/LF characters

OPTIONAL NAME: Assign a name to the file. (No spaces in file name).

PLACE AN "X" HERE X
 TO COLLECT
 INDIVIDUAL BATCHES:

STANDARD BATCHES: X
 <Enter>

After putting an X at each batch you want to collect onto a file, move cursor to PROCESS SELECTION, put an X, and <Enter>.

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ACH CONFIG SETTINGS

When importing an external file, the file ID modifier, on the file header record, cannot be the same as what FedLine could produce. Update option **AH #90** ACH Config Settings to exclude IDs received on external ACH files.

ACH Config Settings Automated Clearing House MM/DD/YYYY HH:MM:SS	
=====	
ACH CONFIGURATION OPTIONS	
FRB DESTINATION ABA:	091000080
FRB DESTINATION NAME:	FRB MINNEAPOLIS
FORCE VALUE INPUT BALANCING:	A
FORCE DUAL USER INPUT BALANCING:	N (Y/N)
FILE ID MODIFIER NUMERIC RANGE:	0 TO 9
FILE ID MODIFIER ALPHABETIC RANGE:	A TO Z
NEXT FILE ID MODIFIER TO BE USED:	G
FORCE PRINT OF FEDLINE OUTGOING FILES:	N (F/S/N)
(Full, Summary, Not required)	
DEFAULT FILE EXPORT FORMAT:	N (Y/N)
GRACE PERIOD FOR UNUSED RECURRING BATCHES:	90 (days)
.....	

1. Select **AH**—Automated Clearing House <Enter>.
2. Select **90**—ACH Config Settings <Enter>.
3. Tab to the two File ID Modifier fields and remove File IDs that you will assign to originators.

Also ensure the Next File ID Modifier To Be Used field has not been assigned to an originator.

4. Press <Enter>.

IMPORT AN EXTERNAL FILE

FedLine allows you to import ACH files from external sources. To import and process the imported ACH files, complete the following procedures.

Import an External File	Automated Clearing House	MM/DD/YYYY 09:10:57
##### MC-F6* #####		
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">IMPORT ACH EXTERNAL FILE</div>		
DEVICE:	<input type="text"/>	
External Name:	<input type="text" value="EXTNACHA.DAT"/>	
(Use Alt+F10 to access the DOS directory command)		
FEDLINE Name:	(assigned)	

1. Select **AH**—Automated Clearing House <Enter>.
2. Select **73**—Import an External File <Enter>.
3. Select device:

A:
B:
Identify = hard drive
Blink

4. Type in External Name.

If you do not know the external name of the file you want to import, press <ALT>+ <F10>. Enter the DOS drive the external file is located on and press <Enter>. The file name will be displayed.

5. FedLine Name: Leave blank.
6. Press <Enter>.
7. Press <F9>.

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CREATE REVERSAL BATCHES

1. Select **AH**—Automated Clearing House <Enter>
2. Select **31**—Copy Recurring Batch to Active <Enter> **OR**
32—Copy Active Batch to Active
3. Type Recurring Batch ID: or <F6>
 <Enter>
 <F9>
4. Select **08**—Quick Active Update <Enter>
5. Enter your Active Batch Number or <F6>
 <Enter>

The following screen will be displayed.

Quick Active Update	Automated Clearing House	MM/DD/YYYY 09:28:09	
-----Page 001 of 001			
Company: (Name) XYZ Company		(Entry Description) Investments	
Batch No. 0002 Balanced (Y/N) N		Standard Entry Class PPD Last Detail No. 003	
Item No.	Individual	(TRAN)	Delete Flag
	DI Acct # Name	ID Code Amount	
001	12312312 JORDAN, MICHAEL	22 1,000.00	
002	102938123 RYAN, NOLAN	22 1,000.00	X
003	12187312 PUCKETT, KIRBY	22 1,000.00	
Next Page: INFORMATION:		Previous Page:	Go to Page

6. You need to update the transaction codes of all the detail records by keying in opposite transaction codes. <F6>
 <Enter>
7. Select **07**—Update Within Active Batch <Enter>
8. Type Batch Number of <F6>
 <Enter>

Create an Active Batch	Automated Clearing House	Date	Time
##### *MC-F6* #####			
ACH BATCH INFORMATION:	Last Detail:	Batch A:	Status:
SERVICE CLASS CODE:	<input type="text"/>		
COMPANY/MERCHANT NAME:	<input type="text"/>		
COMPANY DISCRETIONARY DATA:	()		
COMPANY IDENTIFICATION:	<input type="text"/>		
STANDARD ENTRY CLASS CODE:	<input type="text"/>		
COMPANY ENTRY DESCRIPTION:	<input type="text" value="REVERSAL"/>		
COMPANY DESCRIPTIVE DATE:	()		
EFFECTIVE ENTRY DATE:	/ /		
ORIGINATING DI ID:	ABA	NAME OF INSTITUTION	
(Hit PgDn for Balance Processing)			
(F3 for screen and function help)			

9. Update the following:
Service Class Code: <F6> Only if Service Class Code is either 220—Credits Only or 225—Debits Only is it necessary to change the Service Class Code.

Company Entry Description: **Reversal**
 <Enter>

Effective Entry Date: Date the reversal batch should settle

10. Balance batch
 <Page Down>
 Balance Batch <Y>
 <Enter>
 <F9>
11. Select **21**—Select and Queue Batches. <Enter>
 <F10> or <CTRL E> eliminates step 12.
12. Select **HC**—Host Communications. **10** – establish a session.

Functions of ACH Application

03—Create an Active Batch

Used to create a Standard Return Item, NOC, Automated Enrollment, Federal Tax Payment, State Tax Payment, ACK, ATX, Refusal of ACK, and Refusal of ATX batch.

04—Derive a Return Item

Used to create a return or NOC from a received ACH file.

06—Update Actv Batch Header

Used to update a return, NOC, or batch header record of a standard batch.

07—Update Within Actv Batch

Used to update EFFECTIVE ENTRY DATES and BALANCE batches saved as recurrings. This function would also be used to change pre-note TRANSACTION CODES to credit or debit tran codes.

08—Quick Active Update

Used to update DI ACCOUNT NUMBER, INDIVIDUAL NAME, ID, DOLLAR AMOUNT or DELETE ITEMS in a recurring active batch.

15—Browse Actv Batch Hdrs

Used to browse returns, NOCS, or batch header records.

17—View Within Actv Batch

Used to browse active batch headers and detail records.

16—Browse Outgoing Message

Used to display any outgoing messages that have not been transmitted.

18—Cancel an Active Batch

Used to delete an entire batch (i.e., batch headers and all detail records).

19—Delete Actv Batch Items

Used to delete a detail record in an active batch. This can also be done in QUICK ACTV UPDATE.

21—Select and Queue Batches

Used to collect batches into a file.

23—RE-Select and Queue Batches

Used to resend a file. This should only be done upon the instruction of FRB staff.

27—Process Imported File

This is Step 2 in sending an ACH file from an outside source.

28—Message Status Override

Used to change the status of a message held from transmission. You can override the status of any message unless it has a status of 'TQ' Queued for Transmission or 'MC' Marked for Correction.

30—Copy Actv Btch to Recur

Used to save a standard ACH batch as recurring to eliminate repetitive keying in the future.

31—Copy Recur Btch to Actv

Used to activate a recurring batch to allow for updating.

