Bank of North Dakota
Automated Clearing House Overview

Contact information

BND's Electronic Banking Department
Phone: 1.800.472.2166 ext. 328.5749 or 701.328.5749
Email: bndelectronic@nd.gov

Hours of operation

Monday-Friday: 8 a.m. to 5 p.m. (except for holidays)

Origination cutoff times

- Future-dated ACH: Origination cutoff is 4 p.m. CT for current-day processing. Files Received after this will be processed on the next business day.
- Same Day ACH: Origination cutoff is 1 p.m. CT. Any same-day files received after this time will settle the next day.

2024 holiday schedule

The 2024 holidays will be observed by Bank of North Dakota and the Federal Reserve Bank of Minneapolis and its Helena Branch on the following dates:

New Year's Day: Monday, January 1
Martin Luther King Jr. Day: Monday, January 15
Presidents Day: Monday, February 19
Memorial Day: Monday, May 27
Juneteenth National Independence Day: Wednesday, June 19*
Independence Day: Thursday, July 4
Labor Day: Monday, September 2
Columbus Day: Monday, October 14
Veterans Day: Monday, November 11
Thanksgiving Day: Thursday, November 28
Christmas Day: Wednesday, December 25

*BND will be open on Wednesday, June 19, **with limited operations**. Due to the Federal Reserve being closed to honor Juneteenth, BND banking transactions will not be processed until Thursday, June 20. If you have any questions, please work closely with your specific business partner at BND to discuss further.

Contents

Payment applications

The Automated Clearing House (ACH) Network supports a number of different payment applications. Unlike the wire transfer and check systems, ACH is both a credit and a debit payment system. An originator initiating entries into the ACH Network codes the entries to indicate the type of payment, such as a debit or credit to a consumer or corporate account. In certain cases, a particular application may be used for both consumer and corporate transactions.

Each ACH application is identified and recognized by a specific Standard Entry Class Code, which appears in the ACH record format. The Standard Entry Class Code also identifies the computer record format that carries the payment and payment-related information for the application. ACH entries may be transmitted to a variety of account types. Both credit and debit entries may be transmitted to demand accounts, savings accounts and financial institutions' general ledger accounts. Only credit entries (with the exception of reversals to correct erroneous credit transactions) may be transmitted to loan accounts.

Key participants in the Automated Clearing House system

Originator

Before any transaction can be originated into the system, there must be a business ready to initiate entries. This includes financial institutions, their customers, corporations and state entities.

In all cases, the originator should be in control of the file of entries, regardless of where the technical processing is done. This is important because the originator is the holder of the authorization and it is the only participant that knows if an entry should be originated. It is also the only participant that knows if an entry is timely and if the dollar figure is correct. The originator usually markets ACH products and services to its employees, customers or trading partners. The originator should always have a signed contract with its Originating Depository Financial Institution (ODFI), in this case Bank of North Dakota (BND).

Originating Depository Financial Institution

BND is the point of entry for the originator into the ACH system. BND delivers the transactions to the ACH operator for processing in a timely manner. If there is a problem with a transaction, BND will be the contact point for all parties involved, including the Receiving Depository Financial Institution (RDFI) and the originator.

BND warrants to the RDFI that every entry is authorized, timely and accurate. This means BND, contractually with the originator, must ensure all the information passing through the ACH network is correct.

The ACH operator

The ACH processing facility is composed of Federal Reserve processing centers and the private sector operator, the Electronic Payments Network (EPN). The originating ACH operator accepts input from qualified ODFIs and delivers it to the appropriate receiving ACH operator or RDFI within specific time frames.

The ACH operators only accept input in ACH format and do not change the information in any part of the ACH record other than certain mandatory fields. They do, however, input the settlement date, which is the date the funds are actually transferred between financial institutions.

Settlement (the transfer of funds between two parties) occurs through the Federal Reserve System or through a correspondent financial institution. The posting of this information and therefore the availability or charges for the funds to be moved, should occur on settlement day.

Receiving Depository Financial Institution

RDFIs are required to accept the transaction as it is received, post the transaction to the customer's account and provide certain information about the transactions on the customer's statements. Debits and credits directed to checking and savings accounts must be accepted by all RDFIs.

All transactions received must be posted and deposits must be made available for withdrawal from the customer's account on settlement day. Settlement day is the date the Federal Reserve credits or debits the account of the RDFI for the value of the entries received. The settlement date should coincide with the effective entry date. However, it is possible for the settlement date to be later than the effective entry date. In no case can the settlement date be before the effective entry date. Some ACH credits must be made available for cash withdrawal at the opening of business on settlement day.

The RDFI has the right to return entries or to ask for changes to entries if the information on an entry is incorrect. It also has the right to ask for a copy of the authorization at any time. This is usually done when the receiver does not recall if he or she authorized the transaction in question.
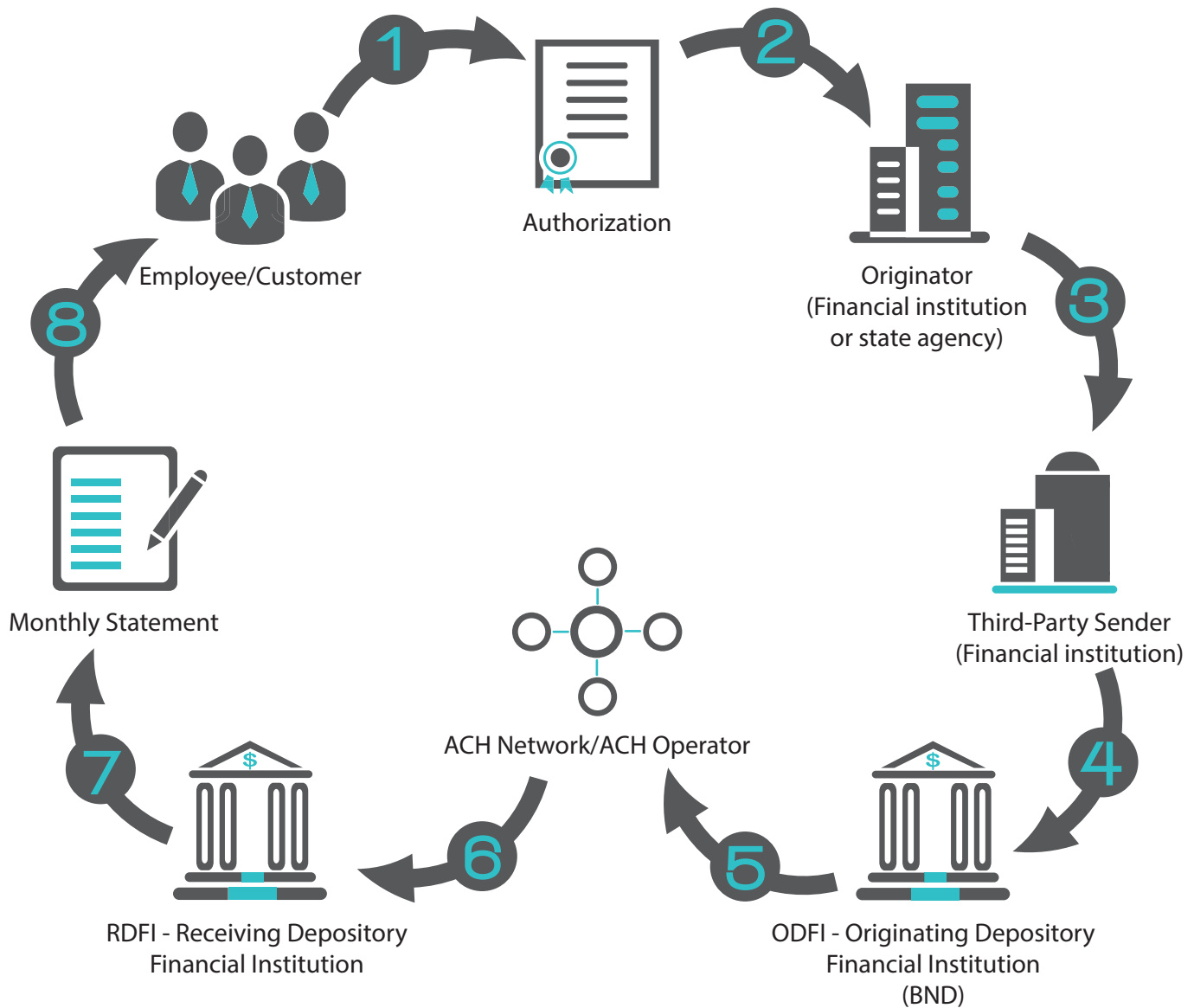
Receiver

