The Federal Reserve Banks’ ACH service known as FedACH provides financial institutions and government agencies with the ability to exchange electronic payments through the ACH network. FedACH is used to convey a variety of electronic transactions including pre-authorized recurring payments such as payroll, corporate payments to vendors, benefit payments, insurance premiums, utility payments, converted or truncated checks, and corporate cash concentration.

The Federal Reserve System has a number of procedures in place to ensure resiliency of the FedACH application. These procedures are routinely tested to ensure timely resumption of operations of the FedACH application in the event of a significant disruption. We continue to evaluate and enhance the FedACH application and recovery procedures on an ongoing basis. The below describes what a financial institution may generally expect during a business disruption, but is not intended to specifically describe what will happen.

**FedACH Data Centers**

Multiple data processing centers support the FedACH application to support “warm-site” backup capability. Data processing centers are geographically dispersed to mitigate the effects of natural disasters and power and telecommunications outages. In addition, the data centers include various contingency features, such as data backup, redundant power feeds and environmental and emergency control systems.

- **FedACH Same Site Recovery**
  The primary processing site for the FedACH application includes a high level of redundancy, and replication whereby automatic recovery is provided for most disruptions.

- **FedACH Remote Recovery**
  The FedACH application transmits and applies transactions to remote, redundant backup sites throughout the day. In addition, the Reserve Banks maintain computer hardware and software resources at additional sites in a dedicated and active state for FedACH backup use. Should the primary production site or processing environment experience a serious confidentiality, integrity, or availability problem, the FedACH application is expected to be operational at the backup site within four to six hours. Because of the batch-processing environment of the FedACH application, the recovery process would require each customer to reconcile the status of files sent or received to ensure all items are processed.
• **Data Center Operations Support**

Hardware and environmental software specialists are located at multiple sites, including the data processing centers that support FedACH. These specialists maintain and monitor environments that support the FedACH application, manage environmental software upgrades, and diagnose and resolve data center problems. Because data center operations are critical to supporting the FedACH application, data staff can manage processing environments wherever they are physically located, if necessary.

**FedACH Technical Support Personnel**

• **FedACH Application Support**

The FedACH application is supported by a team of technical, implementation, testing, business, and operations staff. Together they are responsible for supporting, and operating an efficient, accessible, and reliable ACH payments system. Because this staff is critical to the FedACH service availability and recovery, they have the capability of working offsite. The operations staff, operating from multiple geographic locations, provides around the clock coverage, monitoring the application to ensure processing deadlines are met. In the event of a disruption at one location, the staff at the alternate locations can immediately monitor all FedACH file activity while issues at the affected site are addressed.

• **FedACH Customer Support**

These specialists are responsible for responding to customer inquiries and requests, file monitoring, performing customer setup activities, and other operational tasks. Operations specialists are located in multiple geographic locations, which results in expected minimal disruption to Customer Support during a contingency event in any location. In the event of a disruption, Customer Support is able to make modifications to reroute its call traffic to support all customers.

**FedACH Contingency Testing**

The Federal Reserve System invites customers with electronic communication connections to the FedACH service to participate in the FedACH application contingency tests. The application contingency tests are conducted and certified periodically throughout the year. During the contingency tests, customers test their ability to reconcile and resume processing of their transactions following a FedACH application recovery simulation. Please refer to the FedACH and Check Services Business Continuity Guide for additional information.