32—Copy Actv Btch to Actv

Used to copy a batch already collected in a file to an active status for updating.

33—Delete Recurring Batch

Used to delete an entire recurring batch. This can also be done in Recurring Batch Tools.

36—View Recur Batch Hdrs

Used to view recurring batch header records only.

37—View Within Recur Batch

Used to browse batch header records and detail records in a recurring batch.

38—Recurring Batch Tools

Used to perform maintenance on recurring batches. You can MERGE, SORT, RENUMBER, SPLIT, RENAME, DELETE, and COPY recurring batches.

39—Browse File Status

Used to view the status of files sent and received.

42—Printed Reports

Used to reprint Active Batches, Recurring Batches, Outgoing File Status, Incoming File Status, or Print an External File.

50---Request Customer Info

Used to request information on you institution or others.

60—Process File Info

Used to Request Balance Report information on Files Awaiting Delivery and Request File Delivery.

62—Remake Advices

Used to request a remake of a missing ACH advice.

72—Process Received File

Used to process and prepare a received file for uploading.

73—Import an External File

This is Step 1 in sending an ACH file from an external source.

75—Rebalance External Files

Used to rebalance a file from an outside source.

80—Modify Screen Defaults

Used to enter pre-defined field information.

90—ACH Config Settings

Used to set miscellaneous configuration settings.

92—Set ACH Transmit Specs

Used to tell the FedLine system what it needs to know to send an ACH file.

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FUTURE-DAY ACH CREDIT OPTION

Overview

Taxpayer Enrollment

Before taxpayers use this alternative, they must enroll in EFTPS, obtain the proper ACH authorizations, and ensure that the required prenotification verifications are completed. Once enrolled, taxpayers receive instructions, including the appropriate TFA ABA and account identification from EFTPS.

Steps Required

1. The taxpayer requests you (FI) to originate an ACH credit. These requests are to be made at least one day prior to the due date to ensure settlement on the tax payment due date.
2. You (FI) originates an ACH credit transaction. Standard entry class code: CCD+ with a TXP addendum.

You are the ODFI, the TFA (Treasury Financial Agent) is now the RDFI.

3. Deadline is your ACH close of business on the business day before tax payment due date (files can be sent until 3:00 a.m. ET on the tax payment due date).
4. The FRB ACH Operator passes the file to EFTPS by 6:00 a.m. (ET) on the tax payment due date.
 1. Accounting entries for ACH originated credit transactions post at opening of Fedwire (8:30 a.m. ET) to the designated ACH settlement account.

EFTPS Helplines

Website: www.fms.treas.gov

Call the EFTPS Customer Service Center:

1-800-945-8400 or
1-800-555-4477 24 Hrs.a day - 7 days a week

Financial Institution Helpline:

1-800-945-7900

Reversals

EFTPS will accept ACH reversing entries and files in accordance with the *NACHA Operating Rules*. Therefore, taxpayers and financial institutions no longer need prior approval from the IRS before sending a reversing entry or file.

Reversals are used only when duplicate or erroneous entries have been processed. If you are originating for a company that cannot fund a file you have originated, you cannot process a reversal.

FEDLINE STANDARD ACH ORIGINATION

Prenote ACH Batch

- Step 1.** Select **03**—Create an Active Batch <Enter>
Select AHBATCH Enter a Federal Tax Pmt. Batch <Enter>
A. Fill in the Effective Entry Date <Enter>
 <F4> for first detail
B. Fill in the Detail Information screen <Enter>
- Step 2.** Balance your batch by depressing <ALT> + <F1> at the last detail record
<Page Down>
Balance Batch <Y>
<Enter>
<F9>
- Step 3.** Select **21**—Select and Queue Batches <Enter>
<F10> or <Ctrl E>
- Step 4.** Select **HC**—Host Communications
Establish Session 4
<F10>
- Step 5.** Select **AH**—Automated Clearing House
- Step 6.** Select **30**—Copy Active Batch to Recurring <Enter>
Key in your Batch Number
Depress <Enter> twice

ENTER AN ID FOR THIS RECURRING BATCH

<Enter>

Note: The Treasury requires prenotes for all ACH credits originated. The recurring ACH batch steps assume you want to save a recurring file for each taxpayer's tax payments.

BATCH HEADER SCREEN (COMPANY INFORMATION)

1. Select **AH**—Automated Clearing House <Enter>
2. Select **03**—Create an Active Batch <Enter>

Create an Active Batch	Automated Clearing House	Date	Time
MC-F6			
ACH BATCH INFORMATION:	Last Detail:	Batch #:	Status:
SERVICE CLASS CODE: Credits Only 220			
COMPANY/MERCHANT NAME: FedLine Bank Two			
COMPANY DISCRETIONARY DATA: ()			
COMPANY IDENTIFICATION: 096500006			
STANDARD ENTRY CLASS CODE: CCD Cash Concentration or Disbursement			
COMPANY ENTRY DESCRIPTION: Tax Pmt			
COMPANY DESCRIPTIVE DATE: ()			
EFFECTIVE ENTRY DATE: / <input style="width: 50px; height: 15px;" type="text"/> /			
ORIGINATING DI ID: 096500006 FedLine Bk Two			
(Hit PgDn for Balance Processing) (F3 for screen and function help)			

3. Select **AHTXFSTD**—Enter a Federal Tax Pmt Batch <Enter>.
4. Enter EFFECTIVE ENTRY DATE: Tax due date (mmddyy)
5. Press <Enter>. A batch number appears. Record it.
6. Press <F4> for the first detail.

DETAIL RECORD (INDIVIDUAL INFORMATION)

Create an Active Batch	Automated Clearing House	MM/DD/YYYY	HH:MM
MC-F6			
ACH BATCH INFORMATION:		BATCH #:	0001
CCD DETAIL INFORMATION:		DETAIL #:	
TRANSACTION CODE:	[REDACTED]		
FINANCIAL AGENT ABA NUMBER:	[REDACTED]		
FINANCIAL AGENT ACCOUNT NUMBER:	[REDACTED]		
AMOUNT:	[REDACTED]		
TAXPAYER TAX ID NUMBER (TIN/EIN):	[REDACTED]		
TAXPAYER NAME: /	[REDACTED]		
Federal	Addenda Information		
TAX TYPE CODE:	[REDACTED]		
TAX PERIOD END DATE (YYMM01):	[REDACTED] 01		
SUBCATEGORY 1: ()	TAX AMOUNT SUBCATEGORY 1:	()	
SUBCATEGORY 2: ()	TAX AMOUNT SUBCATEGORY 2:	()	
SUBCATEGORY 3: ()	TAX AMOUNT SUBCATEGORY 3:	()	
.....			

TRANSACTION CODE: 22=Demand Credit
23=Prenotification of Demand Credit
24=Zero Dollar Demand Credit

FINANCIAL AGENT ABA NUMBER: 061036000 Bank of America
071036210 Bank One

DI ACCOUNT NUMBER: <TAB>

AMOUNT: The total dollar amount of all tax payments for a single customer. (Prenotes entered in following format: 0.00)

TAXPAYER TAX ID NUMBER (TIN/EIN) Taxpayer's 9-digit EIN (Employer Identification Number) also known as Taxpayer ID Number (TIN)

TAXPAYER NAME: Taxpayer Business Name

ADDENDA INFORMATION:

TAX TYPE CODE: The five-digit tax type code. (If your taxpayer is paying "Employer's Annual Unemployment Tax Return Federal Deposit," the tax type code is **09405**.)

