

## Frequently Asked Questions

Q - Can we do a test transaction to see if the account information is correct before sending the real transaction?

A- Yes... A test transaction is referred to as a "Pre-note" transaction. These are real transactions that flow through the ACH system and reach your customer's bank account. If there is an error with the account information, your customer's bank will return the pre-note letting you know what is incorrect. Pre-notes have to be \$0.00 so no money movement will occur, since it is simply a test transaction.

Q - I received a return today that was for \$0.00 and the return code begins with a "C". What is this? And what do I need to do?

A- Returns that come back with a "C" code are referred to as Notifications of Change (NOC). These are used by your customer's bank to let you know about a change that needs to occur to the bank account information that you used in the transaction when you sent it out. In the situation of a NOC the transaction posted to your customer's account and the money will move as expected. You will just need to apply any necessary changes listed in the NOC to any future transactions that you send to this customer. It is mandatory for you to make any changes that are sent to you via a NOC. This may require you to follow up with your customer to verify these changes.

Q - I created a transaction for one of my customers and it should have been credited to the customer's bank account today, but they do not see it. How can I find out if the transaction was processed and when the customer should see it on his account?

A- You can research the status of a transaction through the Online Reporting Center. You can complete a search using the customer's name, the amount of the transaction, the individual ID, the customer's routing and account number or any combination of these. The search results will provide the effective date (date the transaction will hit the customer's account) and the trace number associated with the transaction. If the transaction was returned for any reason, the search results will provide the date of the return and the reason for the return.

Q - I processed a file with an effective date of October 8 and today is October 10, when will I see the settlement funds in my account?

A- The timeframe between the effective date of the file processed and the date the funds are posted to the originator's settlement account is defined as the settlement delay. The settlement delay timeframe is included in the risk settings portion of a new company account setup. For example, if the company has a 3 day settlement delay the settlement would go to the company's settlement account on the 3rd business day following the effective date.

Effective Date – Monday 10/8	Settlement Date – Thursday 10/11
Effective Date – Tuesday 10/9	Settlement Date – Friday 10/12
Effective Date – Wednesday 10/10	Settlement Date - 10/15

The Customer Activity Summary Report will provide a list of files processed, including the effective date, settlement date and amount of the file, for a specified period of time. This report can be accessed through the Online Reporting Center.

Q - I sent a credit to one of my customers in error, is there any way to stop the credit from going to their account or reverse the credit to get my money back from the customer?

A- Once a transaction has been processed there is not a way to stop it from being sent to the customer's account. However, a reversal of the transaction can be done within five business days of the effective date of the transaction. It is important to remember that there is no guarantee that the funds originally credited to the customer's account will still be available in the account.

If you want to do a reversal on a transaction you would need to request a Reversal Form from ACHF.

Q - I processed a file of debits for a total amount of \$10,000 but when I received the funds for the debits in my account the amount was \$9,500, why the difference?

A- There are two types of settlements and each type calculates the amount settled to your account differently. An Indirect Settlement Amount is calculated by subtracting any two day returns received on the transactions processed and subtracting the transaction and returns fees from the total amount processed. A Direct Settlement Amount is the actual total amount processed. Any returns received for a customer with Direct Settlement will be debited directly from their Settlement Account the day the return is received by ACHF. The transaction and return fees for the transactions will all be debited once a month. A customer's Origination Agreement will state the settlement type they have been assigned.

Q - How can I change/add contact information on my account?

A- To change contact information on an account the customer would request a Change Request Form from ACHF and submit any requested changes.

Q - How can I find out why a transaction was returned?

A- You can go into the Review Returns area on the system and query return data to see any information regarding returns. Also, the Reporting Area of the System will allow a customer to pull a Return Reason Report. This report will show any returns received by the customer within the requested timeframe. For each return shown on the report there will be a return reason code and explanation of the code.

Q - Do I need to make sure the Payment Type setting is correct?

A- Yes. The Payment Type identifies how the authorization for a transaction was obtained. For example, the requirement for a PPD transaction (debit or credit to a consumer bank account) is a written authorization. If your company is requested to provide authorization to ACH Federal for a particular item, the correct type of authorization must be provided.

Q - Do I need to make sure the Account Type setting is correct?

A- Yes. The Account Type identifies if the receiving bank account number is a checking or savings account. If the Account Type is set incorrectly, the receiving bank can return the transaction. The receiving bank has the option to return the transaction or post it and send a notification of change. If the notification of change (C code return reason code) is returned, the item will have posted to the correct account and any change should be made for future items only. If the return reason is an R coded return code, the item should be resubmitted.