Receivers are either individuals or corporations whose accounts are credited or debited depending on the type of transaction. In all cases, the receiver must authorize the ACH transactions prior to the originator initiating the entries. For consumer transactions, debits must be authorized in writing, similarly authenticated or notice must be provided; credit transactions can be authorized orally. For recurring debit entries, the authorization must explain the revocation procedures clearly to the consumer. For corporate-to-corporate payments, the authorization process is normally part of the trading partners' contract.

Third-party sender

A Third-party sender is an organization that acts as an intermediary between an originator and BND. The third-party sender has an agreement with the BND that authorizes BND to transmit debits or credits to the account of a receiver on behalf of an originator.

Flow of entries within the ACH

The processing flow within the ACH network is illustrated below. The flow is always from the individual or company who gives authorization to the originator. From there it is delivered to BND, who processes the file, pulls off any transactions for accounts at BND and passes the rest of the file on to the ACH operator. The ACH operator sorts the file by routing number and delivers the transactions to each RDFI. The RDFI posts the transactions to its customers' accounts on settlement day and displays the information on a periodic descriptive statement.

1 → Authorization

2 → Originator (Financial institution or state agency)

3 → Third-Party Sender (Financial institution)

4 → ODFI - Originating Depository Financial Institution (BND)

5 → ACH Network/ACH Operator

6 → RDFI - Receiving Depository Financial Institution

7 → Monthly Statement

8 → Employee/Customer

Timing of transactions

The originating financial institution can deliver credit (deposit) entries up to two business days prior to settlement day. For consumer credit entries that are received at the receiving financial institution by 5 p.m. the day prior to posting, the deposit must be made available to the account holder at the beginning of business on the settlement date. All other credit entries must be made available sometime on settlement day.

Debit (withdraw) entries may only be delivered to the Federal Reserve one business day prior to settlement day. The settlement date is the date that money moves between all parties. It is usually the same as the effective date set by the originating entity. BND reserves the right to require prefunding.

Same-day credit entries must be submitted by 1 p.m. CT if the entry needs to be processed as a same-day entry. If the entry is submitted after the 1 p.m. CT cutoff, it will be processed on the next business day. The same applies for same-day debit entries. Once the entry processes, the RDFI must make funds available at the processing day's end.

Upon completion of file delivery, customers must send a transmittal via email to the BND ACH Desk at bndelectronic@nd.gov, or fax to 701.328.5632. This transmittal must contain the customer name, effective date, total debits ($) and total credits ($) of the file. BND will not process the file until we receive the transmittal.

Acronyms on this page
    NOC   Notification of Change
    RDFI   Receiving Depository Financial Institution

Processing Exceptions

Returns

Any ACH transaction can be returned if there is a problem with the item. The network has a list of Return Codes that are used to let you know why the transaction is being returned. For credit entries like Direct Deposit, the number of returns are very low with the most common reasons being invalid account number, closed account, or no account. For debits, the majority are returned for Non-Sufficient Funds (NSF) or uncollected funds, although returns can be generated for many other reasons. A list of return reason codes can be found on **page 10**.

Notification of change

When an ACH entry is originated with incorrect information, there is a mechanism by which an RDFI can request a change to the transaction information. The notification of change (NOC) process was specifically designed so an RDFI could request corrections to specific fields in the ACH records from the originator on subsequent transactions. **NOCs must be generated within two banking days of the original settlement date of the entry, unless the NOCs are being generated based on a merger or acquisition.**

All NOCs are returned to BND in an automated format; therefore, the originator will also receive the information by fax, secure email or BND Direct. There is a change code that explains what needs to be changed. In addition, the RDFI uses specific fields where corrected information is included. Be sure to use this data to make changes. A list of NOC codes can be found on **page 12**.

Upon receipt of an NOC, the originator is required to make the change requested before the next entry is generated or within three banking days, whichever is later. Please ensure this is done to eliminate special processing and inconveniences for the RDFI and your customer or employee.

If an NOC is inaccurate or formatted incorrectly, there is a process for the originator or BND to refuse the NOC. If the need arises to use this procedure, contact your account representative.

Termination of authorization/stop payments

An individual customer or employee of a company has the right to revoke his/her authorization at any time. The consumer must contact the originator to request the termination. If the authorization is revoked, the originator should immediately discontinue generating ACH entries to the consumer's account.

For originators that generate debit entries, it is possible to receive entries that have been returned "payment stopped." These specific transactions cannot be reinitiated unless the transactions are re-authorized by the customer who requested the stop.

Reversal entries

In the event a transaction or file is originated in error or is duplicated, the ACH network has the capability to reverse the transaction or file. There are two types of reversals addressed in the ACH rules: file reversals and single-entry reversals.

When generating a reversal, the original file is used as a starting point. Two changes need to be made to that file. The first is to add the word "reversal" in the company entry description field in the company batch header

Acronyms on this page

NSF   Non-Sufficient Funds
ODFI Originating Depository Financial Institution
RDFI Receiving Depository Financial Institution

record. This lets the RDFI know what type of entry it is. The second is to the transaction code field. If the original entry was a credit to the checking account (trancode 22), the trancode should be changed to debit the checking account (trancode 27) for the reversal entry. This reverses the first entry and makes the net effect zero. This could be done for all the entries in the file or for an individual entry.

Requirements for reversals:
- File reversals must be generated within 24 hours of the determination of error.
- All reversals must be generated within five days of the settlement date of the original entries.
- All reversal files to correct an erroneous file must be accompanied by a new, correct file.

For single entry reversals, the originator must send or deliver a notification of the reversal and the reason for the reversal entry to the receiver by the settlement date of the reversal.

If your state agency or financial institution chooses to generate single-entry or file reversals, there should be procedures in place to ensure these entries comply with the requirements of the rules. In all cases, the RDFI is indemnified against all losses that might stem from an incorrectly generated reversal.

Originators should be aware there is risk of loss when generating reversal files or entries. If a reversal is generated for an erroneous payroll entry and a corrected payroll entry is also generated, the RDFI will see two credit entries and one debit entry. If the receiver is in an overdraft position, it is possible the two credits will post and the debit will be returned NSF (non-sufficient funds). If this occurs, the agency or financial institution must contact the individual whose account caused the return and ask for the money back.

If the errors on the original file are detected after the five-day time frame, the originator may contact the RDFI and request the erroneous entries be returned R06 - Returned per ODFI Request.

Returns per ODFI Request

When a transaction is generated erroneously, either the ODFI or the originator through the ODFI has the right to orally, or in writing, contact the RDFI and ask it to return the entry. The return reason code used for this type of entry is R06 - Returned per ODFI Request. In most cases, the RDFI will comply after asking for an indemnification letter. The ODFI and the originator are liable for the entry due to the request for the RDFI to return the entry. RDFIs are not required to comply with the request. If the ODFI request is within five banking days from the settlement date of the entry, a reversal may be transmitted.