TAX PERIOD END DATE (YYMM): Type in the year and month of the tax period as supplied by the taxpayer. The day will always be "01."

Note: If the tax payment type you are submitting does **not** include subcategories. Press <Enter>. Tax types with subcategories include 720, 720M, 941, and CT-1.

If the tax payment type you are submitting **does** include subcategories, enter the subcategory codes and dollar amounts. If a taxpayer is paying “Employer’s Quarterly Tax Return Federal Tax Deposit,” there are three subcategories: Social Security, Medicare, and Withholding. Subcategory information should be provided by the taxpayer.

SUBCATEGORY 1: Enter the first subcategory code in this field (for example, Social Security=“1”). If you are doing a prenotification or zero dollar entry that has subcategories, enter the first subcategory code here.

TAX AMOUNT
SUBCATEGORY 1: Type in the dollar amount for Subcategory 1 (include decimal point and cents, no dollar sign, no commas). FedLine will require an amount for this field if the Subcategory 1 field is filled. If you are doing a prenotification or zero dollar entry and have entered a code in the Subcategory 1 field, enter **0.00**.

SUBCATEGORY 2: Enter the second subcategory 2 in this field (for example, Medicare=“2”). If you are doing a prenotification or zero dollar entry for a tax type that has subcategories, enter the second subcategory code here.

TAX AMOUNT
SUBCATEGORY 2: Type in the dollar amount for subcategory 2 (include decimal point, no dollar sign, no commas). FedLine will require an amount for this field if the Subcategory 2 field is filled. If you are doing a prenotification or zero dollar entry and have entered a code in the Subcategory 2 field, enter **0.00**.

SUBCATEGORY 3: Enter the third subcategory code in this field (for example, Withholding=“3”). If you are doing a prenotification or zero dollar entry for a tax type that has subcategories, enter the third subcategory code.

TAX AMOUNT
SUBCATEGORY 3: Type in the dollar amount for subcategory 3 (include decimal point and cents, no dollar sign, no commas). FedLine will require an amount for this field if the Subcategory 3 field is filled. If you are doing a prenotification or zero dollar entry and have entered a code in the Subcategory 3 field, enter **0.00**.

6. Press **<Enter>**. To enter additional items, press the **<F4>** to access a blank entry detail screen. A batch can contain more than one tax payment item and items destined for both TFAs can be included in the same batch.
7. **After all detail records are entered, balance the batch by pressing <ALT>+<F1> to return to the batch header screen. <Page Down>**.

Example of Tax Payment with Subcategories:

Create an Active Batch	Automated Clearing House	MM/DD/YYYY HH:MM
ACH BATCH INFORMATION:		BATCH #: 0001
CCD DETAIL INFORMATION:		DETAIL #: 001
TRANSACTION CODE:	22	Demand credit
FINANCIAL AGENT ABA NUMBER:	071036210	Bank One
FINANCIAL AGENT ACCOUNT NUMBER:	04236036	
AMOUNT:	40,000.00	
TAXPAYER TAX ID NUMBER (TIN/EIN):	123456789	
TAXPAYER NAME: /	Johnson Company	/
Federal	Addenda Information	
TAX TYPE CODE:	94105	
TAX PERIOD END DATE (YYMM01):	990601	
SUBCATEGORY 1:	(1)	TAX AMOUNT SUBCATEGORY 1: (35,000.00)
SUBCATEGORY 2:	(2)	TAX AMOUNT SUBCATEGORY 2: (3,000.00)
SUBCATEGORY 3:	(3)	TAX AMOUNT SUBCATEGORY 3: (2,000.00)
ENTERED		
.....		

BALANCING BATCH

Create an Active Batch	Automated Clearing House	Date Time
#####		
ACH BATCH INFORMATION:	Last Detail:	Batch #: 0001
COLLECTED IN FILE:		
BALANCE BATCH? Y (Y/N)		
If the following two fields are filled in, they must match the actual total of all your detail records.		
TOTAL DEBIT ENTRY DOLLAR AMOUNT:		
TOTAL CREDIT ENTRY DOLLAR AMOUNT:	\$40,000.00	
ITEM COUNT:	1	

8. This is the second page of the Create an Active Batch header screen.

BALANCE BATCH? Y <Enter>

FedLine will calculate the batch totals. Check to make sure the batch totals are correct and record them.

Select and Queue Batches

Select 21—Select and Queue Batches. The function allows you to select and queue individual batches and create an ACH file.

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:24:39
*****
                                     FILE INFORMATION
                                     -----
DI IDENTIFICATION NUMBER: 096700000   DI NAME: FEDLINE BK FOUR

REFERENCE CODE:      (    )

PRINT A REPORT:               REPORT TYPE:     

COPY FILE:          DEVICE: CR/LF Option: N

OPTIONAL NAME:

PLACE AN 'X' HERE TO COLLECT INDIVIDUAL BATCHES: 

                                     BATCH CATEGORY SELECTION
                                     Mark each batch category you wish to collect.

RETURNS:   NOCs:   ACKNOWLEDGMENTS:   STANDARD/ENR BATCHES: 
    
```

After indicating the type of batches to collect, press <Enter>

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:25:59
*****
                                     BATCH SELECTION
                                     -----
                                     Page 01

-----
To select a batch, place an 'X' in its SELECT field
-----

BATCH #  ENTRY CLASS  ITEM COUNT  DEBIT DOLLARS  CREDIT DOLLARS  SEL
-----  -
0003     CCD           002         0.00          40,000.00      

-----
REQUEST: (Enter an 'X' for your choice)

NEXT      PREVIOUS    PROCESS SELECTIONS 
    
```

Indicate with an X, which batches you wish to collect into a file. Place an X at Process Selections and press <Enter>. FedLine will print and queue the ACH file.

Balancing Procedures for Outgoing ACH Files

1. After an ACH batch(es) has been selected and queued into a file, a full report will print displaying file information. The following information should be included in the "Outgoing ACH Tax Payment Files Inventory" form:

Date and time tax payment information received from taxpayer
Current Date
File Date
File ID
Entry/Addenda Count
File Totals (Debit and Credit)

Transmit File to Federal Reserve by Establishing a Session 4.

2. Once an ACH file has been sent, the following message will appear on your printer:

>>OUTGOING FILE: AH0713DO.UDT, queued on host MM/DD/YY 13:52:03

3. You should receive an Acknowledgment of ACH Files Deposited also referred to as File Acknowledgments after you transmit the file.

