

# PDF Delivery of Return Substitute Checks

Federal Reserve Banks' Check 21-enabled payments products support today's electronic check clearing process by providing your institution the opportunity to transition to a more electronic check processing operation.

As a cost-effective alternative to FedReceipt® Plus for Returns image cash letter data file delivery, the Reserve Banks offer Print Display - Portable Document Format (PDF) file delivery of your incoming returns (chargebacks). With this option, you or your processor can receive a PDF file of all incoming returns (including items returned electronically and items returned via paper that are imageable). Each day you would simply do the following:

- Log into FedLine Web® access solutions.
- Download the PDF returns file to your PC.
- Open the PDF returns file in Adobe® Acrobat® Reader® (available free of charge at Adobe.com).
- Print your returns (substitute checks) on your local printer using a Magnetic Ink Character Recognition (MICR) ink cartridge.
- Process the items the same as you do the paper items you currently receive.

#### **Benefits of PDF Delivery of Returns include:**

- No change to your current processes for handling returns and charging back depositors.
- Possible earlier delivery of your incoming returns.
- Elimination of transportation delays.
- Potential earlier customer notification of return items.
- Ability to provide necessary documentation to your depositors.
- No charge to receive PDF files.\*

#### **PDF Delivery of Returns**

If you or your processor do not have the capabilities to accept return items in an image cash letter data format using FedReceipt Plus for Returns service, the Reserve Banks can send a PDF file of your incoming substitute check returns that can be viewed and printed at your location. This is an ideal solution for financial institutions that receive a small number of return items each day or are building their necessary image processing infrastructure.

#### **File Delivery**

The PDF returns file takes the place of physical delivery of return items. As the bank of first deposit (BOFD), you print substitute checks from the file on a local desktop printer and use the information to charge back customers, using the PDF returns file for customer notification if necessary.

PDF returns files are delivered via the FedLine Web access solution or Axway Secure Client. They remain available to download, view and print for at least three days after delivery.

#### **Settlement and Balancing**

Settlement for PDF returns files will take place the day the files are posted to your institution's Federal Reserve account accessible via the FedLine Web access solution. We recommend that you log into the FedLine Web access solution each day to retrieve any files that are available. You can also use the FedLine Web access solution's delivery history feature and the Account Management Information (AMI) service to assist in managing your account. PDF return item files will post to the Enterprise Accounting System (EASy) and your institution's Federal Reserve account the same as paper checks, using the same 30xx series Trancode.

\* Financial institutions receiving PDF Delivery of Substitute Checks are not eligible for the FedReceipt for Returns deposit discount. The deposit discount is available to FedReceipt Plus for Returns customers.

## Hardware, Software and Agreement Requirements

To receive PDF Delivery of Return Substitute Checks, you will need:

- A completed PDF Check Presentment and Return Service Agreement.
- FedLine Web access – Check 21 FedReceipt level.
- Standard printer with double-sided/duplex print capabilities (can be automatic or manual duplex).
- PDF reader software – (Adobe Acrobat Reader software is available free at [Adobe.com](http://Adobe.com)).
- MICR ink cartridge to print legitimate substitute checks.
- Standard 8-1/2" x 11" paper (24 lb. or thicker laser paper recommended). Perforated paper may be used if desired.

Return items will print one per page on standard 8-1/2" x 11" paper, along with bundle and cash letter summary reports to assist in balancing. Please note that special Image Replacement Document (IRD) printers are not required for PDF files and standard desktop printers can be used, as long as the MICR line is printed using MICR ink.

## Benefits of the Federal Reserve Check 21-Enabled Products

The Federal Reserve is the nation's largest processor of interbank check payments. Our Check 21-enabled products provide the benefits of end-to-end electronic processing and have dramatically improved the efficiency of the payments system by providing the framework for the continued growth of a broad network of electronic receivers. The FedForward<sup>®</sup>, FedReturn<sup>®</sup> and FedReceipt product suites leverage our nationwide clearing network to offer fast clearing at attractive deadlines.

## Advantages of Federal Reserve Financial Services

The Federal Reserve offers a full range of financial services to assist depository institutions in achieving a sustainable competitive advantage. We provide innovative and progressive services that enable you to 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.

## Where Can I Get More Information?

The Federal Reserve is committed to providing you with exceptional customer service. Our team of technical support experts is available to assist you in using all of our products and services. For a complete listing of contacts for your institution, please see "My FedDirectory<sup>®</sup>" by visiting [FRBservices.org](http://FRBservices.org) and selecting "Contact Us."

The Financial Services logo, "FedReceipt", "FedLine Web", "FedLine", "FedForward" and "FedReturn" are registered service marks of the Federal Reserve Banks. A complete list of marks owned by the Federal Reserve Banks is available at [FRBservices.org](http://FRBservices.org).

"Adobe", "Acrobat" and "Reader" are either registered trademarks or trademarks of Adobe Systems Incorporated in the United States and/or other countries.