Adds, changes and deletes

Once a file is presented to the ACH operator, BND can no longer change or retrieve it. If the originator discovers an error after transmitting the file, BND should be contacted immediately since it is sometimes possible for the error to be corrected before processing occurs.

Exception examples

BND will notify customers via fax, secure email or BND Direct of ACH originated returns and notice of changes. See examples below (customer information has been removed). A detailed report guide can be found in **Appendix 1**.

```
R3140-02/R1.0 A102   PEP+   D I S T R I B U T I O N   E N T R I E S   L I S T   (ACH FORMAT)          05-01-15 13:13 PAGE     13
                     POINT: A102COMP   APPL: RETIRE   TYPE:        T/R: 091300285      FROM DATE/WINDOW  05/01/2015 1300
                                                                                      TO   DATE/WINDOW  05/01/2015 1300
-----------------------------------------------------------------------------------------------------------------------------
REC    SERVICE                                      COMPANY    STD ENTRY  CO. ENTRY  CO. DESC  EFF ENTRY    ORIG       BATCH
TYPE   CLASS CODE   COMPANY NAME   DISCRETIONARY DATA   ID     CLASS        DESC      DATE       DATE       BANK      NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 5       200       ███████████    02256181      ███████████   PPD     ND Payment    150427     150427    09130028   0000011
-----------------------------------------------------------------------------------------------------------------------------
REC      TRAN/ABA                                 CUSTOMER      CUSTOMER          DISC ADDENDA                      TRACE
TYPE  TC  NUMBER    BANK ACCT NO.    AMOUNT          ID           NAME            DATA  IND     PAR              NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 6   21  09130051-5  ██████        1,194.00  OneTimePay   ███████████              1  15121003907948  3907948
     99     R03 NO ACCT/CANNOT LOCATE  091300280000001  00 00 00      09130051
-----------------------------------------------------------------------------------------------------------------------------
REC    SERVICE     ENTRY      ENTRY         TOTAL DR       TOTAL CR     COMPANY     ORIG      BATCH
TYPE   CLASS CODE  COUNT      HASH         DOLLAR AMT     DOLLAR AMT      ID        BANK     NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 8       200      000002     0009130051          .00       1,194.00   1450309764  09130028  0000011
```

```
R3140-02/R1.0 A102   PEP+   D I S T R I B U T I O N   E N T R I E S   L I S T   (ACH FORMAT)          05-01-15 13:13 PAGE      8
                     POINT: A102COMP   APPL: RETIRE   TYPE:        T/R: 091300285      FROM DATE/WINDOW  05/01/2015 1300
                                                                                      TO   DATE/WINDOW  05/01/2015 1300
-----------------------------------------------------------------------------------------------------------------------------
REC    SERVICE                                      COMPANY    STD ENTRY  CO. ENTRY  CO. DESC  EFF ENTRY    ORIG       BATCH
TYPE   CLASS CODE   COMPANY NAME   DISCRETIONARY DATA   ID     CLASS        DESC      DATE       DATE       BANK      NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 5       200       ███████████                  ███████████   COR     DIR DEP       150415     150430    09130028   0000006
-----------------------------------------------------------------------------------------------------------------------------
REC      TRAN/ABA                                 CUSTOMER      CUSTOMER          DISC ADDENDA                      TRACE
TYPE  TC  NUMBER    BANK ACCT NO.    AMOUNT          ID           NAME            DATA  IND     PAR              NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 6   21  09100001-9  ██████           .00  1017712   ███████████              1  15121003907909  3907909
     98     C01 INCORRECT ACCT NO  091300280004562      09100001 ██████
-----------------------------------------------------------------------------------------------------------------------------
REC    SERVICE     ENTRY      ENTRY         TOTAL DR       TOTAL CR     COMPANY     ORIG      BATCH
TYPE   CLASS CODE  COUNT      HASH         DOLLAR AMT     DOLLAR AMT      ID        BANK     NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 8       200      000002     0009100001          .00            .00   1456002439  09130028  0000006
```

```
R3140-02/R1.0 A102   PEP+   D I S T R I B U T I O N   E N T R I E S   L I S T   (ACH FORMAT)          05-01-15 13:13 PAGE     15
                     POINT: A102COMP   APPL: RETIRE   TYPE:        T/R: 091300285      FROM DATE/WINDOW  05/01/2015 1300
                                                                                      TO   DATE/WINDOW  05/01/2015 1300
-----------------------------------------------------------------------------------------------------------------------------
REC    SERVICE                                      COMPANY    STD ENTRY  CO. ENTRY  CO. DESC  EFF ENTRY    ORIG       BATCH
TYPE   CLASS CODE   COMPANY NAME   DISCRETIONARY DATA   ID     CLASS        DESC      DATE       DATE       BANK      NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 5       200       ███████████    02256124      ███████████   COR     ND Payment    150427     150427    09130028   0000013
-----------------------------------------------------------------------------------------------------------------------------
REC      TRAN/ABA                                 CUSTOMER      CUSTOMER          DISC ADDENDA                      TRACE
TYPE  TC  NUMBER    BANK ACCT NO.    AMOUNT          ID           NAME            DATA  IND     PAR              NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 6   31  10700346-3  ██████           .00  OneTimePay   ███████████              1  15121003907964  3907964
     98     C05 INCORRECT T/C  091300280000001      10700346 ██████
-----------------------------------------------------------------------------------------------------------------------------
REC    SERVICE     ENTRY      ENTRY         TOTAL DR       TOTAL CR     COMPANY     ORIG      BATCH
TYPE   CLASS CODE  COUNT      HASH         DOLLAR AMT     DOLLAR AMT      ID        BANK     NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 8       200      000002     0010700346          .00            .00   1450309764  09130028  0000013
```

