



2017 *ACH Rules* Update for Originating Companies



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2017 RULES CHANGES

Same Day ACH: Moving Payments Faster

Phase 2 Effective September 15, 2017

Phase 1 of Same Day ACH was implemented September 23, 2016 allowing for same-day processing of eligible ACH credits. Effective September 15, 2017 eligible debits may be processed as Same Day ACH transactions. To be eligible for same-day processing an individual transaction must be in an amount of \$25,000 or less and a domestic payment (i.e., applications other than International ACH Transactions (IAT) are eligible).

Impact to Corporate Users: Businesses originating ACH debit payments should discuss Same Day ACH with their financial institution to determine whether it is appropriate and cost effective. Primary uses include collecting one-time, consumer payments authorized over the phone or Internet, and converting check payments received via the mail or in-person.

Businesses receiving Same Day ACH debits should be aware these payments may be posted throughout the day and could cause intraday overdrafts. Contact your financial institution to discuss the potential impact receiving Same Day ACH debits may have on your cash position.

Phase 3 Effective March 16, 2018

Currently, financial institutions are required under the *ACH Rules* to make funds associated with a Same Day ACH credit transaction available to account holders to cover incoming checks and ACH debits. This means account holders may not be able to withdraw the funds through a teller line or ATM on the day they are received. Effective March 16, 2018 account holders must be able to withdraw these funds by 5 PM local time.

Impact to Corporate Users: Businesses originating Same Day ACH credit transactions should be aware recipients (e.g., employees) may not currently have access to withdraw funds on the day they are received (e.g., payday). However, they will be able to withdraw monies by 5 PM local time beginning March 16, 2018.

Businesses receiving Same Day ACH credits should contact their financial institution with funds availability questions.

Third-Party Sender Registration

Effective September 29, 2017

The Third-Party Sender Registration rule requires financial institutions to register their Third-Party Sender relationships with NACHA. A Third-Party Sender (TPS) offers ACH origination services to its clients whereby: (1) the TPS creates the ACH payment file and (2) is responsible for engaging in a contractual banking relationship to transmit the file into the ACH Network on behalf of its client. Financial institutions will be required to initially provide basic information about each TPS, such as the TPS's name, principal business location and company identification number. Upon NACHA's request, a financial institution may be required to provide additional information about the TPS.

Impact to Corporate Users: Businesses offering TPS services do not need to register with NACHA; however, they should be aware that their financial institution may request information from them regarding the number of clients they are processing ACH files on behalf of.

MINOR RULES TOPICS

Clarification of Reinitiation

Effective August 18, 2016

Clarifies the use of the RETRY PYMT descriptive statement for reinitiated entries. RETRY PYMT must be included in the Company Entry Description field of the Company/Batch Header Record in all cases of reinitiation and supersedes any other company entry description. Additionally, this amendment clarifies that corrected entries originated as a result of an item returned R03 – No Account/Unable to Locate Account or R04 – Invalid Account Number are not considered reinitiated entries.

Impact to Corporate Users: Businesses reinitiating ACH debit payments must ensure RETRY PYMT is included in the Company Entry Description field regardless of the contents of this field in the original entry. Additionally, ACH debit payments returned R03 or R04 are not considered reinitiated entries; therefore, another attempt to collect would contain the Company Entry Description of the original entry.