

# FedACH<sup>®</sup> SameDay Service

**The Federal Reserve Banks continue to provide innovative services that meet the business needs of our customers. Our latest offering, FedACH SameDay Service, provides same-day clearing and settlement of certain ACH forward and return debit payments for participating depository financial institutions (DFIs).**

## **FedACH SameDay Service**

FedACH SameDay Service allows converted check payments (ARC, BOC, POP, and RCK) as well as TEL and WEB payments to be settled during the current processing day. Otherwise, the earliest settlement for standard forward items, referred to as the “next-day” service, occurs on the morning of the banking day following the processing day that a forward item was transmitted to FedACH Services.

The FedACH SameDay Service is not an inter-operator service. FedACH SameDay Service items must be directly sent to and received from FedACH Services.

Originated forward items may be sent between 2:15 a.m. and 2:00 p.m., and will be delivered by 4:00 p.m. with settlement at 5:00 p.m. The forward service uses the existing “immediate” deadline that is used primarily for returns. Returns of FedACH SameDay Service forward items may be sent between 2:00 p.m. and 4:30 p.m., and will be delivered

by 5:00 p.m. with settlement at 5:30 p.m. Alternatively, receiving depository financial institutions (RDFIs) can use the existing “immediate” return service at 2:00 p.m. Current return deadline rules apply. All times are in Eastern Time.

Participation in FedACH SameDay Service is opt-in and is open to both originating depository financial institutions (ODFIs) and RDFIs, by agreement, and is available to any FedACH Services customer. Opt-in decision can change monthly. The service is RTN specific. For forward payments, your institution may choose to participate as an ODFI only, an RDFI only, or both. Participating ODFIs must receive FedACH SameDay Service returns regardless of whether they are participating as an RDFI. RDFIs may choose to be either a multilateral participant, allowing receipt of FedACH SameDay Service items from all participating ODFI RTNs, or a unilateral participant, allowing receipt of such items from only the participating ODFI RTNs that your institution specifies.

FedACH SameDay Service and next-day payments can be comingled in the same batch and included in the same ACH input file. Payments not eligible for same day settlement will settle next day. The input file does not require any non-standard use of NACHA file, record, or field formats. FedACH SameDay Service payments are identified using the existing *Effective Entry Date* field in the *Company/Batch Header* record.

## Key Benefits

As a DFI, you can control the pace and level of participation in FedACH SameDay Service, allowing you to customize the service and leverage those features which best meet your business needs. Accelerated clearing and settlement using FedACH SameDay Service compares favorably to check/image, debit and credit card transactions. The service levels the playing field with banks privately exchanging consumer ACH payments among themselves, thus allowing you to retain and attract new corporate customers that value the benefits of same-day settlement. As stated by one banker engaged in private exchanges, “one-off, private exchanges between banks for consumer ACH payments are not cost effective, are complicated to negotiate, and overly limit who can participate.”

FedACH SameDay Service also promotes the growth of native electronic payments by positioning FedACH Services to support mobile purchases, emerging person-to-person transfers, and other spontaneous payments. Because FedACH SameDay Service deposit deadlines and settlement times are closely aligned with the Check 21 premium service, FedACH SameDay Service can easily fit within the portfolio of services you already offer to your customers.

## ODFI Benefits

Because funds availability is moved up by one day, ODFIs benefit from having earlier access to funds. Consequently, returned payments will be expedited by at least one day, and as early as the settlement date of the original forward payment, if the FedACH SameDay return service is used.

FedACH SameDay Service facilitates bill payment applications that offer consumers a new option for authorizing just-in-time telephone (TEL) and Internet (WEB) debit payments. This service can also help reduce fraud, collections, and charge-offs.

## RDFI Benefits

Because the service is RTN specific, those RDFIs using the unilateral service can restrict receipt to on-us or on-we payments. Alternatively, RDFI unilateral participants may have an opportunity to gain leverage in negotiating overnight earnings through sharing arrangements with ODFI partners. Sharing earnings and/or splitting transaction fees are handled outside the service allowing for private exchange-like benefits sharing.

Interest paid by RDFIs on deposits is reduced because payments are debited one day earlier. Transaction cost savings may be realized since there is no charge for receipt of FedACH SameDay Service forward payments or origination/receipt of these returns. However, monthly minimum fees may apply.

## The FedACH Advantage

The Federal Reserve Banks are the nation's largest ACH operator, with nearly 40 years of experience and ACH expertise. As a leader in electronic access to services, the Federal Reserve Banks are committed to developing innovative options to meet your changing needs. A combination of high dependability, security and innovation enables you to provide the best ACH services to your customers.

## Federal Reserve Financial Services

The Federal Reserve Banks provide a full range of innovative and progressive financial services that can help you capitalize on growth and revenue opportunities. Our services are designed to provide the accessibility and flexibility you need to compete in a dynamic and evolving industry. Given our integrity and reliability, you can count on the Federal Reserve Banks to provide you with services that deliver benefits. Visit [FRBservices.org](http://FRBservices.org) to discover the full range of financial services.

## For More Information

To learn more about FedACH SameDay Service, please use the My FedDirectory® Service to find the contact information for your account executive and FedACH sales specialist or visit [FRBservices.org](http://FRBservices.org).