The following is an example of an ACH File Acknowledgment that will be produced for every input file. The acknowledgment will identify the file, give the date and time the file was processed and will indicate the status of the file.

```
***** ACKNOWLEDGMENT OF ACH FILE DEPOSITS *****C
SERVICING FRB: FEDERAL RESERVE BANK OF MINNEAPOLIS      REPORT DATE AND TIME:
                                                         MM/DD/YY   HH:MM

FILE STATUS: FILE ACCEPTED WITH NO ERRORS

IMMEDIATE ORIGIN NAME:  BANK OF SOMEWHERE
IMMEDIATE ORIGIN:      0964-0000-9
IMMEDIATE DEST:        0910-0008-0
FILE CREATION DATE:    07/13
FILE CREATION TIME:    04:44
FILE ID MODIFIER:      D
FILE PROCESS DATE AND TIME: 07/13/99 11:02

-----COUNT-----
BATCHES:                1      DEBIT:          $          .00
ENTRY/ADDENDA:          2      CREDITS:        $      40,000.00

-----
FILE STATUS: FILE ACCEPTED WITH NO ERRORS
***** END OF ACKNOWLEDGMENT *****
```

FedLine Training: ACH

File Status Messages:

- File Accepted With No Errors
- File Accepted With Item Level Errors
(Number of Items Rejected = X)
- File Accepted With Batch Level Errors
(Number of Items Rejected = X)
- File Rejected With Batch Level Errors
- File Rejected With File Level Errors
- File Pended With File Level Errors
- File Pended With Batch Level Errors
- Pended File Accepted
- Pended File Rejected

Verify that the information on the Acknowledgment is identical to the file information on the "Outgoing ACH Tax Payment Files Inventory" form. Also ensure that the FILE STATUS: field has "File Accepted With No Errors," and initial the "Outgoing ACH Tax Payment Files Inventory" form.

4. The following morning, check the ACH Balance Report or ACH End-of-Day Settlement Advice to ensure that the outgoing file information is listed. Initial the Balance Report column on the "Outgoing Tax Payment Files Inventory" form (pg 126).

The following is an example of an ACH Balance Report.

FEDERAL RESERVE SYSTEM AUTOMATED CLEARING HOUSE								
PROC: MM/DD/YY								
ACH END-OF-DAY BALANCE REPORT BY ABA								
SP/RP ABA: 096400009								
RFI ABA:			OUTPUT FILE OPTION:					
FILE	FILE	TOTAL	TOTAL	ITEM/ADDN STAT/				
TYP	DATE	TIME	ID	DEBITS	CREDITS	COUNT	APPL	NODE
IN	0713	1102	0713D	0.00	40,000.00	2	ACCP	11L09999
OUT	0713	0352	0713A	203.46	1,670.91	48	AJ01	11L09991

INCOMING FILE STATUS CODES:

- ACCP = File was accepted
- PEND = File was pended
- REJ = File was rejected
- ACPP = File was accepted with pended batches
- ACPR = File was accepted with rejected batches
- PNDA = File was accepted but once pended
- L2SP = File was pended for level 2 security (Appl Id of Tape)
- RLSP = File has been released but is still pended (waiting to be edited)
- REJB = File was rejected at batch level
- REJP = File was rejected but once pended

Outgoing ACH Tax Payment Files Inventory

A financial institution accepts additional liability when agreeing to originate the ACH tax payments. The ACH entry needs to be submitted timely and accurately (based on information received from the taxpayer). As a result, we suggest that your records should include the date and time the tax payment information was received.

Date and Time Tax Payment Info. Received from Taxpayer	Current Date	File Date	File Entry	Entry/ Addenda Count	File Totals		Acknowledgment Checked and Initialed	Balance Report or ACH Advice Initialed
					Debit Totals	Credit Totals		

RECURRING ACH BATCH

- Step 1.** Select **31**—Copy Recurring Batch to Active <Enter>
Key in your Recurring Batch ID
<Enter>
The batch header record will be displayed. If this is the correct recurring batch,
<Enter>
FedLine will assign an active batch number at the bottom of your screen, record it
<F9>
- Step 2.** Select **07**—Update Within Active Batch <Enter>
Enter your Batch Number <Enter>
Change your Effective Entry Date <Enter> (Note: To add prenotes <Alt> + <F2> <F4>, complete prenote)
<F4> for first detail
Make changes to all appropriate detail and addenda records
- Step 3.** Balance your batch <Alt> + <F1>
<Page Down>
Balance Batch <Y>
<Enter>
<F9>
- Step 4.** Select **21**—Select and Queue Batches <Enter>
- Step 5.** <Ctrl E>
Establish Session 4.
<F9>
- Step 6.** Select **30**—Copy Active Batch to Recurring <Enter>
Key in your active batch number
<Enter>
The batch header record will be displayed. If this is the correct batch,
<Enter>
Enter an ID for this batch
<Enter>
Your batch will be saved as a recurring batch
Since the recurring batch already exists, you will be asked if you wish to replace it.
Press “Y” to replace.

Minnesota Electronic Funds Transfer

ACH Debit Transfer Option

To use the ACH debit option, taxpayers first provide the State of Minnesota with the bank account information of the account they want to have debited. Whenever there is a payment due, the taxpayer places a toll-free telephone call and follows a short telephone script. They may use either the Touch Tone phone system or talk with an operator. Placing the call allows the department to transfer a specific dollar amount from the taxpayer's bank account on the date they specify.

The Department of Revenue will initiate the transfer of funds from the taxpayer's bank account to the State's bank account for settlement. All origination costs for the debit option will be paid by the State.

ACH Credit Transfer Option

To use the ACH credit option, taxpayers initiate the credit transaction through their bank to the State's bank account for the amount of their tax payment. Supplemental filing information must be sent with the payment using the ACH standard CCD+ format and the TXP Addendum Record standards.

If the taxpayer chooses the ACH credit option, we recommend that they first contact their bank to determine if they offer ACH origination services, what procedures they need to follow to initiate a payment, and what the cost will be for this service. As the originator of ACH credit transfer, the origination cost will be charged to the taxpayer by their bank.

EFT Authorization Form

An EFT Authorization Form is needed to provide all the necessary information to process each tax type to be paid using EFT. The taxpayer needs to complete and return this form within 15 days.

Upon receipt of the completed EFT Authorization Form, the department will send the EFT Instruction Packet. The packet confirms that the taxpayer is set up and gives instructions on how to make electronic payments based on the option that they have chosen.

Should you need additional information regarding the EFT process, please contact the Department of Revenue, Electronic Funds Transfer Unit at (612) 296-7350 or 1-800-657-3696.

Minnesota Department of Revenue
Electronic Funds Transfer Unit
Ten River Park Plaza
St. Paul, MN 55146-1030

FEDLINE STANDARD ACH ORIGINATION Prenote ACH Batch

- Step 1.** Select **03**—Create an Active Batch <Enter>
Select AHTXSSTD—Enter a State Tax Pmt Batch <Enter>
A. Fill in the Company Information screen <Enter>
 <F4> for first detail
B. Fill in the Individual Information screen <Enter>
- Step 2.** Balance your batch by depressing <ALT> + <F1> at the last detail record
<Page Down>
Balance Batch <Y>
<Enter>
<F9>
- Step 3.** Select **21**—Select and Queue Batches <Enter>
- Step 4.** <Ctrl E>
Establish Session 4
<F9>
- Step 5.** Select **30**—Copy Active Batch to Recurring <Enter>
Key in your Batch Number
Depress <Enter> twice

ENTER AN ID FOR THIS RECURRING BATCH

<Enter>

Note: The State requests prenotes for all ACH credits originated. The recurring ACH batch steps assume you will want to save a recurring file for each taxpayer's tax payments.

