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NOTICE OF AMENDMENT  
TO THE  
2015 NACHA OPERATING RULES

June 25, 2015

SUPPLEMENT #1-2015

Same Day ACH: Moving Payments Faster

*Phase 1 Effective Date: September 23, 2016*

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# Supplement #1-2015 to the *NACHA Operating Rules*

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On May 18, 2015, the NACHA Voting Membership approved the Same Day ACH: Moving Payments Faster amendment to the *NACHA Operating Rules*. This rule will become effective in three phases beginning September 23, 2016. The rule enables a ubiquitous same-day capability for virtually any ACH transaction, creating options for the businesses, governments and consumers who want to move their money faster.

This supplement provides ACH Network participants with a summary of the key components of the change, along with details regarding the technical changes to *Rules* language. To ensure compliance with the most current rules, this Supplement should be used in conjunction with the 2015 edition of the *Rules*.

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## Same Day ACH: Moving Payments Faster

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*(Approved May 18, 2015 – Phase 1 Effective September 23, 2016; see other effective dates below.)*

### SUMMARY

The Same Day ACH: Moving Payments Faster rule (Rule) will amend the *NACHA Operating Rules (Rules)* to allow for same-day processing of virtually any ACH payment. The Rule will enable ACH Originators that desire same-day processing the option to send same-day ACH transactions to accounts at any Receiving Depository Financial Institution (RDFI). The Rule includes a “Same Day Entry fee” on each Same Day ACH transaction to help mitigate RDFI costs for enabling and supporting Same Day ACH.

### KEY COMPONENTS OF RULE AMENDMENT

Currently, the standard settlement period for ACH transactions is one or two business days after processing. The Rule will enable the option for same-day processing and settlement of ACH payments through new ACH Network functionality without affecting existing ACH schedules and capabilities.

#### **Processing Windows**

Under the Rule, Originating Depository Financial Institutions (ODFIs) will be able to submit files for same-day processing and settlement through two new clearing windows provided by the ACH Operators<sup>1</sup>:

- A morning window with a submission deadline of 10:30 a.m. ET, with settlement occurring at 1:00 p.m. ET.
- An afternoon window with submission deadline of 3:00 p.m. ET, with settlement occurring at 5:00 p.m. ET.

Same-day payments will be identified by the Effective Entry Date, which is found in the Company/Batch Header Record and discussed in detail below.

The Rule provides that all RDFIs receive Same Day ACH payments, which gives ODFIs and Originators the certainty of being able to send same-day ACH payments to accounts at all RDFIs in the ACH Network.

The existing next day ACH settlement window of 8:30 a.m. ET will not change. With the addition of the new Same Day ACH processing windows, the ACH Network will provide three opportunities for ACH settlement each day.

#### **Payment Eligibility**

Virtually all types of ACH payments will be eligible for same-day processing by the end of the implementation period. The only ACH transactions ineligible for same-day processing will be International ACH Transactions (IATs) and individual transactions over \$25,000.

In addition to credits and debits, the ACH Network supports a number of transaction types that do not transfer a dollar value. Non-monetary transactions include Prenotifications; Notifications of Change (NOCs); Zero Dollar Entries that convey remittance information using CCDs and CTXs; and Death Notifications (DNEs). With the exception of Prenotifications for future debit entries, these non-monetary transactions will be eligible for same-day processing from the outset. Automated Enrollment Entries (ENRs) do not use Effective Entry Dates. Since there will not be a way to distinguish same-day ENR

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<sup>1</sup>*These times are estimates; exact schedules and timing will be determined by each ACH Operator. The actual ACH Operator schedules are not determined by the NACHA Operating Rules, and the inclusion of ACH Operator schedules and other functions in this Rule should not be interpreted as an endorsement by either ACH Operator.*

entries from next-day entries, ENRs will not be processed as same-day transactions.

#### *Phased Implementation Approach*

The Same Day ACH implementation will be spread out over three phases beginning in September 2016. This phased approach will provide an eighteen-month period over which businesses and financial institutions can manage their implementation efforts, which will allow the industry to gradually acclimate to a faster processing environment.

In the first phase, ACH credits will be eligible to be processed during the two new same-day windows. Interbank settlement for same-day ACH credits will occur at 1:00 p.m. and 5:00 p.m. ET, respectively, for the two new processing windows. RDFIs will be required to provide funds availability by the end of the RDFI's processing day. By requiring that all RDFIs accept same-day ACH transactions, the Rule will ensure the universality of same-day capability throughout the ACH Network.

In the second phase, ACH debits will become eligible for same day processing during the two new same-day windows. Same-day credit funds availability will remain at the end of the RDFI's processing day.

Finally, in the third phase, RDFIs will be required to provide funds availability for same-day credits no later than 5:00 p.m. at the RDFI's local time.

#### ***Identification of Same Day Transactions via the Effective Entry Date***

Same Day ACH transactions will be identified by the ODFI and its Originator by using the current day's date in the Effective Entry Date field of the Company/Batch Header Record. (Note: The *Rules* already define the Effective Entry Date as "the date specified by the Originator on which it intends a batch of Entries to be settled.") In addition, transactions intended for same day processing that carry a current day Effective Entry Date will need to meet an ACH Operator's submission deadline for same-day processing. For example, transactions originated on Monday, July 13, 2015 that are intended for same-day processing must have an Effective Entry Date of "150713" in the Company/Batch Header Record and be submitted to an ACH Operator no later than the 3:00 p.m. ET deadline to ensure same-day settlement. Any entry carrying the current day's date in the Effective Entry Date field that is submitted prior to an ACH Operator's same-day processing submission deadline will be handled as a Same Day ACH transaction and assessed the Same Day Entry fee.