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R3140-02/R1.0 A102   PEP+   D I S T R I B U T I O N   E N T R I E S   L I S T   (ACH FORMAT)          05-01-15 13:13 PAGE      3
                     POINT: A102COMP   APPL: RETIRE   TYPE:        T/R: 091300285      FROM DATE/WINDOW  05/01/2015 1300
                                                                                      TO   DATE/WINDOW  05/01/2015 1300
-----------------------------------------------------------------------------------------------------------------------------
REC    SERVICE                                      COMPANY    STD ENTRY  CO. ENTRY  CO. DESC  EFF ENTRY    ORIG       BATCH
TYPE   CLASS CODE   COMPANY NAME   DISCRETIONARY DATA   ID     CLASS        DESC      DATE       DATE       BANK      NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 5       200       ███████   N/A             ███████████   PPD     PAYMENTS      042315     150423    09130028   0000001
-----------------------------------------------------------------------------------------------------------------------------
REC      TRAN/ABA                                 CUSTOMER      CUSTOMER          DISC ADDENDA                      TRACE
TYPE  TC  NUMBER    BANK ACCT NO.    AMOUNT          ID           NAME            DATA  IND     PAR              NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 6   26  09130001-0  ██████        100.00  ███████████        ███████████   AA  1  15121003908131  3908131
     99     R01 INSUFFICIENT FUNDS  011000010000660  00 00 00      09130001 ██████
-----------------------------------------------------------------------------------------------------------------------------
REC    SERVICE     ENTRY      ENTRY         TOTAL DR       TOTAL CR     COMPANY     ORIG      BATCH
TYPE   CLASS CODE  COUNT      HASH         DOLLAR AMT     DOLLAR AMT      ID        BANK     NUMBER
-----------------------------------------------------------------------------------------------------------------------------
 8       200      000002     0009130001       100.00            .00   1456002413  09130028  0000001
```

ACH transaction codes

The ACH uses a limited number of transaction codes. ACH entries can be debits or credits to checking (DDA), savings or financial institution general ledger accounts or credits to loan accounts.

Demand credit records (for checking, NOW and share draft accounts)

21   Return or notification of change for original transaction codes 22, 23 and 24
22   Demand credit
23   Prenotification of demand credit; Death notification (non-dollar); Automated enrollment entry (non-dollar)
24   Zero dollars with remittance data (CCD, CTX, IAT, ACK, ATX)

Demand debit records (for checking, NOW and share draft accounts)

26   Return or notification of change for original transaction codes 27, 28 and 29
27   Demand debit
28   Prenotification of demand debit (non-dollar)
29   Zero dollars with remittance data (CCD, CTX, IAT)

Savings account credit Records

31   Return or notification of change for original transaction codes 32, 33 and 34
32   Savings credit
33   Prenotification of savings credit; Death notification (non-dollar); Automated enrollment entry (non-dollar)
34   Zero dollars with remittance data (CCD, CTX, IAT, ACK, ATX)

Savings account debit records

36   Return or notification of change for original transaction codes 37, 38 and 39
37   Savings debit
38   Prenotification of savings debit (non-dollar)
39   Zero dollars with remittance data (CCD, CTX, IAT)

Financial institution general ledger credit records

41   Return or notification of change for original transaction codes 42, 43 and 44
42   General ledger credit
43   Prenotification of general ledger credit (non-dollar)
44   Zero dollars with remittance data (CCD, CTX)

Financial institution general ledger debit records

46   Return or notification of change for original transaction codes 47, 48 and 49
47   General ledger debit
48   Prenotification of general ledger debit (non-dollar)
49   Zero dollars with remittance data (CCD, CTX)

Loan credits and reversals

Loan account credit records
51   Return or notification of change for original transaction codes 52, 53 or 54
52   Loan account credit
53   Prenotification of loan account credit (non-dollar)
54   Zero dollar with remittance data (for CCD and CTX entries only)

Loan account debit records (for reversals only)

55   Loan account debit (reversals only)

56   Return or notification of change for original transaction code 55

ACH Return Reason Codes

R01   Insufficient funds

R02   Account closed

R03   No account/unable to locate account

R04   Invalid account number structure

R05   Unauthorized debit to consumer account using corporate SEC code

R06   Returned per ODFI's request

R07   Authorization revoked by customer

R08   Payment stopped

R09   Uncollected funds

R10   Customer advises not authorized, improper, ineligible or part of an incomplete transaction

R11   Customer advises entry not in accordance with the terms of the authorization

R12   Account sold to another DFI

R14   Representative payee deceased or unable to continue in that capacity

R15   Beneficiary or account holder (other than a representative payee) deceased

R16   Account frozen/entry returned per OFAC instruction

R17   File record edit criteria

R20   Non-transaction account

R21   Invalid company identification

R22   Invalid individual ID number

R23   Credit entry refused by receiver

R24   Duplicate entry

R29   Corporate customer advises not authorized

R31   Permissible return entry (CCD and CTX only)

R33   Return of XCK entry

R37   Source document presented for payment

R38   Stop payment on source document

R39   Improper source document/source document presented for payment

R50   State law affecting RCK acceptance

R51   Item related to RCK entry is ineligible or RCK entry is improper

R52   Stop payment on item related to RCK entry

R53   Item and RCK entry presented for payment

R80   IAT entry coding error

R81   Non-participant in IAT program

R82   Invalid foreign receiving DFI identification

R83   Foreign receiving DFI unable to settle
R84   Entry not processed by gateway
R85   Incorrectly coded outbound international payment

ACH Dishonored Return Reason Codes

ACH return transactions may be dishonored within five banking days if the return was inaccurate or the timeliness of the return has caused a loss to the ODFI or originator.

R61   Misrouted return
R62   Return of erroneous or reversing debit
R67   Duplicate return
R68   Untimely return
R69   Field error(s) (addenda records required)
R70   Permissible return entry not accepted / return not requested by ODFI

ACH Contested/Corrected Dishonored Return Reason Codes

ACH dishonored returns may be contested within two banking days if the dishonored return was inaccurate or untimely, to dispute the timeliness of the original return or to correct the original return.

R71   Misrouted dishonored return
R72   Untimely dishonored return
R73   Timely original return
R74   Corrected return
R75   Return not a duplicate
R76   No errors found
R77   Non acceptance of R62 dishonored return

Codes to be used by the ACH operator

Only the ACH operator can use these codes; transactions will be rejected if used by the RDFI or the ODFI.

R13   Invalid ACH routing number
R18   Improper effective entry date
R19   Amount field error
R25   Addenda error
R26   Mandatory field error
R27   Trace number error
R28   Routing number check digit error
R30   RDFI not a participant in check truncation program
R32   RDFI non-settlement
R34   Limited participation DFI
R35   Return of improper debit entry
R36   Return of improper credit entry

ACH Service Class Codes

This code identifies the general nature of the dollar entries with a batch of ACH transactions. The field is part of the Company/Batch Header Record.

200   ACH Entries mixed debits and credits
220   ACH credits only
225   ACH debits only

Addenda Type Codes

Any time there is an addenda record attached to a detail record, the addenda record type is identified by the type code in positions 02-03 of the addenda record. The addenda record indicator should also be a "1" in the detail record itself.

02   Used for POS, MTE and SHR entries only (card-based transactions)
05   Special addenda record for ACK, ATX, CCD, CIE, CTX, DNE, ENR, PPD, WEB and TRX (see pg. 13 and 14)
10-18 For IAT entries
98   Automated NOC and Refused NOC entries
99   Automated return entries

ACH Notification of Change Codes

Once a company has received an NOC, a live entry should not be originated until the change has been made.

C01   Incorrect DFI account number
C02   Incorrect routing number
C03   Incorrect routing number and incorrect DFI account number
C05   Incorrect transaction code
C06   Incorrect DFI account number and incorrect transaction code
C07   Incorrect routing number, incorrect DFI account number and incorrect transaction code
C08   Incorrect receiving DFI identification (IAT only)
C09   Incorrect individual ID number
C13   Addenda format error

ACH Refused Notification of Change Codes

If a Notification of Change contains erroneous information about the original transaction, the originator may refuse the NOC for these reasons:

C61   Misrouted notification of change
C62   Incorrect trace number
C63   Incorrect company identification number
C64   Incorrect individual identification number/identification number
C65   Incorrectly formatted corrected data
C66   Incorrect discretionary data
C67   Routing number not from original entry detail record
C68   DFI account number not from original entry detail record
C69   Incorrect transaction code

Standard Entry Class Codes

The Standard Entry Class (SEC) code is a three-letter code in the Company/Batch Header Record, which identifies the kind of ACH entry being originated.

ACK

ACH Payment Acknowledgment - Used by a company to acknowledge receipt by the RDFI of a corporate credit payment originated using the CCD format. An ACK entry may be accompanied by one addenda record, which relays information about the financial EDI credit payment using the ANSI ASC X12 REF (reference) data segment.

ARC

Accounts Receivable Entry – Used by a company to initiate a single debit entry to a receiver's account when a source document is received in the U.S. mail, drop box or in person at a manned bill location.

ATX

Financial EDI Acknowledgment - Used by a company to acknowledge receipt by the RDFI of a corporate credit payment originated using the CTX format. An ATX entry may be accompanied by one addenda record, which relays information about the financial EDI credit payment using the ANSI ASC X12 REF (reference) data segment.

BOC

