

## Check Adjustments Tips

### ***Check Adjustments Tip: Case scenarios help you submit adjustment requests for the Paid Item (PAID) investigation type and/or understand a debit entry you may receive for a PAID***

In addition to using the [Check Adjustments Quick Reference Guide](#) for detailed information on submitting a [Paid Item](#) (PAID) investigation type (ITYP), refer to the [Check Adjustments Case Submission Requirements for PAIDs](#) (PDF) for several common scenarios you may encounter when receiving a Paid Item(s) in a cash/return letter from a Federal Reserve Bank (FRB).

- Case Scenario #1 - FRB is source for both items
- Case Scenario #2 - Single item, two different sources
- Case Scenario #3 - Multiple items, two different sources
- Case Scenario #4 - Single item, paid over the counter
- Case Scenario #5 - Single item, Encoding Error (ENC) on one of the items
- Case Scenario #6 - Single item, paid three or more times

When your institution is the source for the item reported as PAID, you will receive a CA1100 (case open with entry) debit adjustment entry from a Federal Reserve Bank. To better assist you with understanding the information on the debit entry, refer to the scenarios in [Understanding a CA1100 \(case open with entry\) Message for a PAID](#) (PDF).

- Case Scenario #1 - You are source for both items
- Case Scenario #2 - Single item, two different sources
- Case Scenario #3 - Multiple items, two different sources
- Case Scenario #4 - Single item, paid over the counter
- Case Scenario #5 - Single item, Encoding Error (ENC) on one of the items
- Case Scenario #6 - Single item, paid three or more times
- Case Scenario #7 - PAID incident reported by the Depositing Institution

Also, refer to the [Check Adjustments Quick Reference Guide](#) for detailed information on the reporting time frames, Federal Reserve Bank action and case submission requirements for each ITYP as they may have changed in recent years. For example, did you know a copy of the item is no longer required for an [Encoding Error](#) (ENC), a [Non-Cash Item](#) (NCH) or a [Paid Item](#) (PAID) adjustment?

The Federal Reserve Banks also offer Check Adjustments webinar training on topics ranging from case submission requirements for electronic adjustments to proper usage of some of the most common investigation types you may encounter in today's processing environment; as the Submitter or Receiver of each ITYP covered. For more information visit [Federal Reserve Bank Events](#) on [FRBservices.org](#).

Please contact FedACH<sup>®</sup> and Check Services Customer Support at (877) 372-2457 should you have questions.

### ***Check Adjustments Tip: Fillable PDF Check Adjustment forms now available with instructions and examples***

You may be familiar with the required documentation requirements for some of the Check Adjustment investigation types (ITYPs), but did you know some of the required forms, which are available as fillable PDFs, are now available with instructions and examples? The forms are accessible on the [Check Services Forms](#) page and within

each ITYP in the [Check Adjustments Quick Reference Guide](#) (QRG). Refer to the Check Adjustments QRG for detailed information on all ITYPs, including supporting documentation requirements, as they may have changed.

As a reminder, all forms must be completely filled out and properly signed. Please contact FedACH<sup>®</sup> and Check Services Customer Support at (877) 372-2457 if you have any questions.

### ***Check Adjustments Tips: Determining when to use the Non-Cash Item investigation type vs. the Not Our Item investigation type***

In 2016 the Federal Reserve Banks shared a series of [tips](#) on Check Adjustments. These tips were designed to increase efficiency with using the Check Adjustments application in FedLine<sup>®</sup> access solutions. This year, we are excited to continue with a series of tips on Check Adjustments that will include investigation types (ITYPs). [Tip Sheet #5](#) will assist you in determining when to submit a [Non-Cash Item](#) vs. a [Not Our Item](#). Refer to the [Check Adjustments Quick Reference Guide](#) for detailed information on the reporting time frames and Federal Reserve Bank action for each ITYP. Please contact FedACH<sup>®</sup> and Check Services Customer Support at (877) 372-2457 if you have any questions.