BATCH HEADER SCREEN (*COMPANY INFORMATION*)

Create an Active Batch	Automated Clearing House	Date	Time
##### *MC-F6* #####			
ACH BATCH INFORMATION:	Last Detail:	Batch A:	Status:
SERVICE CLASS CODE: 220	<u>Credits Only</u>		
COMPANY/MERCHANT NAME:			
COMPANY DISCRETIONARY DATA: ()		
COMPANY IDENTIFICATION:			
STANDARD ENTRY CLASS CODE: CCD	<u>Cash Concentration or Disbursement</u>		
COMPANY ENTRY DESCRIPTION:			
COMPANY DESCRIPTIVE DATE: ()		
EFFECTIVE ENTRY DATE: /	/		
ORIGINATING DI ID: ABA	NAME OF INSTITUTION		
(Hit PgDn for Balance Processing)			
(F3 for screen and function help)			

Select 03—Create an Active Batch. Select AHTXSSTD—Enter a State Tax Pmt Batch <Enter>.

COMPANY/MERCHANT NAME: Taxpayer Business Name

COMPANY DISCRETIONARY DATA: Blank

COMPANY IDENTIFICATION: State Taxpayer ID

COMPANY ENTRY DESCRIPTION: Tax Pymt

COMPANY DESCRIPTIVE DATE: Blank

EFFECTIVE ENTRY DATE: Tax due date (mmddy)

ORIGINATION DI ID: FedLine will display your ABA number.

After the screen is completed, <Enter>. A batch number appears. Record it and press <F4> for the first detail.

COMPLETING THE ENTRY DETAIL SCREEN

ACH BATCH INFORMATION:	BATCH #: 0001
CCD DETAIL INFORMATION:	DETAIL #:
TRANSACTION CODE:	_____
RECEIVING DI ID NUMBER:	_____
DI ACCOUNT NUMBER:	/ _____ /
AMOUNT:	_____
INDIVIDUAL ID NUMBER:	(_____)
INDIVIDUAL NAME/TRACE:	/ _____ /
DISCRETIONARY DATA:	(_____)
State _____ Addenda Information _____	
TAXPAYER ID#:	_____
TAX PAYMENT TYPE CODE:	_____
TAX PERIOD END DATE (YYMMDD):	_____
AMOUNT TYPE 1:	_____ TAX AMOUNT 1: _____
AMOUNT TYPE 2: (_____)	TAX AMOUNT 2: (_____)
AMOUNT TYPE 3: (_____)	TAX AMOUNT 3: (_____)
TAXPAYER VERIFICATION:	(_____)

- TRANSACTION CODE: <F6> 22=Demand Credit Payment
 23=Prenotification Demand Credit
 24=Zero Dollar Demand Credit
 32=Savings Credit
 33=Prenotification of Savings Credit
 34=Zero Dollar Savings Credit

RECEIVING DI ID NUMBER: **091000019** (Mandatory Field)

NUMBER:

DI ACCOUNT NUMBER: **6355054216** (Mandatory Field)

AMOUNT: The total dollar amount of all tax payments for a single customer. (Prenotes entered in following format: 0.00)

INDIVIDUAL ID NUMBER: Minnesota Taxpayer ID (Optional Field)

INDIVIDUAL NAME/TRACE: Taxpayer Business Name (Mandatory Field)

DISCRETIONARY DATA: Blank

ADDENDA INFORMATION: The information entered in these fields will be used to automatically create an addenda record for you. This addenda record will conform to the special TXP format required for state tax payments.

TAXPAYER ID#: Taxpayer ID Number as supplied by the taxpayer.

TAX PAYMENT TYPE CODE: Tax Payment Type code as supplied by the taxpayer.

FedLine Training: ACH

TAX PERIOD END DATE (YYMMDD):	Date of the tax period as supplied by the taxpayer.
AMOUNT TYPE 1:	Code as supplied by the taxpayer. (T=Tax, I=Interest, P=Penalty)
TAX AMOUNT 1:	If no subcategory is required, enter the dollar amount of the total taxes due (include decimal point, no dollar sign, no commas). If Amount Type 1 indicates that a subcategory is required, enter the appropriate amount as supplied by the taxpayer. *Note: If the tax payment type you are submitting does not include additional subcategories, stop here. You do not need to enter any more information. You are ready to enter this item. (Press <Enter> and proceed to page 6.)
AMOUNT TYPE 2:	If this subcategory is needed, enter the appropriate code as supplied by the taxpayer.
TAX AMOUNT 2:	If there is an Amount Type 2, type in the dollar amount for this subcategory (include decimal point, no dollar sign, no commas). FedLine will require an amount for this field if the Amount Type 2 field is filled.
AMOUNT TYPE 3:	If this subcategory is needed, enter the appropriate code as supplied by the taxpayer.
TAX AMOUNT 3:	If there is an Amount Type 3, type in the dollar amount for this subcategory (include decimal point, no dollar sign, no commas). FedLine will require an amount for this field if the Amount Type 3 field is filled.
TAXPAYER VERIFICATION:	This field is optional and may be used by the tax payment program to verify the taxpayer's identity.

After the screen is completed, press **<Enter>**. To get the next detail record, press **<F4>**.

After all detail records are entered, balance the batch by pressing **<ALT>+<F1> to return to the batch header screen. Page down.**

*Currently there are no subcategories for Minnesota taxes.

BALANCING BATCH

Create an Active Batch	Automated Clearing House	Date	Time
#####			
ACH BATCH INFORMATION: COLLECTED IN FILE:	Last Detail:	Batch A:	Status:
BALANCE BATCH? Y (Y/N)			
If the following two fields are filled in, they must match the actual total of all your detail records.			
TOTAL DEBIT ENTRY DOLLAR AMOUNT: TOTAL CREDIT ENTRY DOLLAR AMOUNT:			
ITEM COUNT:			

This is the second page of the Create an Active Batch header screen in the Automated Clearing House (AH) application.

BALANCE BATCH? Y <Enter>

FedLine will calculate the batch totals. Check to make sure the batch totals are correct and record them.

Corporate Credit Acknowledgments

General Information

There are two additional optional Standard Entry Class Codes. They are **ACK** for acknowledging CCD-Cash Concentration or Disbursement entries and **ATX** for acknowledging CTX-Corporate Trade Exchange entries. This will allow Originators (State/Federal governments and companies) to receive ACH acknowledgments from Receiving Depository Financial Institutions. **The acknowledgment indicates that the RDFI received the corporate ACH credit payment and will attempt to post it to the Receiver's account.**

“Both the ODFI and RDFI involved in the transaction must have chosen to provide ACH acknowledgment services to their corporate customers. In addition, Receivers may request that their RDFIs confirm that a corporate credit has been received by the RDFI and the RDFI will attempt to post the credit to the Receiver's account. These Receivers will need to modify their agreements with their trading partners. RDFIs will also need to modify agreements with corporate Receivers.” When the agreements have been modified and signed, both parties agree to comply.

ODFIs will place **AK** in the discretionary data field of the CCD or CTX entry when an acknowledgment is requested.