Back Office Conversion Entry - Used to identify a non-recurring transaction that is authorized at the point-of-purchase or manned bill payment location, using a source document (check or sharedraft) to gain routing information necessary to process the entry.

CCD

Corporate Credit or Debit - Used to disburse or consolidate funds within or between corporations. A CCD entry may contain one addenda record. These entries are usually high dollar, low volume and time critical.

COR

Correction (Notification of Change) - Used by financial institutions to identify an NOC or Refused NOC entry. The entry must contain one addenda record specifying the change request information.

CTX

Corporate Trade Exchange - Used by companies to disperse or collect funds from another corporate account. These entries may contain up to 9,999 special addenda records.

IAT

International ACH Transaction – Used when a company or consumer receives or sends ACH entries to/from a foreign country.

POP

Point-of-Purchase - Used to identify a non-recurring transaction that is authorized at the point-of-sale, using a source document (check or sharedraft) to gain routing information necessary to process the entry.

PPD

Pre-arranged Payment or Deposit - Used for debit and credit entries authorized by a consumer account holder. The entries may contain one addenda record.

RCK

Re-presented Check Entry - Used to generate electronic collection of a paper item if the paper item was returned for either non-sufficient funds or for uncollected funds. These entries can be represented twice after the initial paper presentment. Use of the RCK SEC code constitutes a presentment notice of an eligible item.

TEL

Telephone-Initiated Entry - Used when a consumer authorization is generated over the phone. Either the company can call a consumer with which they have an existing relationship or the consumer can call the company whether they have a relationship or not.

WEB

Internet-Initiated Entry - Used when an ACH consumer debit entry is authorized over the Internet or mobile device or the origination of credit entries between consumers (Person-to-Person or P2P transactions).

There are a number of other special use Standard Entry Class codes such as **POS** and **SHR** for point-of-sale, **CIE** for home banking and **TRC** and **TRX** for truncation-based transactions. Contact your account representative for more information on the formats and uses of these codes.

Glossary

Automated Clearing House (ACH)

An electronic funds transfer system governed by the NACHA Operating Rules.

ACH operator

The central clearing facility that receives entries from ODFIs, edits and processes based on requirements of the rules, distributes the entries to RDFIs and performs settlement functions. It provides services to DFIs on a local, regional or national basis. ACH operators may be private companies or offices of a Federal Reserve Bank. The ACH operator is responsible for processing electronic entries received from other ACH operators or ODFIs.

Accounts receivable entry (ARC)

A single entry debit initiated by an originator to a receiver's account pursuant to an eligible source document, provided to the originator by the receiver via the U.S. mail, at a drop box location or in person at a manned location.

Addenda record

An ACH record type that carries supplemental data on a particular entry. Used with a type code that identifies the type of entry it supports.

Authorization

A written agreement signed by an employee or customer or an authenticated electronic process, that allows the posting of debits or credits arising from ACH transactions to the employee's or customer's account.

Automated enrollment entry (ENR)

A non-monetary entry initiated by a participating DFI to an agency of the federal government of the United States on behalf and at the request of an account holder at the participating DFI to enroll in a service that will enable entries to such person's account at the participating DFI.

Back office conversion (BOC)

A single-entry debit initiated by an originator to a receiver's account pursuant to an eligible source document, provided by the receiver at a point-of-purchase or manned bill payment location for subsequent conversion during back-office processing.

Banking day

With reference to a participating DFI, any day on which such DFI is open to the public during any part of such day for carrying on substantially all of its banking functions and, with reference to an ACH operator, any day on which the appropriate facility of such ACH operator is being operated.

Batch

A group of records considered a single unit for the purpose of data processing.

Bureau of the Fiscal Service (BFS)

Newly consolidated bureau containing the disbursing division for the U.S. Treasury. Formerly known as Financial Management Service (FMS).

Business/company

An individual, sole proprietorship, partnership or corporation engaged in a commercial enterprise or venture.

Business day

A calendar day other than a Saturday, Sunday or federal holiday.

Character

A letter, digit or other symbol that is used as part of the organization, control and/or representation of data.

Central information file

A master file maintained by the ACH or other interested party containing processing and routing information on financial institutions that have chosen to participate in the ACH system.

Company/business

An individual, sole proprietorship, partnership or corporation engaged in a commercial enterprise or venture. **15**

Company/batch header record

The record(s) contained within an ACH file that describes the originator(s) of the ACH transaction(s).

Company identification number

The number in the company/batch header and control records, which identifies the originator. The number is usually the company's tax ID preceded by a one.

Composite receiver file

The directory of all RDFIs served by an automated clearing house. The ACH processor usually maintains this file.

Consumer account

An account held by a DFI and established by a natural person primarily for personal, family or household and not for commercial purposes.

Contested dishonored return

A disputed dishonored return by the RDFI back to the ODFI.

Core-required minimum CCD + reassociation data

Information transmitted by a health plan to a health care provider in a health care EFT transaction for the purpose of reassociating the health care EFT transaction with an electronic remittance advice. The CORE-required minimum CCD + reassociation data elements include the information contained within the effective entry date field, the amount field and the payment related information field of the CCD Entry.

Corporate credit or debit (CCD)

An automated corporate payments application that transfers funds between corporate accounts for collection purposes (concentration) or for disbursement purposes or between companies for payment. In most cases it is normally used as an intra-company application. It is also used as a cash management technique by the corporate community. This type of payment can carry one addenda record of information formatted based on basic ANSI X-12 syntax. When this is done it is referred to as a CCD+.

Corporate trade payments (CTX)

This format was developed to make it possible for businesses to pay each other electronically through the ACH system and, at the same time, pass needed information with the payment. This format is capable of carrying up to 9,999 addenda records with payment related information.

Correcting file

A file that corrects the entries contained in an erroneous file.

Correspondent financial institution

A financial institution that provides payment services to other depository institutions for a fee. This includes ACH processing and posting as well as checks clearing, DDA and savings posting, etc.

Acronyms on this page

DDA	Demand Deposit Account (checking account)
EDI	Electronic Data Interchange
ODFI	Originating Depository Financial Institution
RDFI	Receiving Depository Financial Institution

Credit entries

Funds flow from the originator to the receiver of the payment. Direct deposit of payroll is the most common product associated with credit entries. Other examples include dividend payments, interest payments, social security payments and EDI payments.

Customer initiated entry (CIE)

A credit entry initiated by or on behalf of the holder of a consumer account to the non-consumer account of a receiver. CIE entries are usually transmitted to a company for payment of funds that the consumer owes to the company and are initiated by the consumer through some type of online banking product or bill payment service provider.

Data passing

The sharing of certain customer information by originators, third-party service providers and ODFIs for the purpose of initiating debit entries that are not covered by the original authorization.

Data transmission

A medium by which ACH entries can be delivered to and from the ACH network. Data transmission may be over regular phone lines, a dedicated line with numerous line speeds available or through the Internet via a secure server. This is the fastest and most efficient method of receiving and originating transactions.

Death notification entry (DNE)

An automated format to provide notice to an RDFI of the death of a federal government payment beneficiary. Only an agency of the federal government may originate a DNE entry.

Destroyed check entry (XCK)

An ACH debit entry initiated in the event that a cash letter containing eligible items is lost or destroyed or is otherwise unavailable and cannot be obtained by an ODFI.

Descriptive statements

Regulation E requires that a financial institution receiving ACH transactions make available a monthly statement with descriptive information included. See Regulation E for details on the requirements. The NACHA Operating Rules mirror this requirement. See Appendix Four of the **NACHA Operating Rules**.

Direct access

A situation in which an originator, third-party sender or a third-party service provider transmits credit or debit entries directly to an ACH operator using an ODFI's routing number and settlement account.

Direct deposit via ACH

A deposit made to a consumer's account at a depository institution through the ACH network. Typically refers to payroll deposits, social security payments and pension payments.

Direct payments via ACH

A charge to a receiver's account at the RDFI through the ACH network. Examples of direct payments include insurance, utility, mortgage and car payments.

Direct send

A situation in which a participating DFI transmits or receives ACH entries with another non-affiliated participating DFI and the entries are not processed through an ACH operator.

Dishonored return entry

A return entry dishonored by the ODFI if the entry was untimely or if the information in the return entry was incomplete or incorrect.