#### *Optional Identification Method for ODFI Use*

Some ODFIs may want to verify an Originator's intent for same-day settlement, particularly when the Originator regularly defaults to using the current's day date in the Effective Entry Date field. NACHA recommends that these ODFIs use, at their discretion, standardized content in the Company Descriptive Date field as a same-day transaction indicator. The Company Descriptive Date is an optional field (Company/Batch Header Record, Field 8) with 6 positions available (Positions 64-69), for which the *Rules* currently provide that the "Originator establishes this field as the date it would like to see displayed to the Receiver for descriptive purposes." For same-day settlement, the ODFI could have its Originator use the convention "SDHHMM," where "SD" denotes the intent for same-day processing, and "HHMM" denotes the hours and minutes that correspond to the desired settlement timing of either 1:00 p.m. ET or 5:00 p.m. ET, using the 24-hour clock. Valid content under the Rule will be either "SD1300" or "SD1700."

For example, an ODFI may want to use the same-day indicator with one of its Originators. When the ODFI receives the Originator's ACH file with the current day Effective Entry Date in any particular batch, the ODFI could validate the Originator's intent for same-day settlement for that batch by verifying the content of the Company Descriptive Date field.

- If the field contains a valid same-day indicator, the ODFI submits the file into the appropriate ACH Operator same-day processing window. Same day settlement is achieved and Same Day Entry fees are assessed.
- If the field does not contain a valid same-day identifier, the ODFI holds the batch and submits it to the ACH Operator after the deadline for the last same-day processing window. The batch is given next-day settlement, and no Same Day Entry fees are assessed.

The optional, standardized same-day transaction indicator is for use between the ODFI and Originator only. The presence or absence of the indicator will have no impact on ACH Operator processing or RDFI transaction posting. RDFIs will rely solely on the Settlement Date of a transaction for posting.

In addition, ODFIs maintain the option of using specific codes in the Company Discretionary Data field of the Company/Batch Header Record to designate special handling and processing instructions for a batch of ACH entries. This field can also be used between the ODFI and Originator to identify same-day processing. The Company Discretionary Data field is an optional field (Field 4) with 20 positions available (Positions 21-40). Currently, the *Rules* provide that the Company Discretionary Data field “allows Originators and/or ODFIs to include codes (one or more), of significance only to them, to enable specialized handling of all Entries in that batch.”

#### ***Stale or Invalid Effective Entry Dates***

In the current processing environment, any batch of entries submitted to an ACH Operator that contains an Effective Entry Date that is invalid or stale (in the past) is processed at the next settlement opportunity, which is currently the next banking day. With the arrival of same-day processing, the same protocol will apply. ACH transactions submitted to an ACH Operator with stale or invalid Effective Entry Dates will be settled at the earliest opportunity, which could be the same day. If the transactions are submitted prior to the close of the second processing window at 3:00 p.m. ET, the entries will be settled the same day and the Same Day Entry fee will apply. If the transactions are submitted to the ACH Operator after 3:00 p.m. ET, the entries will be settled the next day and the Same Day Entry fee will not apply.

#### ***Return Entry Processing***

The Rule allows same-day processing of return entries at the discretion of the RDFI, whether or not the forward entry was a Same Day ACH transaction. Any return entry will be eligible for settlement on a same-day basis; the \$25,000 per transaction limit and IAT restriction will not apply. Because returns are initiated and flow from RDFI to ODFI, return entries processed on a same-day basis will not be subject to the Same Day Entry fee.

RDFIs will not be required to process returns on the same day that the forward entry is received. The existing return time frame (the return entry must be processed in such time that it is made available to the ODFI no later than the opening of business on the second banking day following the Settlement Date of the original entry) will still be available. RDFIs will have the option of using any of the three available settlement windows for returns, as long as the existing return time frame is met.

#### ***Same Day Entry Fee***

In order to ensure universal reach to any account at any RDFI, the Rule requires all RDFIs to implement Same Day ACH. To assist RDFIs in recovering costs associated with enabling same-day transactions, the Rule includes a fee paid from the ODFI to the RDFI for each Same Day ACH transaction. The fee provides a mechanism to help RDFIs mitigate investment and operating expenses and provide a fair return on their required investments. The initial Same Day Entry fee is set at 5.2 cents per same-day entry. The Rule

includes a methodology to measure the effectiveness of the Same Day Entry fee at five, eight and ten full years after implementation. After each review, the Same Day Entry fee could be maintained or lowered, but not increased.

### **Effective Dates**

Same Day ACH's new ACH Network functionality will be effective across three implementation phases, with the following effective dates:

- Phase 1 - September 23, 2016: Two new Same Day ACH processing deadlines at 10:30 a.m. ET and 3:00 p.m. ET, with settlement occurring at 1:00 p.m. ET and 5:00 p.m. ET, respectively. Applicable to ACH credits only and non-monetary entries, with funds availability due at the end of the RDFI's processing day.
- Phase 2 - September 15, 2017: Addition of ACH debits to same day processing capability.
- Phase 3 - March 16, 2018: ACH credit funds availability updated to 5:00 p.m., RDFI local time.

The effective dates of the three implementation phases are contingent on receiving written confirmation from the Federal Reserve as ACH Operator to support the rule, which is necessary to ensure that Same Day ACH is ubiquitous across all 12,000 financial institutions in the U.S. NACHA would announce any changes to the effective dates, if necessary.

## **IMPACT TO PARTICIPANTS**

*Originators, Third-Party Senders and Third-Party Service Providers:* These ACH participants should discuss Same Day ACH with their financial institution to determine whether it is appropriate and cost effective for their businesses.