Steps to Create Corporate Credit Acknowledgments

1. Select **AH**—Automated Clearing House <Enter>
2. Select **03**—Create an Active Batch <Enter>
3. Select **AHACKSTD**—Enter an ACK for a CCD <Enter>
or
AHATXSTD—Enter an ATX for a CTX <Enter>
4. Select **21**—Select and Queue Batches <Enter>
5. <CTRL E> Establish Session 4 <Enter>

Acknowledgment Detail Screen

1. Select **AH**—Automated Clearing House <Enter>
2. Select **03**—Create an Active Batch <Enter>

Create an Active Batch	Automated Clearing House	MM/DD/YYYY 09:14:22
#####*MC-F6#####		
ACH BATCH INFORMATION:	BATCH #:	STATUS:
COLLECTED IN FILE:		
(ACK ENTRY)		
(Original Item Information)		
Transaction Code <input type="text"/>	Original Trace Number: <input type="text"/>	
Standard Entry Class Code ACK	DI Account Number <input type="text"/>	
Company Entry Description <input type="text"/>	Effective Entry Date <input type="text"/>	
ORIGINATED BY:		
Comp. Name <input type="text"/>		
Comp. Discr Data (<input type="text"/>)		
Comp. ID <input type="text"/>	FOR THE ACCOUNT OF:	
Comp. Descriptive Date (<input type="text"/>)	Receiving Company Name:	
	<input type="text"/>	
DI ID Creating this Batch: 096150003		
(Addenda)		

3. Select **AHACKSTD**—Enter an ACK for a CCD <Enter>
or
AHATXSTD—Enter an ATX for a CTX <Enter>

Transaction Code: 24-\$0 demand credit
 34-\$0 savings credit

Original Trace Number: Trace number of the original item being acknowledged.

DI Account Number: Account number of the original item being acknowledged.

Company Entry Description: Description from original batch header.

Effective Entry Date: Original effective entry date of the item being acknowledged.
 MMDDYY format.

Comp. Name: Company/merchant name from the original batch being
 acknowledged.

Comp. Discr Data: Optional field.

Comp. ID: Originating company identification number from the batch header of
 the item being acknowledged.

Comp. Descriptive Date: Optional field.

Receiving Company Name: Company name from the original received item being acknowledged.

4. Press <Enter>

Example of ACK and ATX batches

```
      Create an Active Batch Automated Clearing House MM/DD/YYYY 12:43:05
ACH BATCH INFORMATION:          BATCH #: 0015          STATUS: VR
      COLLECTED IN FILE:
                                (ACK ENTRY)
                                (Original Item Information)
Transaction Code 24  $0 demand credit      Original Trace Number: 091000020654567
Standard Entry Class Code  ACK              DI Account Number   / 1263255           /
Company Entry Description payment          Effective Entry Date / 110199/

      ORIGINATED BY:
Comp. Name NBC Inc
Comp. Discr Data (                )
Comp. ID 1676977867              FOR THE ACCOUNT OF:
Comp. Descriptive Date (        )
                                Receiving Company Name:
                                /Video Distributors      /

DI ID Creating this Batch:
      096150003
                                (Addenda)
```

```
      Create an Active Batch Automated Clearing House MM/DD/YYYY 12:44:50
ACH BATCH INFORMATION:          BATCH #: 0016          STATUS: VR
      COLLECTED IN FILE:
                                (ATX ENTRY)
Transaction Code 24  $0 demand credit      Original Trace Number: 091000010654545
Standard Entry Class Code  ATX              DI Account Number   / 123335454           /
Company Entry Description merch pymt      Effective Entry Date / 103099/

      ORIGINATED BY:
Comp. Name Happy Feet Inc
Comp. Discr Data (                )
Comp. ID 12357788              FOR THE ACCOUNT OF:
Comp. Descriptive Date (        )
                                Receiving Company Name/ID:
                                /Johnson Shoes          /

DI ID Creating this Batch:
      096150003
                                (Addenda)
```

Select and Queue Batches

- Select 21—Select and Queue Batches.** <Enter> The function allows you to select and queue individual batches and create an ACH file.

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:24:39
*****
          FILE INFORMATION
          DI IDENTIFICATION NUMBER: 096700000   DI NAME: FEDLINE BK FOUR
          REFERENCE CODE: ( )
          PRINT A REPORT:           REPORT TYPE:  F
          COPY FILE:          DEVICE: CR/LF Option: N
          OPTIONAL NAME:
          PLACE AN 'X' HERE TO COLLECT INDIVIDUAL BATCHES: 
          BATCH CATEGORY SELECTION
          Mark each batch category you wish to collect.
          RETURNS:   NOCs:   ACKNOWLEDGMENTS:    STANDARD/ENR BATCHES: 
    
```

After indicating the type of batches to collect, press <Enter>

```

Select and Queue Batches Automated Clearing House MM/DD/YYYY 12:25:59
*****
          BATCH SELECTION
          Page 01
          -----
          To select a batch, place an 'X' in its SELECT field
          -----
          BATCH #  ENTRY CLASS  ITEM COUNT  DEBIT DOLLARS  CREDIT DOLLARS  SEL
          -----  -----  -----  -----  -----  -----
          0015    ACK          001          0.00          0.00          
          0016    ATX          001          0.00          0.00          
          -----
          REQUEST: (Enter an 'X' for your choice)
          NEXT    PREVIOUS    PROCESS SELECTIONS 
    
