

## Business Banking Toolbox

### Glossary of Acronyms and Definitions

| Term                         | Definition   |
|------------------------------|--|
| ACH                          | Automated Clearing House payment – direct/electronic payments  |
| ACH Operator                 | Central clearing facilities, either the Federal Reserve Bank or The Clearing House   |
| Addenda                      | Additional information about the entry such as purchase order number   |
| B2B                          | Business to Business transaction   |
| Controlled Disbursement      | Used to regulate the flow of checks through the banking system on a daily basis, usually by mandating once-daily distributions of checks (usually early in the day). This is done in order to meet certain investment or funds management objectives.                                      |
| CSV                          | Comma-separated values (CSV) file stores tabular data (numbers and text) in plain text. Each line of the file is a data record. Each record consists of one or more fields, separated by commas. The use of the comma as a field separator is the source of the name for this file format. |
| EDI                          | Electronic Data Interchange (EDI) - electronic transfer of business information in a standardized, machine-readable format; facilitates electronic transmission of payment and remittance data to receivers.   |
| E-Payments Routing Directory | Listing of eligible routing transit numbers for wire participants and for ACH participant RDFIs with commercial receipt volume. Typically used with standard spreadsheet or database management software.  |
| HTML                         | Human-readable format. The acronym HTML stands for Hyper Text Markup Language, the primary markup language used to write content on the Web.   |
| IAT                          | International ACH Transaction  |
| NACHA                        | National Automated Clearinghouse Association. NACHA is the rule making body for ACH.   |
| NOC                          | Notification of Change – a type of ACH entry that provides correction data to the originator of the payment.   |

| Term         | Definition   |
|--------------|--|
| ODFI         | Originating Depository Financial Institution (ODFI). Originates outgoing ACH payments, debits and credits, into the ACH network on behalf of its originators.  |
| PDF          | Human-readable format; stands for Portable Document Format.  |
| P2P          | Person to person payment   |
| RDFI         | Receiving Depository Financial Institution (RDFI). Receives incoming ACH payments, debits and credits, from the ACH network on behalf of its receivers   |
| Same Day ACH | NACHA <i>ACH Rules</i> change, Phase 1 of which is effective September 23, 2016, to provide a new, ubiquitous capability for moving ACH payments faster. The rule enables the same-day processing and settlement of virtually any ACH payment. This NACHA rule change enables ACH Originators that desire same-day processing the option to send same-day ACH transactions to accounts at any receiving financial institution (RDFI). The rule includes a “Same Day Entry Fee” on each Same Day ACH transaction to help RDFIs recover, on average, their costs for enabling and supporting Same Day ACH. Phase 1 of implementation restricts same-day ACH to credit entries and non-monetary entries only. |
| SEC code     | A Standard Entry Class Code (SEC Code) identifies a specific payment application. The code incorporates type of payment (debit or credit), account nature (consumer or corporate), and record format used to carry format. Implicit in the code is how authorization is arranged (standing, oral, type of transaction, etc).   |
| STP          | Straight-through processing (STP) typically associated with automated accounts receivable systems.   |
| TXT          | The TXT file format, ending in “.txt,” is a file format that is in plain text. The character set contained in the text file is the ASCII (American Standard Code for Information Interchange).   |