*ODFIs:* ODFIs that choose to offer Same Day ACH will need to update internal processing applications and procedures to accommodate same-day entries, as well as update file submissions and delivery schedules with their ACH Operators. These ODFIs will need to determine whether to solely utilize the Effective Entry Date, or to also utilize the optional method described above, for determining an Originator's intent for same day processing and settlement. ODFIs should be prepared to receive return transactions through the same-day processing windows.

*RDFIs:* RDFIs are required to accept Same Day ACH entries as of the Phase 1 effective date; therefore, they must be fully prepared at implementation. RDFIs must update their internal processing applications and procedures to accommodate same-day entries, as well as update file delivery schedules with their ACH Operators. By the Phase 3 effective date, RDFIs are required to make funds available from Same Day ACH credits by 5:00 p.m. local time. RDFIs should review whether and how to use same-day processing for return transactions.

## **TECHNICAL SUMMARY**

Below is a summary of the impact of Same Day ACH on the *NACHA Operating Rules* for each implementation phase based on the above effective dates. Sections of the *Rules* that are affected by this amendment are also included and reflect rule language as it will read upon implementation in highlighted, italicized text.

### **Phase 1**

- *Article One, Section 1.12 (Same Day Entry Fee)* - creates a new section regarding Same Day Entry fees.

- *Article Two, Subsection 2.5.8.1 (General Rule [for IAT Entries])* - modifies the language to exclude IAT Entries from Same Day ACH transactions.
- *Article Three, Subsection 3.1.9 (RDFI May Rely on Settlement Date)* - adds new subsection to explicitly state RDFI can rely solely on the Settlement Date for posting ACH transactions.
- *Article Three, Subsection 3.3.1.1 (General Rule for Availability of Credits)* - updates the language to address funds availability for credit Entries that are same-day and those that are not.
- *Article Eight, Section 8.84 (Same Day Entry)* - adds new defined term for Phase 1 of Same Day ACH implementation.
- *Appendix Three, Subpart 3.2.2 (Glossary of Data Elements)*
  - *Company Descriptive Date*: adds new language for standardized, optional Same Day ACH indicator
  - *Effective Entry Date*: modifies language for Same Day ACH credit Entries
  - *Settlement Date*: modifies description to address Same Day ACH Phase 1 limitations
- *Appendix Ten, Subpart 10.4.6.2 (Responsibilities of Enforcement Panel)* - expands responsibilities of the ACH Rules Enforcement Panel to include ruling on evasion of Same Day ACH limitations.
- *Appendix Eleven (Determination and Review of Same Day Entry Fee)* - creates a new appendix to address the Same Day Entry fee.
- *Appendix Eleven, Part 11.1 (Determination of Same Day Entry Fee)* - adds a new part to enumerate principles used to determine the Same Day Entry fee.
- *Appendix Eleven, Part 11.2 (Revision of Same Day Entry Fee)* - adds a new part to explain process of reviewing and changing the Same Day Entry fee.
- *Appendix Eleven, Part 11.3 (Same Day ACH Initial Period)* - adds a new part to define dates of the Same Day ACH Initial Period as used in the Rules.
- *Appendix Eleven, Part 11.4 (Same Day ACH Phase Three Effective Date)* - adds a new part to define the effective date for the third phase of the Same Day ACH implementation.
- *Appendix Eleven, Part 11.5 (Same Day ACH Renewal Period)* - adds a new part to define the Same Day ACH Renewal Period.

**Implementation Date: September 23, 2016**

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*As approved May 18, 2015, effective September 23, 2016, the Rules will be amended as follows for changes related to Phase 1 of Same Day ACH:*

## ARTICLE ONE

## General Rules

**SECTION 1.12 Same Day Entry Fee (new section)**

*An ODFI agrees to pay a Same Day Entry fee to the respective RDFI for each Same Day Entry originated by or through the ODFI. The staff of the National Association will determine the amount of the Same Day Entry fee in accordance with the procedures set forth in Appendix Eleven (Determination and Review of Same Day Entry Fee). The National Association will arrange for a system for the collection and distribution of Same Day Entry fees.*

## ARTICLE TWO

## Rights and Responsibilities of ODFIs, Their Originators, and Third-Party Senders

**SUBSECTION 2.5.8 Specific Provisions for IAT Entries (International ACH Transaction)****SUBSECTION 2.5.8.1 General Rule**

An IAT Entry is an Inbound or Outbound debit or credit Entry that is part of a payment transaction involving a Financial Agency's office that is not located in the territorial jurisdiction of the United States.

*An IAT Entry is an Inbound or Outbound debit or credit Entry that is part of a payment transaction involving a Financial Agency's office that is not located in the territorial jurisdiction of the United States. An IAT Entry cannot be a Same Day Entry.*

## ARTICLE THREE

## Rights and Responsibilities of RDFIs and Their Receivers

**SUBSECTION 3.1.9 RDFI May Rely on Settlement Date (new subsection)**

*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.*

**SUBSECTION 3.3.1.1 General Rule for Availability of Credits**

An RDFI must make the amount of each credit Entry received from its ACH Operator available to the Receiver for withdrawal no later than the Settlement Date of the Entry, subject to its right to return the Entry under these Rules. An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from this requirement, subject to applicable Legal Requirements. An RDFI invoking such an exemption must promptly notify the ODFI.