Edit

To alter, adapt or refine information, especially to conform to a standard or to suit a particular purpose or function. Also used to refer to the process of checking a file to ensure the information is correct and able to be processed within the ACH network.

Effective entry date

The date the originating business or individual has requested that the entries post to the receiver's accounts.

Electronic data interchange (EDI)

The movement of data relating to a transaction, or transactions, between two corporate trading partners. From an ACH standpoint, a financial EDI transaction would include a payment and the data relating to the payment within an ACH entry.

Electronic record

An agreement, authorization, written statement of unauthorized debit or other record created, generated, sent, communicated, received or stored by electronic means.

Electronic signature

An electronic sound, symbol or process attached to or logically associated with an agreement, authorization, written statement of unauthorized debit or other record and executed or adopted by a person with the intent to sign the record.

Eligible source document

A check used as a source of information for ARC, BOC or POP Entries.

Entry

A pre-authorized paperless credit or charge.

Erroneous entry

An entry that a) is a duplicate of an entry previously initiated by the originator or ODFI; b) orders payment to or from a receiver different than the receiver intended to be credited or debited by the originator; or c) orders payment in a dollar amount different than was intended by the originator.

Erroneous file

A file that is a duplicate of a previously submitted file, or a file in which each entry, or each entry in one or more batches contained in such file, is an erroneous entry.

Error resolution

Procedures required for resolving a consumer's allegation that entries were improperly charged to the consumer's account. The **NACHA Operating Rules** and **Regulation E** outline different minimum error resolution requirements. Each has slightly different liability streams and consequences for the financial institution and its customer.

Exception entry

An entry that requires special attention or processing such as return entries, notification of change entries and stop payments.

Existing relationship

The originator and receiver have an existing relationship when there is a written agreement in place between the originator and the receiver or when the receiver has purchased goods or services from the originator within the past two years.

Extended return entry

An entry initiated by an RDFI that returns a previously originated debit entry to an ODFI.

Federal Reserve System

The central bank for the United States, it is made up of 12 district banks. All national banks are required to be members. Other institutions can choose to be members.

Field

One or more consecutive character positions within an ACH entry mapped to contain specific information.

File

A group of ACH entries with specific control totals. A file may contain many batches of entries. Within a file is all the information necessary to post transactions.

File header record

The first record of an ACH file, containing information necessary to route, validate and track the ACH entries contained in the file.

Financial agency

An entity that is authorized by applicable law to accept deposits or is in the business of issuing money orders or transferring funds.

Funds availability

The time at which the funds for specific ACH entries are made available to the customer.

Gateway

An ACH operator or a participating DFI that acts as an entry point to or exit point from the United States for ACH payment transactions. Also known as a "gateway operator" or "GO."

Green book

A publication assembled by the U.S. Department of the Treasury that specifies the procedures to be used in ACH transactions originated on behalf of the United States federal government.

Health plan

An individual or group plan (including a self-insurance plan) that provides, or pays the cost of, medical care (i.e., the meaning of "health plan" assigned at 45 CFR 160.103, as modified from time to time).

Health care EFT transaction

A CCD entry originated by a health plan to a health care provider with respect to a health care claim. A health care EFT transaction must be accompanied by one addenda record that contains the ASC X12 835 TRN (reassociation trace number) data segment in the payment related information field.

Health care provider

A provider of medical or health services and any other person or organization who furnishes, bills or is paid for health care in the normal course of business (i.e., the meaning of "health care provider" assigned at 45 CFR 160.103, including a provider of certain services specified in the regulation, as modified from time to time).

Inbound IAT entry

An IAT entry that originates in a country other than the United States and is transmitted to the United States.

Incomplete transaction

A payment to an intended third-party payee that was not made or completed by the originator, third-party sender or ODFI of a corresponding debit entry authorized by a consumer receiver (or any receiver with respect to an ARC, BOC or POP entry) for the purpose of funding the payment to the third-party payee. A partial or erroneous payment to the intended third-party payee is not an incomplete transaction.
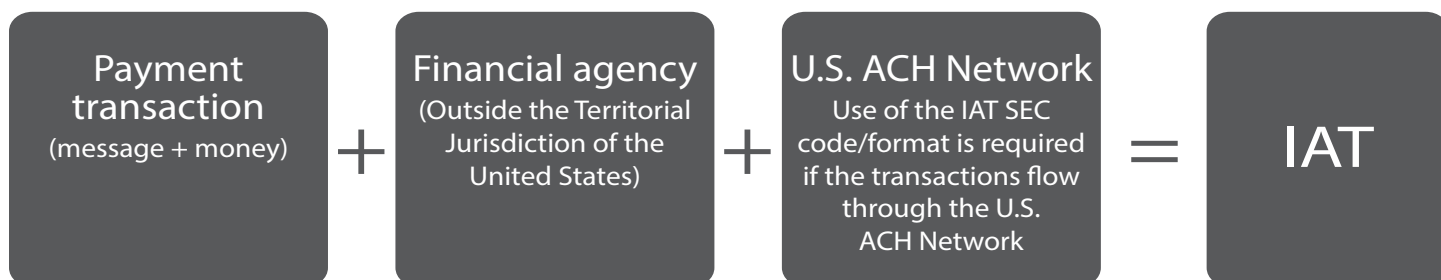
Individual identification number

The number used by the originating business to identify the individual being paid (direct deposit) or charged (automatic debits).

Intercept agent

For those financial institutions that cannot accept their own work from an ACH operator, this is the agent who accepts the work for them.

International ACH entries (IAT)

A debit or credit entry that is part of a payment transaction involving a receiver or financial agency's office that is not located in the territorial jurisdiction of the United States.

Payment transaction (message + money)	**+**	Financial agency (Outside the Territorial Jurisdiction of the United States)	**+**	U.S. ACH Network Use of the IAT SEC code/format is required if the transactions flow through the U.S. ACH Network	**=**	IAT

Internet-initiated entries/mobile (Web)

1) A debit entry initiated by an originator to a consumer account of the receiver based on a) an authorization that is communicated, other than by an oral communication, from the receiver to the originator via the Internet or a wireless network, or b) any form of authorization if the receiver's instruction for the initiation of the individual debit entry is designed by the originator to be communicated, other than by an oral communication, to the originator via a wireless network; or
2) A credit entry initiated by or on behalf of the holder of a consumer account that is intended for the consumer account of a receiver, regardless of whether the authorization of such entry is communicated via the Internet or wireless network.

Lockbox

A financial institution service which facilitates rapid collection and posting of corporate receivables. Typically, customer payments are mailed to the bank's lockbox for collection, sorting, totaling and recording by the bank rather than the company.

Machine transfer entry (MTE)

Credit or debit entries initiated at an electronic terminal, as defined in **Regulation E** of the Board of Governors of the Federal Reserve System, to affect a transfer of funds to or from a deposit account of an originator maintained with an RDFI, i.e. ATM cash deposits and withdrawals.

Memo posting

The process of adding ACH credit or debit totals to the available balance of customer accounts at the opening of business although the entries themselves do not post until the regular posting cycle in the evening.

National Automated Clearing House Association (NACHA)

The national payments association that establishes the standards, rules and procedures that enable financial institutions to exchange ACH payments on a national basis.

Non-consumer account

An account held by a participating DFI and established by an organization primarily for commercial purposes. A non-consumer account may be established by a natural person if the participating DFI's records indicate that the account is primarily for commercial and not for personal, family or household purposes (i.e. it is not a consumer account).

Non-monetary entry

Any notice or data complying with the formatting requirements of the NACHA Operating Rules that is not an order or request for the transfer or withdrawal of funds.

Notification of change (NOC)

A non-monetary entry sent by a RDFI informing an originating institution and the originating business of an error in the information necessary to handle the transaction electronically. The correct information is included along with the incorrect information to assist the originator in making the change. The SEC code for an NOC is COR.

On-US

ACH entries within a file that are destined for posting in accounts at the ODFI.

Originating depository financial institution (ODFI)

A participating financial institution that originates ACH entries. The entries may be internally originated or from an external source such as a company.

Origination agreement

A written agreement between an ODFI and an originator or third-party sender on behalf of an originator with which the third-party sender has an agreement that authorizes the ODFI to transmit entries to a receiver's account and that meets all other applicable requirements set forth in Subsection 2.2.2.1 and/or Subsection 2.2.2.2 (ODFI must enter origination agreement with third-party sender).

Originator

Any individual, business or other entity that initiates entries into the ACH network.

Acronyms on this page

IAT   International ACH Transaction
ODFI Originating Depository Financial Institution
RDFI Receiving Depository Financial Institution

Outbound IAT entry

An IAT entry that originates in the United States and is transmitted to another country.

Overall return rate

The rate at which an originator's or third party sender's debit entries, excluding RCK entries, are returned, regardless of reason, as calculated in accordance with Subsection 2.17.2.4 (d).

Overall return rate level

An overall return rate of 15 percent.

Participating depository financial institution (participating DFI)

A financial institution that is authorized by applicable legal requirements to accept deposits, has been assigned a routing number by Accuity and has agreed to be bound by the rules.

Pending file

The location in the computer where ACH entries received before settlement date are stored. A RDFI may receive entries up to four days before settlement date although entries should not be posted until settlement date.

Periodic statement