### ***Check Adjustments Tips: Checking the status of a Check Adjustment message***

In continuation of our series of tips on Check Adjustments; [tip Sheet 4](#) (PDF) explains the steps for checking the status of a Check Adjustment message. The [Check Adjustments Automated Status Report](#) allows you to monitor cases pending a response from another institution; awaiting Documents-to-Follow (DTFs); or for which a provisional entry or requested information was not provided.

Please contact FedACH<sup>®</sup> and Check Services Customer Support at (877) 372-2457 if you have any questions.

### ***Check Adjustments Tips: Proper usage of the Photocopy Request (PREQ) and Original or Sufficient Copy Request (OSCR) investigation types***

In continuation of our series of tips on Check Adjustments, [Tip Sheet 3](#) (PDF) explains the proper usage of the PREQ and OSCR investigation types (ITYPs). While both are service requests, no entry provided, the PREQ can be used by all parties (Senders or Receivers of the item). However; the OSCR can only be used by the Receiver of an item presented/returned in an ANSI X9.37 image cash/return letter or as a substitute check.

Please contact FedACH<sup>®</sup> and Check Services Customer Support at (877) 372-2457 if you have any questions.

### ***Check Adjustments Tips: Verify electronic requests and/or supporting documentation were received by the Federal Reserve Banks***

The Federal Reserve Banks are excited to share a series of tips on Check Adjustments. The first two tips are designed to increase efficiency with using the Check Adjustments application in FedLine<sup>®</sup> access solutions. [Tip Sheet #1](#) (PDF) shows you how, with just a few short clicks of the mouse, you can verify the Federal Reserve Banks received your electronic adjustment request. [Tip Sheet #2](#) (PDF) shows how you can verify supporting documentation, commonly referred to as Documents-to-Follow (DTFs), has archived to an adjustment request.

Generally, there is no need to contact the Federal Reserve Banks to verify we have received your adjustment message and/or DTFs. Please contact FedACH<sup>®</sup> and Check Services Customer Support at (877) 372-2457 if you have any questions.

### ***Tips on the Canadian cash letter process***

When making a Canadian cash letter deposit with the Federal Reserve Banks, it's important to use the correct cash letter form with the applicable item you are depositing. There are four different Canadian Cash Letter forms. All [cash letter forms](#) are located online and should be sent to the Federal Reserve Bank of Atlanta.

When depositing Canadian items that are encoded with Magnetic Ink Character Recognition (MICR-encoded) and payable in U.S. funds (the maker has an account payable in U.S. funds with a Canadian bank), use the Canadian [U.S. Funds \(Encoded\)](#) (XLS) cash letter form. If the items are not encoded, use the [U.S. Funds \(Unencoded\)](#) (XLS) cash letter form. When depositing Canadian items that are MICR encoded and payable in Canadian funds (the maker has an account payable in Canadian funds only with a Canadian bank), use the Canadian [Funds \(Encoded\)](#) (XLS) cash letter form. If the items are not encoded, use the [Canadian Funds \(Unencoded\)](#) (XLS) cash letter form.

Canadian items payable in U.S. funds generally will state somewhere on the face of the item it's in U.S. funds or *American \$*. Another indication that the item is payable in U.S. funds is the number 45 in the MICR line, generally following the account number. In the absence of an indication that the item is payable in U.S. funds, it is processed as a Canadian item in Canadian funds. The routing number (RT) used in the Depositor's RT field receives a credit, and the item is presented to the paying institution for payment. Please note that the item could be returned by the paying institution at any time.

All other foreign items should be deposited using the [Foreign Check](#) (XLS) cash letter form. Credit for these deposits is made when the Federal Reserve Banks receive credit from the foreign bank. Please contact FedACH® and Check Services Customer Support at (877) 372-2457 if you have any questions.

### ***Check Operations: Tips on completing paper cash letter deposit forms***

When making a paper cash letter deposit with the Federal Reserve Banks, there are several important steps to follow. One of the most important steps is to select the correct cash letter form. For example, when depositing Canadian items, use the applicable Canadian cash letter form. All other foreign items should be deposited using the Foreign Check cash letter form. All [cash letter forms](#) are located on our public website and should be sent to the Federal Reserve Bank of Atlanta.

When completing the cash letter form, the depositor's routing number, name and address entered on the form should correspond with the institution that will receive credit for the deposit. The cash letter and bundle total amount should equal the amount of the item(s) being deposited, and the item(s) should be included with the cash letter deposit.