*For a credit Entry that is not a Same Day Entry, an RDFI must make the amount of the credit Entry received from its ACH Operator available to the Receiver for withdrawal no later than the end of the Settlement Date of the Entry, subject to its right to return the Entry under these Rules.*



*For a credit Same Day Entry, an RDFI must make the amount of the credit Entry available in the Receiver's account no later than the completion of the RDFI's processing for that Settlement Date, subject to its right to return the Entry under these Rules. An RDFI is not required to make such funds available for withdrawal on the Settlement Date.*

*An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from these requirements, subject to applicable Legal Requirements. An RDFI invoking such an exemption must promptly notify the ODFI.*

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## ARTICLE EIGHT

### Definitions of Terms Used in These Rules

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#### **SECTION 8.84 Same Day Entry (new section)**

*An Entry, other than a debit 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 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.*

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## APPENDIX THREE

### ACH Record Format Specifications

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#### **PART 3.2 Glossary of ACH Record Format Data Elements**

##### **SUBPART 3.2.2 Glossary of Data Elements**

**Company Descriptive Date:** 6 Positions – Company/Batch Header Record – Optional (ACK, ADV, ARC, ATX, CCD, CIE, CTX, DNE, ENR, MTE, POP, POS, PPD, RCK, SHR, TEL, TRC, TRX, WEB, XCK, Returns, dishonored Returns, contested dishonored Returns, COR, refused COR)

Except as otherwise noted below, the Originator establishes this field as the date it would like to see displayed to the Receiver for descriptive purposes. This field is never used to control timing of any computer or manual operation. It is solely for descriptive purposes. The RDFI should not assume any specific format. Examples of possible content in this field are “011311,” “01 11,” “Jan 13,” “JAN 11,” etc.

*Same Day Entries: At its discretion, an ODFI may require an Originator to use this field to further demonstrate intent for same-day processing and settlement. ODFIs that choose to do so should use the convention “SDHHMM”, where the “SD” in positions 64-65 denotes the intent for same-day settlement, and the hours and minutes in positions 66-69 denote the desired settlement time using a 24-hour clock. When electing to use this convention, the ODFI would validate that the field contains either “SD1300” for settlement desired at 1:00 p.m. ET, or “SD1700” for settlement desired at 5:00 p.m. ET, in accordance with the settlement times offered by the ACH Operators. ACH Operators and RDFIs are not required to take any action with respect to the presence or absence of these optional same-day indicators.*

*MTE, POS, and SHR:* This date is the actual date the transfer was initiated by the Receiver, and formatted the same as the effective Entry date (YYMMDD).

*TRC:* This field contains the date established by the keeper (ODFI) for checks being truncated.

**Effective Entry Date:** 6 Positions – Company/Batch Header Record – Required (all batches)

The Effective Entry Date is the date specified by the Originator on which it intends a batch of Entries to be settled. For credit Entries, the Effective Entry Date must be either one or two Banking Days following the Banking Day of processing by the Originating ACH Operator (the processing date). For debit Entries, the Effective Entry Date must be one Banking Day following the processing date.

Batches of Entries containing an Effective Entry Date beyond the designated number of days allowed are Rejected by the ACH Operator and returned to the ODFI. If this field is blank or zero, or partially blank or partially non-numeric, or contains an incomplete date, day numbers higher than 31 or month numbers higher than 12, the Originating ACH Operator inserts the Banking Day after the processing date as the Effective Entry Date.

*ENR:* For Automated Enrollment Entries, this field must be space filled.

*Return Entries, COR, TRC, TRX:* The ACH Operator does not edit this field.

The scheduled Settlement Date is inserted by the Receiving ACH Operator. *See the definition of “Settlement Date” in this Appendix Three.*

*The Effective Entry Date is the Banking Day specified by the Originator on which it intends a batch of Entries to be settled.*

*For credit Entries, the Effective Entry Date must be either the same Banking Day as the Banking Day of processing by the Originating ACH Operator (the processing date) for Same Day Entries, or one or two Banking Days following the Originating ACH Operator’s processing date for other Entries.*

*For debit Entries, the Effective Entry Date must be one Banking Day following the processing date.*

*A batch of Entries containing an Effective Entry Date beyond the designated number of days allowed is Rejected by the ACH Operator and returned to the ODFI.*

*A batch of Entries containing an Effective Entry Date that is stale (i.e., is a Banking Day that is in the past, or is the current Banking Day but is not submitted timely to an ACH Operator for same-day processing and settlement) is settled at the next available settlement opportunity.*

*A batch of Entries containing invalid Effective Entry Date information (for example, if the field is blank or zero, partially blank or partially non-numeric, contains an incomplete date, contains day numbers higher than 31, or contains month numbers higher than 12) is settled at the next available settlement opportunity. The Originating ACH Operator inserts the Banking Day of processing or the next Banking Day as the Effective Entry Date, whichever corresponds to the next available settlement opportunity.*

*ENR:* For Automated Enrollment Entries, this field must be space filled. Automated Enrollment Entries cannot be Same Day Entries.

*Return Entries, COR, TRC, TRX:* The ACH Operator does not edit this field.

*The scheduled Settlement Date is inserted by the Receiving ACH Operator. See the definition of "Settlement Date" in this Appendix Three.*

**Settlement Date:** 3 Positions – Company/Batch Header Record – Inserted by Receiving ACH Operator (all batches)

The Settlement Date (a 3-digit Julian date) for a batch of Entries is inserted by the Receiving ACH Operator. This is the date on which the Participating DFI or its correspondent is scheduled to be debited or credited by the Federal Reserve.

The Settlement Date inserted by the Receiving ACH Operator is the same as the Effective Entry Date designated by the Originator unless the Effective Entry Date is the same as or earlier than the Originating ACH Operator's processing date (the Banking Day of processing). In these cases, the scheduled Settlement Date will be the Banking Day following the Banking Day of processing.

Returns, dishonored Returns, and contested dishonored Returns are settled by the ACH Operator no earlier than the Effective Entry Date contained within the original Entry, as it appears in the Return Entry Company/Batch Header Record. The return of an Entry that contains an invalid or stale Effective Entry Date will be settled by the ACH Operator at the earliest opportunity (i.e., the Banking Day of processing or the next Banking Day).

