

## Check Adjustments Tips

### ***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.

Refer to the [Check Adjustments Tips](#) (PDF) to see previous tip sheets as well as other tips related to Check Adjustments. Please contact 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.

Refer to the [Check Adjustments Tips](#) (PDF) to see previous tip sheets as well as other tips related to Check Adjustments. Please contact 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 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 Customer Support at **(877) 372-2457** with 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 Customer Support at **(877) 372-2457** with questions.

### ***Check Adjustments Tip: Check Adjustments Automated Status Report at your fingertips***

Are you a FedLine access solutions customer with access to the Check Adjustments application? Would you like to increase the efficiency of Check Adjustment case status maintenance?

The Federal Reserve Banks have made it convenient for you. At the end of each processing day, the [Check Adjustments Automated Status Report](#) (PDF) is available as a menu option under the Import/Export feature.

The daily Status Report provides information on the status of adjustment requests submitted to the Federal Reserve Banks that are pending a response from another institution, are awaiting supporting documentation, referred to as Documents-to-Follow (DTF), or for which a provisional entry or requested information has not been provided.

How is this report beneficial to your institution? You can update and track your requests internally with a click of the mouse. You can also use the report as documentation for cases that are pending a response from the Federal Reserve Banks. By using the Check Adjustments Automated Status Report, combined with responses to your requests (located in the Inbox feature), you are able to manage adjustments with greater efficiency.

Need a run-through session on how to access the report? The Federal Reserve Banks have prepared an online learning tool that provides step-by-step instructions for accessing and downloading the report. Refer to the Learning Center, located in the FedLine access solution, (Services > Check Services > Check Adjustments) for an interactive tutorial entitled *Daily Status Report*, which is a menu option under the Import/Export feature.

For additional assistance or questions with the report, please contact Customer Support at **(877) 372-2457**.

### ***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 Customer Support at **(877) 372-2457** with questions.

### ***Check Adjustments Tip: Fillable PDF Check Adjustment forms now available***

You may be familiar with the required documentation requirements for some of the Check Adjustment investigation types (ITYPs), but did you know the required forms are now available as fillable PDFs? 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.

### ***Check Adjustments Tip: Case scenarios help you submit adjustment requests for the PAID ITYP***

In 2013, case submission requirements for the Paid Item (PAID) investigation type (ITYP) changed. Now requirements include four fields on the CA1000 (case open) message screen in your FedLine<sup>®</sup> access solution and on the [Check Adjustments request form](#) (PDF). To help financial institutions comply with the changes, the Federal Reserve Banks have prepared a series of [case scenarios](#) (PDF) to illustrate how to submit a PAID ITYP adjustment request.

Please contact Customer Support at **(877) 372-2457** if you have any questions.

### ***Check Adjustments Tip: Revised Check Adjustments webinar provides more insight into investigation types***

The *Check Adjustments Insights into Investigation Types (ITYPs)* webinar has been revised to provide more details regarding some of the most common errors institutions encounter in today's processing environment including Encoding Errors (ENC), Non-Cash Items (NCH), Not Our Items (NOI) and Paid Items (PAID). This webinar is intended for all customers, whether you are new to adjustments or have several years of experience. In addition to covering the proper usage, case submission and supporting documentation requirements associated with the ITYPs covered, we will also cover the reporting time frame and Federal Reserve Bank action steps based on when the ITYP was reported.

Attend the *Check Adjustments Insights into Investigation Types (ITYPs)* webinar to learn about some of the most common investigation types institutions encounter in today's processing environment as we focus on the proper

usage of ITYPs from the perspectives of both depositors and receivers of cash/return letters. This webinar is offered for a per-connection fee of \$175 and an institution may allow several participants to attend the webinar using a single connection. Please visit [Federal Reserve Bank Events](#) to register.

### ***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.

### ***How should we handle an item that has been duplicated or is a Paid Item (PAID) but one of the items also has an Encoding Error (ENC)?***

If you have a paid item and an encoding error (ENC) occurred on one of the presentment/return items but the ENC has **not** been corrected, submit a PAID request for the amount of the incorrectly encoded item. The incorrectly encoded item should be the item reported PAID in the Item ID or Research Information section of the request for the amount debited. For example, assume one of the presentment/return items was charged to you incorrectly as \$1,359.60 and should have been \$2,359.60. However, at some point you were also charged for the correct amount of the item, \$2,359.60. Submit a PAID request for \$1,359.60.

If you have a paid item and an encoding error occurred on one of the presentment/return items, however, an ENC adjustment has already been submitted, the PAID request should be submitted for the correct amount of the item. Additionally, the ENC adjustment should be referenced in the comment field of the case. For example, assume one of the presentment/return items was charged to you incorrectly as \$627.50 and should have been \$1,627.50. An ENC adjustment was submitted and an entry was made to you for \$1,000.00. However, at some point you were also charged for the correct amount of the item, \$1,627.50. Submit a PAID request for \$1,627.50.

### ***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.

### ***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.

### ***What are the differences between the Non-Cash Item (NCH) and the Not Our Item (NOI) investigation types (ITYPs)?***

The differences between the NCH and the NOI ITYPs are in the usage. The NCH ITYP is used to request entry for a non-valid (zero-value) item or an item that was included in the cash/return letter total received from a Reserve Bank that does not meet legal equivalence for Check 21. For example, a control document, magnetic ink character recognition (MICR) mismatched item, or a non-conforming item. The NCH ITYP should not be used to report fraudulent or forged items as these situations are not handled through the check adjustments channels.

The NOI ITYP is used when an item was charged in a cash/return letter erroneously; the item does not bear the requesting institution's routing number in the MICR line (forward collection) or endorsement area (return item). If the item bears the routing number of the receiving institution, it is deemed to be their item. Forward NOIs do not commonly occur in X9.37 image cash letters.

Did you know that 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 check adjustments request) and supporting documentation requirements.

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