Another important step is to provide the required/applicable information for the cash letter being deposited. For example, Return Item deposits may require your most recent cash item source of receipt (SOR) (Forward presentment information) or Return Item SOR. Facsimile Savings Bonds require a specific [indemnification statement](#) (PDF) for bonds (form 700A). See information for [properly prepared facsimiles](#) (PDF) for Savings Bonds for more information.

Following these tips will help ensure the deposit is processed accurately and without delay. Please contact FedACH® and Check Services Customer Support at (877) 372-2457 if you have any questions.

### ***Check Adjustments Tip: Periodically verify account information***

It's a good idea to periodically verify that the information you have on file with the Federal Reserve Banks is up to date. This information includes your mailing address and point of contact (name, email address and telephone number) for each service you have. Accurate information helps ensure that there are no delays in receiving information or service from the Federal Reserve Banks.

For example, if you receive a paper cash/return letter from the Federal Reserve Banks, it will be mailed to the address on file. If the address on file is incorrect, there is a risk the cash/return letter may be delayed or lost in the mail. Please contact FedACH® and Check Services Customer Support at (877) 372-2457 if you have any questions.

## ***Check Adjustments Tip: Responding to a CA1000 message from the Federal Reserve Banks***

Did you know that when you receive a CA1000 (Case Open Without Entry) message from the Federal Reserve Banks, you should respond using a CA5000 (Case Resolution) message? You should avoid responding with a CA1000 message, as this will open (create) a new case with the Federal Reserve Banks. You should also avoid responding using a CA4000 (Case Status Inquiry) message. Please contact FedACH® and Check Services Customer Support at (877) 372-2457 if you have any questions.

## ***Why is it so important to use the correct Investigation Type (ITYP) when submitting an adjustments request?***

It's very important to use the correct investigation type (ITYP) when submitting an adjustments request to ensure that the request is handled properly, for all institutions involved, in accordance with the guidelines of that ITYP. When a request is submitted with the incorrect ITYP, it may delay the resolution of the request, and/or the request may be returned to the requester advising them to resubmit with the correct ITYP and required documentation.

For example, if a request is submitted as a Duplicate Entry (DUP) (no attachments required) but is later determined to be a Paid Item (PAID) (attachments required only if you are reporting six or more items paid in the same bundle), the case could be returned to the requester because the required attachments for reporting multiple paid items were not received. In this example, if a provisional entry was given, it would be reversed and the requester must resubmit the request within the reporting time frame of the correct ITYP (with the required attachments) to receive a provisional entry.

Please refer to the [Check Adjustments Quick Reference Guide](#) for detailed information on the reporting time frames and Federal Reserve Bank action for each investigation type. Please contact FedACH® and Check Services Customer Support at (877) 372-2457 if you have any questions

## ***What are the differences between the Duplicate Entry (DUP) and the Paid Item (PAID) investigation types (ITYPs)?***

The differences between the DUP and the PAID ITYPs are the usage and reporting time frames. The DUP ITYP is used when requesting reversal or investigation of an accounting entry that appears to have been previously made. An example of this is receiving entry for the same Encoding Error (ENC) more than once. If the DUP request is submitted **within 20 business days of the most recent entry date** and other requirements are met, a provisional entry is made the same day the request is received. The PAID ITYP is used when requesting credit for an item that is being refused either because it is the original (or the legal equivalent, i.e. a substitute check or image received in an ANSI X9.37 cash/return letter) or a photocopy, and the other item is already paid. If the request is submitted **within six calendar months of the cash/return letter date** and other requirements are met, a provisional entry is made the same day the request is received.

Did you know we offer a Check Adjustments Webinar that explains the proper usage of ITYPs entitled "Check Adjustments Insights into Investigation Types"? For more information and to register, please visit the [Events and Education](#) website. You can also refer to the [Check Adjustments Quick Reference Guide](#) for more information on all ITYPs, including required fields (information needed on the adjustments request) and supporting documentation requirements.

Please contact FedACH® and Check Services Customer Support at (877) 372-2457 if you have any questions.

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