Notifications of Change and TRC/TRX Entries will be settled at the earliest opportunity, i.e., the Banking Day of processing or the next Banking Day.

*The Settlement Date (a 3-digit Julian date) for a batch of Entries is inserted by the Receiving ACH Operator. This is the date on which the Participating DFI or its correspondent is scheduled to be debited or credited by the Federal Reserve.*

*The Settlement Date inserted by the Receiving ACH Operator is the same as the Effective Entry Date, except as noted below.*

*In the following situations, the Receiving ACH Operator will insert the Banking Day following the Banking Day of processing as the Settlement Date (i.e., the next Banking Day):*

- (1) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry is received by the Receiving ACH Operator after its deadline for same-day settlement.*
- (2) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry is for an amount greater than \$25,000.*
- (3) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry bears the LAT Standard Entry Class Code.*
- (4) The Entry bears the ENR Standard Entry Class Code.*
- (5) A debit Entry contains an Effective Entry Date that is the Banking Day of processing.*

*Entries with invalid or stale Effective Entry Dates will be settled at the next available settlement opportunity.*

*Return Entries, dishonored Return Entries, and contested dishonored Return Entries are settled by the ACH Operator no earlier than the Effective Entry Date contained within the original Entry, as it appears in the Return Entry Company/Batch Header Record. The return of an Entry that contains an invalid or stale Effective Entry Date will be settled by the ACH Operator at the next available settlement opportunity (i.e., the Banking Day of processing or the next Banking Day).*

*Notifications of Change and TRC/TRX Entries will be settled at the next available settlement opportunity, (i.e., the Banking Day of processing or the next Banking Day).*

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## APPENDIX TEN

### Rules Enforcement

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#### *SUBPART 10.4.6.2 Responsibilities of Enforcement Panel*

The ACH Rules Enforcement Panel, in accordance with these rules, is the final authority regarding each of these issues:

- the imposition of any fines or penalties recommended by the National Association;
- instances in which the National Association believes the time frames and Resolution Dates asserted by the respondent Participating DFI as necessary to resolve the problem causing a rules violation are excessive;
- instances in which the National Association believes an ODFI, Originator or, Third-Party Sender has originated Entries without proper authorization in accordance with these Rules;
- instances in which the National Association believes an ODFI, Originator, or Third-Party Sender has attempted to evade the limitations on Reinitiation;
- instances in which the National Association recommends, after the inquiry process, that an ODFI be required to reduce an Originator's or Third-Party Sender's applicable return rate below the Administrative Return Rate Level and/or the Overall Return Rate Level;
- *instances in which the National Association believes an ODFI, Originator, or Third-Party Sender has attempted to evade the \$25,000 per-Entry limitation on Same Day Entries.*

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## APPENDIX ELEVEN

### *Determination and Review of Same Day Entry Fee (new appendix)*

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#### **PART 11.1 Determination of Same Day Entry Fee (new part)**

*The staff of the National Association will determine in accordance with this Part 11.1, and revise in accordance with Part 11.2 (Revision of Same Day Entry Fee), the amount of the Same Day Entry fee. In determining the amount of the Same Day Entry fee, the staff of the National Association will apply the following principles:*

- A. *The Same Day Entry fee will be based on a cost study and financial analysis performed by a qualified economist.*

- B. *For the Same Day ACH Initial Period, the Same Day Entry fee will provide for the full recovery of the projected average RDFI investment costs and operational costs, plus a commercially reasonable rate of return, as determined by the first such cost study and financial analysis.*
- C. *For a Same Day ACH Renewal Period, the Same Day Entry fee will provide for the full recovery of the projected average RDFI operational costs, plus a commercially reasonable rate of return, as determined by the most recent such cost study and financial analysis.*
- D. *The Same Day Entry fee will take into consideration the projections of the aggregate volume of Same Day Entries over the Same Day ACH Initial Period or the Same Day ACH Renewal Period, as applicable, as determined by the cost study and financial analysis.*

## **PART 11.2 Revision of Same Day Entry Fee (new part)**

- A. *Five Year Volume Review. The staff of the National Association will review the cumulative volume of Same Day Entries for the five-year period commencing on the Same Day ACH Phase Three Effective Date. If the actual cumulative volume exceeds the projected volume used to calculate the Same Day Entry fee by greater than twenty-five percent (25%), the staff of the National Association will publish a reduced Same Day Entry fee based on a table prepared by the qualified economist that will designate the appropriate Same Day Entry fee derived from the actual volume. The table will set forth reduced Same Day Entry fees at volume increments of 5% beginning at twenty-five percent (25%) in excess of the projected volume used to calculate the Same Day Entry Fee. If the cumulative volume of Same Day Entries for this period does not meet or exceed the 25% threshold, the Same Day Entry fee will remain unchanged. In no case will the Same Day Entry fee be increased as a result of this review. NACHA will publish notice of the reduced or unchanged Same Day Entry fee promptly following the completion of this review, and any such reduced Same Day Entry fee will become effective six months following publication.*
- B. *Eight Year Volume Review. The staff of the National Association will review the cumulative volume of Same Day Entries for the eight-year period commencing on the Same Day ACH Phase Three Effective Date. If the actual cumulative volume exceeds the projected volume used to calculate the Same Day Entry fee by greater than twenty-five percent (25%), the staff of the National Association will publish a reduced Same Day Entry fee based on a table prepared by the qualified economist that will designate the appropriate Same Day Entry fee derived from the actual volume. The table will set forth reduced Same Day Entry fees at volume increments of 5% beginning at twenty-five percent (25%) in excess of the projected volume used to calculate the Same Day Entry fee. If the cumulative volume of Same Day Entries for this period does not meet or exceed the 25% threshold, the Same Day Entry fee will remain unchanged from the amount in effect at that time. In no case will the Same Day Entry fee be increased as a result of this review. NACHA will publish notice of the reduced or unchanged Same Day Entry fee promptly following the completion of this review, and any such reduced Same Day Entry fee will become effective six months following publication.*
- C. *Ten Year Economic Review. Ten years after the Same Day ACH Phase Three Effective Date or a subsequent Same Day ACH Renewal Period, the staff of the National Association will engage a qualified economist to perform a cost study and financial analysis based on the principles set forth at Part 11.1 to determine: 1) actual average costs incurred by RDFIs during such period; 2) actual volumes of Same Day Entries; 3) the extent to which average RDFI costs, including a commercially reasonable rate of return, were satisfied through the Same Day Entry fee; 4) projected changes in the foregoing over a ten-year period, including each element of RDFI costs; and 5) a recommended Same Day Entry fee derived from such analysis, which in no case shall be higher than the Same Day Entry fee then in effect. Average RDFI implementation costs that have been compensated*

