In light of the potential impact of coronavirus, Nacha reminds financial institutions of the importance of reviewing their business continuity plans to ensure that they are prepared to maintain ACH payment processing capabilities in the event of possible disruptions. In addition to their own business continuity plans, financial institutions should understand the expectations of their regulators and ACH Operators with regard to ACH processing in potential scenarios of workforce disruption.

The Nacha Operating Rules permit a financial institution to delay performance of its obligations under the Rules beyond required time limits if:

1. The delay was caused by the interruption of communication or computer facilities; and,
2. The delay was beyond the reasonable control of the financial institution seeking the excused delay.

Whether a delay is beyond the reasonable control of the party asserting an excused delay must be determined based on the available facts and circumstances surrounding the delay, including whether the financial institution exercised the level of diligence required under such circumstances. A delay caused, in whole or in part, by the failure of a financial institution to maintain or implement an appropriate business continuity plan is not excused under the Rules for that financial institution.

Time-critical obligations under the Nacha Operating Rules include, but are not limited to, the prompt posting of ACH credits and debits to customer accounts; providing funds availability from payroll and benefit Direct Deposits and other ACH credits no later than the applicable deadline; and exercising the right to return an ACH payment by the applicable return deadline.

A financial institution asserting an excused delay from any obligations under the Rules should, as promptly as possible after discovery, notify other ACH participants of the delay and its reliance on the Rules to excuse such delay. The notice may be given directly to affected ACH participants; through membership organizations such as Payment Associations; through an ACH Operator if the ACH Operator agrees to distribute such notice; or through other methods reasonably designed to notify the

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1 For example, see FFIEC Highlights Pandemic Preparedness Guidance, March 6, 2020 at https://www.ffiec.gov/press/pr030620.htm.
affected ACH participants. A financial institution asserting an excused delay may include Nacha as part of its process of directly notifying affected ACH participants.

**Same Day ACH**

Financial institutions should consider using the Same Day ACH capabilities to return ACH payment exceptions more quickly. This might help prevent any need to assert excused delay with respect to return deadlines in the event of disruptions.

Returns sent using the Same Day ACH capabilities are not limited by the eligibility requirements for forward same-day entries (i.e., the dollar limit, the exclusion of the IAT SEC Code, and the Same Day ACH Fee do not apply to returns).

*Note: Additional information related to excused delay may be found in Article One, Section 1.5 and pages OG 22-23 of the 2020 Nacha Operating Guidelines.*