A summary report produced and mailed or delivered at specific intervals, usually monthly, containing information concerning the posting of credits and debits to a transaction account.

Person-to-person (P2P)

A credit entry initiated by or on behalf of a holder of a consumer account or a receiver. A P2P entry uses the Internet-initiated/mobile entry (WEB) standard entry class code.

Point-of-purchase (POP)

A one-time debit entry initiated by merchants/retailers for the in-person purchase of goods and services, using the receiver's check as a source document.

Point-of-sale (POS)

The direct electronic transfer of funds or the initiation of the transfer of funds, between the customer's account and the merchant's account at the time and place the transaction takes place. When ACH is the payment method this standard entry class code may be used.

Pre-arranged payment or deposit (PPD)

Consumer transactions made through the ACH network that arise from a prior authorization made by a customer and often occur on a periodic basis. This standard entry class code is used for many types of ACH entries including direct deposit via ACH and insurance premium payments.

Prenotification entry or Prenote

A non-monetary entry initiated by an originator to an RDFI prior to the initiation of the first credit or debit entry to a receiver's account with the RDFI. A prenotification notifies the RDFI that the originator intends to initiate one or more credit or debit entries to a receiver's account with that RDFI in accordance with the receiver's authorization.

Processing exchanges

Each entry generated must be sent to the ACH operator by a specific deadline. Those deadlines are called exchanges when the operator is the Federal Reserve Bank.

Protected information

Non-public personal information, including financial information, of a natural person used to create, or contained within, an entry and any related addenda record.

Re-presented check entry (RCK)

A debit entry initiated for the purpose of collecting a paper check, drawn on a consumer's account, which has been returned for insufficient or uncollected funds.

Receiver

An individual, corporation or other entity that has authorized a company or an originator to initiate a credit or debit entry to a transaction account held at an RDFI.

Receiving depository financial institution (RDFI)

The RDFI is the financial institution that receives ACH entries either directly from an ACH operator or through a Receiving Point and posts the entries to the receiver's accounts that they hold.

Receiving point

A site where entries are received from an ACH operator for processing in the name of the RDFI. It may be its data center, another financial institution or a data processing service authorized to receive entries on behalf of that financial institution.

Reinitiated entry/Reinitiation/Reinitiate

Following the return of an entry, an entry initiated to the same receiver's account in the same amount in payment or fulfillment of the same underlying obligation.

Rescission rights

Authority of the consumer to rescind his/her authorization for debit or credit entries posted to his/her account.

Reclamation entry

A debit entry initiated by an originator to reclaim from an RDFI any amounts received by the recipient after death or legal incapacity of a recipient or the death of a beneficiary.

Acronyms on this page

EFT	Electronic Funds Transfer
ODFI	Originating Depository Financial Institution
RDFI	Receiving Depository Financial Institution

Record

Information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Regulation E

A **regulation** maintained by the Federal Reserve relating to EFT and the Electronic Funds Transfer Act. The regulation was prepared to protect the consumer and to ensure the consumer is informed concerning their rights on any EFT transaction.

Rejected entry

An entry that has been returned by the ACH operator because it cannot be processed, usually because of a technical error in the entry, batch or file containing the entry.

Return entry

An entry that has been returned to the ODFI by the RDFI because it cannot be posted. The reason for each return is included with the return in the form of a "return reason code."

Reversing entry

A credit or debit entry that reverses an erroneous entry.

Reversing file

A file that reverses all entries in an erroneous file.

Routing and transit number (RTN)

Also known as ABA number. A nine-digit number which identifies a specific financial institution.

Same-Day Entry

An entry for which the effective entry date is the same banking day as the date on which the entry is transmitted by the ODFI to its ACH operator, and is transmitted by the ACH operator's deadline for same-day processing and settlement. A same-day entry must be for an amount of $25,000 or less. An IAT or ENR entry cannot be a same-day entry. For purposes of fulfilling its obligations under these rules, an RDFI may rely on the settlement date of an entry, regardless of the effective entry date. An entry with a stale or invalid effective entry date will also be a same-day entry if it is transmitted by the ODFI to its ACH operator by the ACH operator's deadline for same-day processing and settlement, and is otherwise eligible for same-day processing and settlement.

Sending point

A processing site from which entries are transmitted through the ACH system for an ODFI. An ODFI on its own behalf, or a financial institution or private data processing organization on behalf of another ODFI may operate it.

Settlement

The transfer of funds between two parties in cash, or on the books of a mutual depository institution, to complete one or more prior transactions made subject to final accounting.

Settlement date

The day on which actual fund settlement occurs. Funds settle in all cases through the Federal Reserve settlement system either directly or indirectly through a correspondent account.

Shared network transaction (SHR)

A point-of-sale transaction generated in a closed system where there are agreements between all parties involved.

Single-entry

A one-time ACH entry.

Standard Entry Class (SEC) code

A three-character code within the company batch header record used to identify the payment type contained in that batch. These codes include; ACK, ARC, ATX, ADV, BOC, CCD, CIE, COR, CTX, DNE, ENR, IAT, MTE, POP, POS, PPD, RCK, SHR, TEL, TRC, TRX, WEB and XCK.

Statement of ACH activity

The advice, either paper or electronic, prepared by the ACH operator for both RDFIs and ODFIs, stating the dollar value of all ACH files on a given day. This advice may include a number of files presented that day (Government, next-day exchange and premium exchange).

Stop payment order

A directive by an account holder to its financial institution not to pay a particular ACH transaction.

Telephone-initiated entry (TEL)

A debit entry initiated by an originator in accordance with the consumer's oral authorization for the purchase of goods or services over the telephone.

The ACH network

Safe, secure, electronic network for direct consumer, business and government payments.

Third-party sender

A type of third-party service provider that acts as an intermediary in transmitting entries between an originator and an ODFI, including through direct access and acts on behalf of an originator or another third-party sender. A third-party sender must have an origination agreement with the ODFI of the entry. A third-party sender is never the originator for entries it transmits on behalf of another organization. However, a third-party sender of entries may also be an originator of other entries in its own right.

Third-party provider

An entity other than an originator, the third-party sender, ODFI or RDFI that performs any functions on behalf of the originator, the ODFI or the RDFI related to ACH processing of entries, including but not limited to, the creation of ACH files or acting as a sending or receiving point on behalf of a participating DFI.

Trace number

A unique number assigned to every ACH entry by an ODFI, which identifies that entry within a specific ACH file. The first eight digits of the trace number are the transit/routing number of the ODFI and the last seven digits are sequence numbers assigned by the originator.

Transaction code or trancode

The two-digit code in the ACH record that determines whether an entry is a debit or a credit to a savings, checking, general ledger or loan account.

Transmission

The act of sending items electronically from one point to another, computer to computer.

Truncation

The conversion of information of a check into an electronic format after the check enters the processing system. If converted to ACH the SEC codes used are TRC and TRX.

Uniform commercial code (UCC) Article 4A

A law that governs the interaction between the corporations and financial institutions whenever an electronic business credit transaction is generated. The law is a state law, meaning it may be different depending on where the entry is originated and received. All financial institutions and businesses must comply with the regulation as it is referenced in the NACHA Operating Rules.

Unsecured electronic network

A network, public or private, that is not located entirely within a single, contiguous, physical facility and any part of which has not implemented security technologies that provide a level of security that, at a minimum, is equivalent to 128-bit RC4 encryption technology.

Value added network (VAN)

A third-party service provider that facilitates the transmission of data among multiple trading partners. Services provided by a VAN range from simple communication of data to the sophisticated mapping of EDI transaction sets to a company's internal accounting systems.

Value dating

The introduction of an entry into the ACH processing cycle prior to the entry's effective entry date.

Variable length field

A data segment within an electronic message whose length is determined through the use of delimiters.

Warehousing

The electronic storage of debit and/or credit information by a financial institution for its corporate or internal customers. This allows a file to be prepared well ahead of time and stored electronically for posting on the appropriate date.

Written statement of unauthorized debit (WSUD)

A document required to be signed by the consumer when requesting re-credit for debit entries that the consumer claims the authorization has been revoked, unauthorized, notice not provided, occurred from an improper source document, amount of entry was not accurately obtained, the source document or item was presented for payment or was part of an incomplete transaction. This document must be signed prior to the entry being returned by the financial institution.

Appendix 1: Report example