*through the payment of Same Day ACH fees during the preceding period will be excluded from any re-calculation of the Same Day Entry fee. NACHA will publish the revised Same Day Entry fee (if any) no later than eleven years after the Same Day ACH Phase Three Effective Date, and such revised Same Day Entry fee will become effective six months following publication. The staff of the National Association will repeat this process promptly following the tenth anniversary of the effective date of any Same Day Entry fee, including an unchanged fee, published pursuant to this Part 11.2(C).*

**PART 11.3 Same Day ACH Initial Period (new part)**

*The period between the September 23, 2016 effective date of Part 11.1 and the September 21, 2029 effective date of the first revision (or notice of no change) of the Same Day Entry fee pursuant to Part 11.2(C).*

**PART 11.4 Same Day ACH Phase Three Effective Date (new part)**

*The March 16, 2018 effective date for the third phase of implementation of Same Day ACH.*

**PART 11.5 Same Day ACH Renewal Period (new part)**

*The period between the effective date of a revision (or notice of no change) of the Same Day Entry fee pursuant to Part 11.2(C), and the effective date of the next revision (or notice of no change) pursuant to Part 11.2(C).*

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**Phase 2**

- *Article Two, Subsection 2.5.15.2 (Authorization of TEL Entries)* - revises written notice deadline to account for Same Day Entries.
- *Article Two, Subsection 2.8.3 (Time Limitations on Initiation of Reversing Files)* - adds language to ensure that a reversing debit Entry is not settled before the related erroneous credit Entry.
- *Article Two, Subsection 2.9.1 (General Rule for Reversing Entries)* - adds language to ensure that a reversing debit Entry is not settled before the related erroneous credit Entry.
- *Article Two, Subsection 2.10.4 (Timing Requirements for Reclamation Entries and Written Demands for Payment)* - adds language to ensure that a Reclamation debit Entry is not settled before the related credit Entry.
- *Article Eight, Section 8.84 (Same Day Entry)* - modifies definition to allow same day settlement of debit Entries.
- *Appendix Three, Subpart 3.2.2 (Glossary of Data Elements)*
  - *Effective Entry Date*: modifies language to add debit Entries as eligible for same day settlement
  - *Settlement Date*: deletes exclusionary language to allow same day settlement of debit Entries

**Implementation Date: September 15, 2017**

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*As approved May 18, 2015, effective September 15, 2017, the Rules will be amended as follows for changes related to Phase 2 of Same Day ACH:*

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ARTICLE TWO

Rights and Responsibilities of ODFIs, Their Originators, and Third-Party Senders

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*SUBSECTION 2.5.15.2 Authorization of TEL Entries*

An Originator must satisfy the requirement for authorization of a TEL Entry by obtaining oral authorization from the Receiver to initiate a debit Entry to a Consumer Account of the Receiver. The authorization must be readily identifiable as an authorization and must have clear and readily understandable terms.

The following minimum information must be included as part of the authorization of a Single Entry TEL Entry:

- (a) the date on or after which the ACH debit to the Receiver's account will occur;
- (b) the amount of the transaction or a reference to the method of determining the amount of the transaction;
- (c) the Receiver's name or identity;
- (d) the account to be debited;
- (e) a telephone number for Receiver inquiries that is answered during normal business hours;
- (f) the date of the Receiver's oral authorization; and
- (g) a statement by the Originator that the authorization obtained from the Receiver is for a Single-Entry ACH debit, a one-time electronic funds transfer, or other similar reference.

For an authorization relating to a Single Entry TEL Entry, the Originator must either make an audio recording of the oral authorization, or provide the Receiver with written notice confirming the oral authorization prior to the Settlement Date of the Entry.

*For an authorization related to a Single Entry TEL Entry, the Originator must either make an audio recording of the oral authorization, or provide the Receiver with written notice confirming the oral authorization prior to the settlement of the Entry.*

The following minimum information must be included as part of the authorization of a recurring TEL Entry:

- (h) the amount of the recurring transactions, or a reference to the method of determining the amounts of recurring transactions;
- (i) the timing (including the start date), number, and/or frequency of the electronic fund transfers, or other similar reference, to the Consumer's account;

- (j) the Receiver's name or identity;
- (k) the account to be debited;
- (l) a telephone number for Receiver inquiries that is answered during normal business hours; and
- (m) the date of the Receiver's oral authorization.

For an authorization relating to recurring TEL Entries, the Originator must comply with the requirements of Regulation E for the authorization of preauthorized transfers, including the requirement to send a copy of the authorization to the Receiver.