```

After indicating, with an X, which batches you wish to collect into a file and placing an X at Process Selections, press <Enter>. FedLine will print and queue the ACH file.

- <CTRL E> Establish Session 4 <Enter>

Example of outgoing file of acknowledgment batches:

AH1104Q0.UDT FRB MINNEAPOLIS 0910-0008-0 DETAIL PRINT							
SENDING POINT		0961-5000-3 BK ELEVEN		FILE DATE	991104		
				FILE TIME	0912		
				FILE ID	Q		
COMPANY NBC INC 1676977867 SETT 000 OSC 1 PAYMENT EFFECTIVE ENTRY DATE 11-01-99 ACK ORIGIN NO. 0961-5000 BATCH ID NO. 0000001							
RECEIVING FINANCIAL INSTITUTION							
	INDIVIDUAL NAME	TRACE NUMBER	ENTRY TYPE	ACCOUNT NUMBER	DISC	DEBIT AMOUNT	CREDIT AMOUNT
0910-0002	ACK VIDEO DISTRIBUTORS	096150000001000	DEMAND CR	1263255			0.00
*** BATCH TOTALS ***		ENTRY - ADDENDA COUNT		1		TOTAL DEBITS 0.00	TOTAL CREDITS 0.00
COMPANY HAPPY FEET INC 12357788 SETT 000 OSC 1 MERCH PYMT EFFECTIVE ENTRY DATE 10-30-99 ATX ORIGIN NO. 0961-5000 BATCH ID NO. 0000002							
RECEIVING FINANCIAL INSTITUTION							
	ITEMS COMPANY NAME	TRACE NUMBER	ENTRY TYPE	ACCOUNT NUMBER	DISC	DEBIT AMOUNT	CREDIT AMOUNT
0910-0001	ATX JOHNSON SHOES	096150000002000	DEMAND CR	123335454			0.00
*** BATCH TOTALS ***		ENTRY - ADDENDA COUNT		1		TOTAL DEBITS 0.00	TOTAL CREDITS 0.00
RECEIVING POINT 0910-0008-0							
*** FILE TOTALS ***		ENTRY - ADDENDA COUNT		2		TOTAL DEBITS 0.00	TOTAL CREDITS 0.00

Refusal of ACK or ATX Batch

1. Select **AH**—Automated Clearing House <Enter>
2. Select **03**—Create an Active Batch <Enter>

Refusal of ACK Screen

Create an Active Batch	Automated Clearing House	MM/DD/YYYY 09:15:11
#####*MC-F6*#####		
ACH BATCH INFORMATION:	BATCH #:	STATUS:
COLLECTED IN FILE:		
(ACK REFUSAL)		
(Original Item Information)		
Transaction Code <input style="width: 80px;" type="text"/>	Original Trace Number: <input style="width: 100px;" type="text"/>	
Standard Entry Class Code ACK	DI Account Number <input style="width: 80px;" type="text"/>	
Company Entry Description <input style="width: 100px;" type="text"/>	Effective Entry Date <input style="width: 80px;" type="text"/>	
ORIGINATED BY:		
Comp. Name <input style="width: 120px;" type="text"/>		
Comp. Discr Data (<input style="width: 80px;" type="text"/>)		
Comp. ID <input style="width: 80px;" type="text"/>	FOR THE ACCOUNT OF:	
Comp. Descriptive Date (<input style="width: 80px;" type="text"/>)	Receiving Company Name:	
	/ /	
DI ID Creating this Batch: 096150003	Refusal Acknowledgment Code: <input style="width: 80px;" type="text"/>	

3. Select AHACKREF—Enter a Refusal to an ACK <Enter>
or
AHATXREF—Enter a Refusal to an ATX <Enter>

Transaction Code:	24-\$0 demand credit from acknowledgment 34-\$0 savings credit from acknowledgment
Original Trace Number:	Trace number of the acknowledgment being refused.
DI Account Number:	Account number of the acknowledgment being refused.
Company Entry Description:	Description from acknowledgment batch header.
Effective Entry Date:	Effective entry date of the acknowledgment. MMDDYY format.
Comp. Name:	Company name from the acknowledgment being refused.
Comp. Discr Data:	Optional field.
Comp. ID:	Company Identification Number from the acknowledgment being refused.
Comp. Descriptive Date:	Optional field.

Receiving Company Name: Company name from the original received item being acknowledged.

Refusal Acknowledgment Code: <F6>
A1 - Misrouted Acknowledgment
A2 - Incorrect Trace Number
A3 - Incorrect Company ID Number

4. Press <Enter>

Refusal of ATX screen

Create an Active Batch	Automated Clearing House	MM/DD/YYYY 09:15:30
#####*MC-F6*#####		
ACH BATCH INFORMATION:	BATCH #:	STATUS:
COLLECTED IN FILE:		
(ATX REFUSAL)		
(Original Item Information)		
Transaction Code <input type="text"/>	Original Trace Number: <input type="text"/>	
Standard Entry Class Code ATX	DI Account Number <input type="text"/>	
Company Entry Description <input type="text"/>	Effective Entry Date <input type="text"/>	
ORIGINATED BY:		
Comp. Name <input type="text"/>		
Comp. Discr Data (<input type="text"/>)		
Comp. ID <input type="text"/>		
Comp. Descriptive Date (<input type="text"/>)		
	FOR THE ACCOUNT OF:	
	Receiving Company Name/ID: <input type="text"/>	
	/	/
DI ID Creating this Batch: 096150003	Refusal Acknowledgment Code: <input type="text"/>	

5. Select **21**—Select and Queue Batches <Enter>

6. <CTRL E> Establish Session 4 <Enter>

Example of outgoing file of refusal acknowledgment batches:

AH110380.UDT FRB MINNEAPOLIS 0910-0008-0 DETAIL PRINT							
SENDING POINT		0961-5000-3 BK ELEVEN		FILE DATE	991103		
				FILE TIME	1252		
				FILE ID	8		
COMPANY NBC INC 1676977867 SETT 000 OSC 1 PAYMENT EFFECTIVE ENTRY DATE 11-01-99 ACK ORIGIN NO. 0961-5000 BATCH ID NO. 0000017							
RECEIVING FINANCIAL INSTITUTION							
	INDIVIDUAL NAME	TRACE NUMBER	ENTRY TYPE	ACCOUNT NUMBER	DISC	DEBIT AMOUNT	CREDIT AMOUNT
0961-5000	VIDEO DISTRIBUTORS	096150000017000	DEMAND CR	1263255	A1		0.00
ACK	*** BATCH TOTALS ***		ENTRY - ADDENDA COUNT	1		TOTAL DEBITS 0.00	TOTAL CREDITS 0.00
COMPANY HAPPY FEET INC 12357788 SETT 000 OSC 1 MERCH PYMT EFFECTIVE ENTRY DATE 10-30-99 ATX ORIGIN NO. 0961-5000 BATCH ID NO. 0000018							
RECEIVING FINANCIAL INSTITUTION							
	ITEMS COMPANY NAME	TRACE NUMBER	ENTRY TYPE	ACCOUNT NUMBER	DISC	DEBIT AMOUNT	CREDIT AMOUNT
0961-5000	0000 JOHNSON SHOES	096150000018000	DEMAND CR	123335454	A2		0.00
ATX	*** BATCH TOTALS ***		ENTRY - ADDENDA COUNT	1		TOTAL DEBITS 0.00	TOTAL CREDITS 0.00
RECEIVING POINT 0910-0008-0							
*** FILE TOTALS ***		ENTRY - ADDENDA COUNT	2			TOTAL DEBITS 0.00	TOTAL CREDITS 0.00

GLOSSARY

Account Holder – A financial institution or other institution maintaining an account with a Reserve Bank.

ACH Credit – A transaction through the ACH network originated to pay a Receiver (deposit funds into an account).

ACH Debit – A transaction through the ACH network originated to remove funds from the Receiver (withdrawal from account).

ACH Operator – Is the central clearing facility, operated by a Federal Reserve Bank or a private organization, that receives entries from ODFIs, distributes the entries to appropriate RDFIs, and performs the settlement functions for the affected financial institutions.

ACH Process Date – The calendar date on which the processing of ACH entries actually takes place.

Addenda Record – An ACH record type that carries the supplemental data needed to completely identify an account holder(s) or provide information concerning a payment to the RDFI and the Receiver.

American National Standards Institute (ANSI) – The Standards setting body for American commerce and industry.

ASCII – Acronym for the standard PC character set. Certain ASCII characters cause some computers to do corrupt data, and therefore must be edited out of a file before it can be safely transmitted or processed.

Automated Clearing House (ACH) – A funds transfer system governed by the NACHA Operating rules which provides for the interbank clearing of electronic entries for participating institutions.

Automated Enrollment Entry (ENR) – A credit or debit enrollment entry initiated by a participating DFI to a Federal Government Agency on the behalf of an account holder at the DFI.

Automated Notification of Change (COR) – A Notification of Change transaction automatically derived from the original erroneous item. These entries carry the Standard Entry Class code COR.

Available Funds – Funds currently available for immediate use.

Banking Day – That part of a day on which a participating depository financial institution (or ACH Operator) is open for carrying on substantially all of its business functions.

Bulkdata – Software written by the Federal Reserve for the large scale origination of ACH items.

Business Day – A day during which a Reserve Bank, an account holder, Originator, or Receiver is open to the public for carrying on substantially all of its banking functions.

Check Digit – The final character of a routing/transit number that may be used to test the validity of a specific routing/transit number.

Company – The business entity which creates ACH entries for introduction into the banking system. The company may be the employer authorized to credit individual accounts for payroll deposits or the company may be the billing agent authorized to debit the individual account for payment due.

Company/Batch Control Record – The last record of each batch in an ACH file. It contains the hash totals, counts, and total dollar controls for the batch.

Company/Batch Header Record – The first record of each batch in an ACH file. It identifies the Originator and briefly describes the purpose of the entries in the batch.

Composite Receiver File (CRF) – A directory of all RDFI's that are eligible to receive commercial ACH items.

Consumer – Usually refers to a person not engaged in commercial transactions.

