

Same Day ACH Vendor Readiness

Same Day ACH is starting on September 23, 2016! Are you ready?

Is your ACH processor or software provider ready for all three phases?

Same Day ACH is an exciting enhancement to the ACH Network and an important part of the roadmap to faster payments. All ACH participants need to be ready for the implementation of Phase 1 on September 23, 2016. A key component of this readiness is to ensure that your ACH processing platforms have been enhanced to originate and receive Same Day ACH entries.

This document was developed by the Regional Payments Associations to provide a host of possible questions that financial institutions can ask their ACH processing vendor, whether you use ACH software and process it in-house, or whether you outsource this function. It addresses all three phases of Same Day ACH implementation.

If you have any questions, please contact your Regional Payments Association for assistance. A list of the twelve Regional Payments Associations appears at the end of this document.

SOFTWARE CAPABILITIES:

- ◉ What are you doing to prepare for Same Day ACH Phase 1, Phase 2 and Phase 3? Can you provide an implementation summary for all 3 Phases?
- ◉ What are your testing plans with financial institutions for Phase 1 and Phase 2? Is there a plan in place to test with the ACH Operators? If so, when can the testing be scheduled?
- ◉ Can the system prohibit originating balanced files in Phase 1? If the ODFI allows for balanced Same Day ACH files in Phase 1, how will the offsetting debit be handled and will the system suspend and create a report when the offsetting entry exceeds \$25,000?
- ◉ Will you support the use of an optional indicator field? Will the file reject if the originator does not use the indicator field, if required? Can the optional indicator field be used to automate billing?
- ◉ What feature or enhancements will be available in the software provided to originators to manage the Effective Entry Date Field for proper origination and to indicate same day intent? Will originators have the ability to select today's date as the settlement date?
- ◉ Will the system also be updated to recognize if the ODFI is using (in addition to Effective Entry Date) the Company Descriptive Date to validate the originator's intent for this to be a Same Day ACH file?
- ◉ How will the system handle potential compliance conflicts? Example: Effective Entry Date and Company Descriptive Date meets Same Day ACH criteria, but there are IAT entries or entries exceeding the \$25,000 limit.
- ◉ For ACH files with a stale date or invalid Effective Entry Date, can a message be applied to the system to let the originator know that because the Effective Entry Date is invalid or stale dated the file may be sent as same-day and a charge will be applied? Is it possible to add an additional

Same Day ACH Vendor Readiness

required approval to help with originators inadvertently sending Same Day ACH entries?

- ◉ What new tools will be offered to help mitigate the risk of corporate account takeover with Same Day ACH?
- ◉ How will the system handle Same Day ACH entry fees? Will this be an automated process to pass the fee to the originator? How will it interface with core system for Account Analysis calculations?
- ◉ If using a Third Party Service Provider or Correspondent Relationship, how do we access the ACH Operator accounts to review the monthly billing statement?
- ◉ If applicable, will Lockbox provider be participating in Same Day ACH? Can you provide details?
- ◉ What additional tools will be provided to help monitor fraud risk for Same Day items?
- ◉ Will any programming be needed to accommodate the new Fed Same Day Transaction Codes ? Any coding changes needed to ensure the ability to process the Fed's afternoon return file APPLID?

PROCESSING TIMES:

- ◉ What changes will be made to manage end of day balancing? How will this change for the weekend or holiday?
- ◉ What are the new deadlines for returns and how many times a day can we process returns?
- ◉ If using a Third Party Service Provider or Correspondent, can you provide the timeframe for processing ACH files received from the ACH Operator to ensure the timely processing of files containing Same Day ACH entries? Explain how you will be processing and posting Same Day ACH entries received prior to the weekend or holiday?
- ◉ What are the new file submission cut off times for Originators? Will there be a feature to alert originators of missed transmission windows for a Same Day ACH file and if an Originator does miss the Same Day ACH submission window how will they know?

REPORTING CAPABILITIES:

- ◉ What reports will be available to view received Same Day ACH entries by Effective Entry Date and track the Same Day ACH Entry fee of 5.2 cents per transaction?
- ◉ Will reports be available to track originated Same Day ACH entries? Can reports also be produced that include a breakdown by individual originators to analyze volume? Is it possible to calculate a Same Day ACH fee by individual originators and automatically debit originators, if a fee will be assessed for Same Day ACH service?
- ◉ Can a report be developed prior to Same Day ACH implementation to detect stale dated entries

Same Day ACH Vendor Readiness

that are currently being received? Will there be a daily report for stale dated entries after the Same Day ACH Rule is implemented?

- ◉ Can you provide the timing in which Same Day ACH activity and settlement reports will be made available for review?
- ◉ Positive Pay processes could prolong posting of Same Day ACH entries if determined a suspect item, can a daily report be produced to detect these types of suspect entries?

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