**SUBSECTION 2.8.3 Time Limitations on Initiation of Reversing Files**

An Originator or the ODFI must Transmit each Reversing File and, when appropriate, a corresponding Correcting File, to the ACH Operator within five Banking Days after the Settlement Date of the Erroneous File. The Originator or ODFI must Transmit the Reversing File and any corresponding Correcting File to the ACH Operator within twenty-four hours of the discovery of the Erroneous File.

*An Originator or the ODFI must Transmit each Reversing File and, when appropriate, a corresponding Correcting File, to the ACH Operator within five Banking Days after the Settlement Date of the Erroneous File. The Originator or ODFI must Transmit the Reversing File and any corresponding Correcting File to the ACH Operator within twenty-four hours of the discovery of the Erroneous File. Any debit Entry within the Reversing File must not contain an Effective Entry Date that is earlier than the Effective Entry Date of the credit Entry to which it relates.*

**SUBSECTION 2.9.1 General Rule for Reversing Entries**

An Originator may initiate a Reversing Entry to correct an Erroneous Entry previously initiated to a Receiver's account. The Reversing Entry must be Transmitted to the ACH Operator in such time as to be Transmitted or made available to the RDFI within five Banking Days following the Settlement Date of the Erroneous Entry.

*A debit Reversing Entry must not contain an Effective Entry Date that is earlier than the Effective Entry Date of the credit Entry to which it relates.*

For this Section 2.9 and Subsection 2.12.2 (ODFI Request for Return) only, an Erroneous Entry is defined as 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;
- (c) orders payment in a dollar amount different than was intended by the Originator; or
- (d) is a credit PPD Entry satisfying each of the following criteria:
  - (i) the credit PPD Entry is for funds related to a Receiver's employment;
  - (ii) the value of the credit PPD Entry is fully included in the amount of a Check delivered to the same Receiver at or prior to the Receiver's separation from employment; and



- (iii) the credit PPD Entry was Transmitted by the Originator prior to the delivery of the Check to the Receiver.

The Originator must make a reasonable attempt to notify the Receiver of the Reversing Entry and the reason for the Reversing Entry no later than the Settlement Date of the Reversing Entry. For a credit PPD Entry satisfying the criteria of Subsection 2.9.1(d) above, the Originator must notify the Receiver of the Reversing Entry at the time the Check is delivered to the Receiver.

**SUBSECTION 2.10.4 Timing Requirements for Reclamation Entries and Written Demands for Payment**

An Originator or ODFI must originate a Reclamation Entry or written demand for payment within five Banking Days after the Originator receives notice of the death of the Receiver. If a Reclamation Entry is returned by the RDFI, the Originator may make a written demand for payment within fifteen Banking Days after it receives the returned Reclamation Entry. For this subsection, notice received by the Originator is considered to be effective from the time specified in Section 1-201(27) of the Uniform Commercial Code (1978 Official Text).

*A Reclamation Entry must not contain an Effective Entry Date that is earlier than the Effective Entry Date of the credit Entry to which it relates.*

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ARTICLE EIGHT

Definitions of Terms Used in These Rules

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**SECTION 8.84 Same Day Entry (Phase 1 text)**

An Entry, other than a debit 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 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.

**SECTION 8.84 Same Day Entry (Phase 2 text)**

*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 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.*

## APPENDIX THREE

## ACH Record Format Specifications

**PART 3.2 Glossary of ACH Record Format Data Elements****SUBPART 3.2.2 Glossary of Data Elements**

**Effective Entry Date:** 6 Positions – Company/Batch Header Record – Required (all batches)

**(Phase 1 text)**

The Effective Entry Date is the Banking Day specified by the Originator on which it intends a batch of Entries to be settled.

For credit Entries, the Effective Entry Date must be either the same Banking Day as the Banking Day of processing by the Originating ACH Operator (the processing date) for Same Day Entries, or one or two Banking Days following the Originating ACH Operator's processing date for other Entries.

For debit Entries, the Effective Entry Date must be one Banking Day following the processing date.

A batch of Entries containing an Effective Entry Date beyond the designated number of days allowed is Rejected by the ACH Operator and returned to the ODFI.

A batch of Entries containing an Effective Entry Date that is stale (i.e., is a Banking Day that is in the past, or is the current Banking Day but is not submitted timely to an ACH Operator for same-day processing and settlement) is settled at the next available settlement opportunity.

A batch of Entries containing invalid Effective Entry Date information (for example, if the field is blank or zero, partially blank or partially non-numeric, contains an incomplete date, contains day numbers higher than 31, or contains month numbers higher than 12) is settled at the next available settlement opportunity. The Originating ACH Operator inserts the Banking Day of processing or the next Banking Day as the Effective Entry Date, whichever corresponds to the next available settlement opportunity.

*ENR:* For Automated Enrollment Entries, this field must be space filled. Automated Enrollment Entries cannot be Same Day Entries.

*Return Entries, COR, TRC, TRX:* The ACH Operator does not edit this field.

The scheduled Settlement Date is inserted by the Receiving ACH Operator. *See the definition of "Settlement Date" in this Appendix Three.*

**(Phase 2 text)**

*The Effective Entry Date is the Banking Day specified by the Originator on which it intends a batch of Entries to be settled.*

*For credit Entries, the Effective Entry Date must be either the same Banking Day as the Banking Day of processing by the Originating ACH Operator (the processing date) for Same Day Entries, or one or two Banking Days following the Originating ACH Operator's processing date for other Entries.*

*For debit Entries, the Effective Entry Date must be either the same Banking Day as the processing date*

*for Same Day Entries, or one Banking Day following the Originating ACH Operator's processing date for other Entries.*

*A batch of Entries containing an Effective Entry Date beyond the designated number of days allowed is Rejected by the ACH Operator and returned to the ODFI.*