```
R3140-02/R1.0 A102   PEP+   D I S T R I B U T I O N   E N T R I E S   L I S T   (ACH FORMAT)      05-01-15 13:13 PAGE    13
                     POINT: A102COMP   APPL: RETIRE    TYPE:        T/R: 091300285      FROM DATE/WINDOW  05/01/2015 1300
                                                                                         TO   DATE/WINDOW  05/01/2015 1300
```

REC TYPE	SERVICE CLASS CODE	COMPANY NAME	DISCRETIONARY DATA	COMPANY ID	STD ENTRY CLASS	CO. ENTRY DESC	CO. DESC. DATE	EFF ENTRY DATE	ORIG BANK	BATCH NUMBER
5	200	Tax Commissioner	02256181	1450309764	PPD	ND Payment	150427	150427	09130028	0000011

REC TYPE	TC	TRAN/ABA NUMBER	BANK ACCT NO.	AMOUNT	CUSTOMER ID	CUSTOMER NAME		DISC DATA	ADDENDA IND	PAR	TRACE NUMBER
6	21	09130051-5	123456789	1,194.00	OneTimePay	JOHN DOE			1	15121003907948	3907948
99		R03 NO ACCT/CANNOT LOCATE	09130028000001	00 00 00		09130051					

REC TYPE	SERVICE CLASS CODE	ENTRY COUNT	ENTRY HASH	TOTAL DR DOLLAR AMT	TOTAL CR DOLLAR AMT	COMPANY ID	ORIG BANK	BATCH NUMBER
8	200	000002	0009130051	.00	1,194.00	1450309764	09130028	0000011

Return report

1. Record Type

Company/batch header record

2. Service Class Code

The general classifications of dollar entries to be exchanged
- 200: mixed debits and credits
- 220: credits only
- 225: debits only

3. Company Name

The source of the entry

4. Company Discretionary Data

Optional field which can be used by the originator/company and/or BND to enable specialized handling of the entry

5. Company ID

Alphanumeric code that identifies the originator/company

6. Standard Entry Class Code

Three-character code that identifies **types of ACH entries**

7. Company Entry Description

Purpose of the ACH entry

8. Company Descriptive Date

Displays the date to the receiver (for descriptive purposes only)

9. Effective Entry Date

The date the originator/company intends a batch of entries to be settled

10. Originating Bank

BND's routing number

11. Batch Number

Assigned in ascending order by BND to each batch in a file of entries

12. Record Type

Entry detail record

13. Tran Code

Two-digit code that identifies various **types of debit and credit ACH entries**

14. Transit/Routing Number

Routing number of the customer receiving the ACH entry

15. Bank Account Number

Account number of the customer receiving the ACH entry

16. Amount

The dollar amount of the ACH entry

17. Customer ID

Identifies the receiver of the ACH entry

18. Customer Name

Receiver of the ACH entry

19. Discretionary Data

An optional field that BND can use to enable specialized handling of the entry

20. Addenda Indicator

Indicates the existence of an addenda record
- 0: no record
- 1: one or more addenda records to follow

21. PAR Number

A number assigned to each ACH entry by BND

22. Trace Number

Assigned in ascending order by BND; uniquely identifies each item within the ACH file entry detail record

23. Return Reason or NOC

- Return code and description
- Notice of change code and description
- See **page 8** for examples

24. Record Type

Company/batch control record

25. Service Class Code

Identifies the general classification of dollar entries to be exchanged
- 200: mixed debits and credits
- 220: credits only
- 225: debits only

26. Entry Count

A tally of each Entry Detail Record and each Addenda Record processed within the batch or file

27. Entry Hash

The sum of all the Receiving Financial Institution's eight-digit routing numbers

28. Total Debit Dollar Amount

Total debit amount

29. Total Credit Dollar Amount

Total credit amount

30. Company ID

Alphanumeric code used to identify the originator/company

31. Originating Bank

BND's routing number

32. Batch Number

Assigned in ascending order by BND to each batch in a file of entries

Appendix 2: Return Reason example

Addenda type code	Return reason and description	Internal trace number	Date of death, if applicable	Original RDFI information
99	R01 INSUFFICIENT FUNDS	091310780000016		29137882
99	R03 NO ACCT/CANNOT LOCATE	091300280000187		02600959
99	R02 ACCOUNT CLOSED	011000010000264	00 00 00	29137813
99	R04 INVALID ACCOUNT NUMBER	091300280000001		07397218
99	R08 PAYMENT STOPPED	091300280000027	00 00 00	09100001
99	R20 NON TRANSACTION ACCT	091300280000142		25607497
99	R23 RECEIVER REFUSES PMT	091300280004020		32227162

Appendix 3: Notification of Change example

Addenda type code	Change code and description	Internal trace number	Original RDFI identification	Corrected data
98	C01 INCORRECT ACCT NO	091300280000001	32437799	12345678 — Correct account number
98	C02 INCORRECT T/R NO	091300280000001	09131039	091310990 — Correct ABA/routing number
98	C03 T/R AND ACCT	091300280000844	10110276	101102768 — Correct ABA/routing number; 1234567890 — Correct account number
98	C05 INCORRECT T/C	091300280000001	29137091	22 — Account should be checking