Correspondent Institution – A financial institution which provides payment services (such as processing or settlement) for other, often smaller, financial institutions.

Credit Item – An item sent to the Federal Reserve (via an ODFI) by an Originator for debit to the Originator's account and for credit to a Receiver's account through an RDFI.

Daylight Overdraft – A negative funds position in an account (usually used in conjunction with a financial institution's Federal Reserve Bank settlement account) which occurs sometime after opening of business and is cleared before close of business on the same day.

Debit Item – An item sent to the Federal Reserve (via an ODFI) by an Originator for credit to the Originator's account and for debit to a Receiver's account through an RDFI.

Depository Financial Institution (DFI) – A bank, savings bank, savings and loan, or credit union. Same as a depository institution (DI) or financial institution (FI).

Direct Deposit – A deposit made directly into the Receiver's account through ACH.

Electronic Data Interchange (EDI) – The computer-to-computer transmission of business data in a standard format.

Effective Entry Date – The date in the batch header record which is assigned by the Originator indicating when the item should be posted to the Receiver's account.

Endpoint – The final destination for an ACH item.

Entry Detail Record – A record within an ACH batch. Batches may have multiple Entry Detail Records. This record includes the detailed information about the ACH item.

Entry Hash – The sum of RDFI identification fields in entry detail records in the batch. The hash is the arithmetic sum of the of the 8-digit RTNs, with overflow out of the high order (leftmost) position ignored.

Exception Item – Any entry that requires special attention or processing, such as return entries, stop payments, notifications of change, dishonored returns, etc.

FedLine – Product offered by the Federal Reserve System for electronic connection to the Federal Reserve. May be used to transmit ACH items via telephone lines interfacing with a personal computer.

File – A group of ACH entries sorted in batches for delivery to the Fed or other participant in the ACH chain.

File Control Record – The record located at the end of the last batch in an ACH file. This record announces the end of the file.

File Header Record – The first record of an ACH file containing information necessary to route, validate, and track the ACH item contained within the file.

Financial Institution (FI) – A bank, savings bank, savings and loan, or credit union. Same as a depository institution (DI).

Forward Item – An ACH item going through the ACH system for the first time.

Item – An electronic record representing the movement of funds.

Julian Date – The number of the day of the calendar year (ex. January 1 as 1, February 1 as 32) used by the Fed to identify the settlement date for each ACH file or transaction.

ON-US Items – ACH items created by an ODFI and drawn on an account at that ODFI.

Originating Depository Financial Institution (ODFI) – The institution originating entries destined for the Federal Reserve either directly or through a sending point. An institution may be both an ODFI and a sending point; or another entity, such as a processing center, may serve as the sending point for the ODFI. An ODFI is responsible for the correctness of the transactions originated.

Originator – The person or organization who has authorized an ODFI to transmit a credit or debit entry to the account of a Receiver with an RDFI, or if the Receiver is also the RDFI, to such Receiver. In some cases, such as in MTE entries, the term can apply to the ODFI.

Process Date – The calendar date on which the processing of ACH entries actually takes place.

Processor – An ACH participant may designate a computer service company or another institution to act on its behalf to receive and/or originate ACH entries. This processor is the receiving and/or sending point.

Receiver – An individual, corporation, or other entity that has authorized an Originator to initiate a credit or debit entry to a transaction account held at the RDFI.

Receiving Depository Financial Institution (RDFI) – An RDFI is the final destination of an ACH item. An institution may be both an RDFI and a receiving point. Another entity, such as a processor, may serve as the receiving point for the RDFI.

Receiving Point – The deliver point for ACH output designated by an RDFI. An RDFI may designate itself or a processor as the receiving point.

Reclamation – A Procedure to recover benefit payments from a financial institution which were paid to that financial institution on behalf of a deceased or legally incapacitated depositor.

Refused Notification of Change – A Notification of Change entry which has been returned to the ODFI because of faulty information contained with the NOC.

Reject – An ACH item, batch, or file that does not meet NACHA edit requirements and is therefore returned to the ODFI or sending point.

Remake – The restoration of data and the production of another file. A remake may occur at the request of the receiving point when it involves an ACH output file, or at the request of the Federal Reserve Bank when it involves an input file.

Respondent Financial Institution – Any financial institution that settles through a correspondent institution.

Return Entry (RET) – The automated item created by an ACH operator generated from a paper ACH return item or voice response system. This entry carries the Standard Entry Class code of RET.

Returned Item (RETURN) – An Ach item that cannot be posted by the RDFI and is subsequently sent back to the ODFI, who then returns the item to the Originator.

Reversal – An ACH entry or file sent within required deadline to “correct” or reverse a previously originated entry or file.

Sending Point – The actual point of origination for an input file from an ODFI to the Federal Reserve. The ODFI may designate itself or another entity as its sending point. All ACH input files are edited to assure that each sending point is authorized or originate for the ODFI contained on the file.

Settlement – The process of accounting that results in the actual transfer of funds.

Settlement Date – The date on which entries are made on the books of the Federal Reserve.

Society for Worldwide Interbank Financial Telecommunications (SWIFT) – An international network that moves messages and wire transfer instructions among member financial institutions across national borders.

Stale Dated Item – Items deposited with the settlement date less than or equal to the Federal Reserve processing date. The batch header record indicates an effective entry date that is either prior to or the day of processing. The Federal Reserve’s software automatically inserts the next business day as the settlement date.

Standard Entry Class Code – A three character code within an ACH Company/Batch Header Record to identify the payment types contained within an ACH batch.

Stop Payment Order – A directive by an account holder to its financial institution to not pay a particular, one time ACH transaction.

Trace Number – A 15-digit number assigned by an ODFI to an ACH item. The trace number remains intact throughout the forward and return process. The first eight digits reflect the routing/transit number of the ODFI, while the last seven digits are assigned by the ODFI/Sending Point in ascending sequence.

Transaction Code – The two-digit code in the ACH record that determines whether an entry is a debit or a credit to a savings or demand deposit account.

Warehousing – The ability of an ODFI to receive a file from a customer/company ahead of the effective date and hold it for release to the ACH on the effect date, or for a Receiving Depository Financial Institution to receive entries ahead of the effective date and hold them without posting until the effective date has been reached.

**FEDLINE
TRAINING EVALUATION**

Date: _____

Course ID: _____

Please circle the appropriate number for the following items:

A.	Class/Materials Evaluation	Poor	Fair	Average	Good	Excellent
	Instructor's presentation	1	2	3	4	5
	Instructor's knowledge	1	2	3	4	5
	Value of lessons learned	1	2	3	4	5
	Supplemental reference materials	1	2	3	4	5
	Training manuals	1	2	3	4	5
	Were your training needs met?	1	2	3	4	5
	Would you recommend this class to others?	1	2	3	4	5
	Overall class rating	1	2	3	4	5

B. Would you be willing to participate in a follow-up discussion on your training experience?

Your Name: _____

Institution's Name: _____

Your Phone Number: _____

C. General comments/improvements/suggestions concerning the class (continue on back of page if additional room is needed). Thank you for your feedback.

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