*A batch of Entries containing an Effective Entry Date that is stale (i.e., is a Banking Day that is in the past, or is the current Banking Day but is not submitted timely to an ACH Operator for same-day processing and settlement) is settled at the next available settlement opportunity.*

*A batch of Entries containing invalid Effective Entry Date information (for example, if the field is blank or zero, partially blank or partially non-numeric, contains an incomplete date, contains day numbers higher than 31, or contains month numbers higher than 12) is settled at the next available settlement opportunity. The Originating ACH Operator inserts the Banking Day of processing or the next Banking Day as the Effective Entry Date, whichever corresponds to the next available settlement opportunity.*

*ENR: For Automated Enrollment Entries, this field must be space filled. Automated Enrollment Entries cannot be Same Day Entries.*

*Return Entries, COR, TRC, TRX: The ACH Operator does not edit this field.*

*The scheduled Settlement Date is inserted by the Receiving ACH Operator. See the definition of "Settlement Date" in this Appendix Three.*

**Settlement Date:** 3 Positions – Company/Batch Header Record – Inserted by Receiving ACH Operator (all batches)

**(Phase 1 text)**

The Settlement Date (a 3-digit Julian date) for a batch of Entries is inserted by the Receiving ACH Operator. This is the date on which the Participating DFI or its correspondent is scheduled to be debited or credited by the Federal Reserve.

The Settlement Date inserted by the Receiving ACH Operator is the same as the Effective Entry Date, except as noted below.

In the following situations, the Receiving ACH Operator will insert the Banking Day following the Banking Day of processing as the Settlement Date (i.e., the next Banking Day):

- (1) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry is received by the Receiving ACH Operator after its deadline for same-day settlement.
- (2) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry is for an amount greater than \$25,000.
- (3) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry bears the IAT Standard Entry Class Code.
- (4) The Entry bears the ENR Standard Entry Class Code.
- (5) A debit Entry contains an Effective Entry Date that is the Banking Day of processing.

Entries with invalid or stale Effective Entry Dates will be settled at the next available settlement opportunity.

Return Entries, dishonored Return Entries, and contested dishonored Return Entries are settled by the ACH Operator no earlier than the Effective Entry Date contained within the original Entry, as it appears in the Return Entry Company/Batch Header Record. The return of an Entry that contains an invalid or stale Effective Entry Date will be settled by the ACH Operator at the next available settlement opportunity (i.e., the Banking Day of processing or the next Banking Day).

Notifications of Change and TRC/TRX Entries will be settled at the next available settlement opportunity, (i.e., the Banking Day of processing or the next Banking Day).

**(Phase 2 text)**

*The Settlement Date (a 3-digit Julian date) for a batch of Entries is inserted by the Receiving ACH Operator. This is the date on which the Participating DFI or its correspondent is scheduled to be debited or credited by the Federal Reserve.*

*The Settlement Date inserted by the Receiving ACH Operator is the same as the Effective Entry Date, except as noted below.*

*In the following situations, the Receiving ACH Operator will insert the Banking Day following the Banking Day of processing as the Settlement Date (i.e., the next Banking Day):*

- (1) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry is received by the Receiving ACH Operator after its deadline for same-day settlement.*
- (2) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry is for an amount greater than \$25,000.*
- (3) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry bears the IAT Standard Entry Class Code.*
- (4) The Entry bears the ENR Standard Entry Class Code.*

*Entries with invalid or stale Effective Entry Dates will be settled at the next available settlement opportunity.*

*Return Entries, dishonored Return Entries, and contested dishonored Return Entries are settled by the ACH Operator no earlier than the Effective Entry Date contained within the original Entry, as it appears in the Return Entry Company/Batch Header Record. The return of an Entry that contains an invalid or stale Effective Entry Date will be settled by the ACH Operator at the next available settlement opportunity (i.e., the Banking Day of processing or the next Banking Day).*

*Notifications of Change and TRC/TRX Entries will be settled at the next available settlement opportunity, (i.e., the Banking Day of processing or the next Banking Day).*

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**Phase 3**

- *Article Three, Subsection 3.3.1.1 (General Rule for Availability of Credits)* - updates language to require funds availability for Same Day ACH credit Entries by 5:00 p.m. in the RDFI's local time.

**Implementation Date: March 16, 2018**

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*As approved May 18, 2015, effective March 16, 2018, the Rules will be amended as follows for changes related to Phase 3 of Same Day ACH:*

## ARTICLE THREE

## Rights and Responsibilities of RDFIs and Their Receivers

*SUBSECTION 3.3.1.1 General Rule for Availability of Credits (Phase 1 text)*

For a credit Entry that is not a Same Day Entry, an RDFI must make the amount of the credit Entry received from its ACH Operator available to the Receiver for withdrawal no later than the end of the Settlement Date of the Entry, subject to its right to return the Entry under these Rules.

For a credit Same Day Entry, an RDFI must make the amount of the credit Entry available in the Receiver's account no later than the completion of the RDFI's processing for that Settlement Date, subject to its right to return the Entry under these Rules. An RDFI is not required to make such funds available for withdrawal on the Settlement Date.

An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from these requirements, subject to applicable Legal Requirements. An RDFI invoking such an exemption must promptly notify the ODFI.

*SUBSECTION 3.3.1.1 General Rule for Availability of Credits (Phase 3 text)*

*For a credit Entry that is not a Same Day Entry, an RDFI must make the amount of the credit Entry received from its ACH Operator available to the Receiver for withdrawal no later than the end of the Settlement Date of the Entry, subject to its right to return the Entry under these Rules.*

*For a credit Same Day Entry, an RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 5:00 p.m. in the RDFI's local time, subject to its right to return the Entry under these Rules.*

*An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from these requirements, subject to applicable Legal Requirements. An RDFI invoking such an exemption must promptly notify the ODFI.*