

Same Day ACH Vendor Forum

FEDERAL RESERVE  FINANCIAL SERVICES

Federal Reserve Bank of Atlanta
February 3, 2016

CURRENT (pre Same Day ACH rule change)

FedACH® Transmission Deadlines and Distribution and Settlement Schedules

Transmission Deadline	Distribution Schedule	Settlement Schedule
FedACH Service – Forward		
11:00 a.m. (ET) 2:00 p.m. (ET) 8:00 p.m. (ET) 2:15 a.m. (ET)	1:00 p.m. (ET) 4:00 p.m. (ET) 10:00 p.m. (ET) 6:00 a.m. (ET)	8:30 a.m. (ET) Next Business Day Debits and Credits – ODFI and RDFI
FedACH Service – Return		
Immediate: 2:00 p.m. (ET)	1:00 p.m. (ET) 4:00 p.m. (ET)	5:00 p.m. (ET) Immediate Settlement on Current Business Day
End of Day: 2:15 a.m. (ET)	10:00 p.m. (ET) 6:00 a.m. (ET)	8:30 a.m. (ET) Next Business Day Debits and Credits – ODFI and RDFI
FedACH SameDay Service – Forward		
11:00 a.m. (ET) 2:00 p.m. (ET)	1:00 p.m. (ET) 4:00 p.m. (ET)	5:00 p.m. (ET) Current Settlement Day
FedACH SameDay Service – Return Windows		
2:00 p.m. – 2:45 p.m. (ET) 2:46 p.m. – 4:30 p.m. (ET)	4:00 p.m. (ET) 5:00 p.m. (ET)	5:30 p.m. (ET) Current Settlement Day

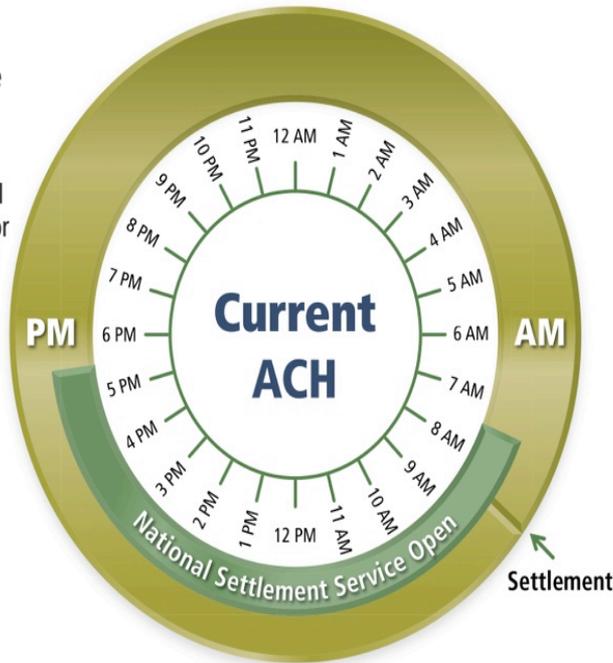
FedACH® Processing Schedule (effective Sept. 23, 2016)		
Transmission Window	Target Distribution <small>(Times reflect targets for outgoing distribution and the Reserve Banks bear no liability should a later distribution time occur)</small>	Settlement Schedule
FedACH Forward – Future Dated Items		
10:30 a.m. ET (1030 ET)	12 noon ET (1200 ET)	For all: 8:30 a.m.ET (0830 ET) - Future Business Day
2:45 p.m. ET (1445 ET)	4 p.m. ET (1600 ET)	
8 p.m. ET (2000 ET)	10 p.m. ET (2200 ET)	
2:15 a.m.ET (0215 ET)	6 a.m.ET (0600 ET)	
FedACH Forward – Same Day Items		
10:30 a.m.ET (1030 ET)	12 noon ET (1200 ET)	1 p.m. ET (1300 ET) - Current Business Day
2:45 p.m. ET (1445 ET)	4 p.m. ET (1600 ET)	5 p.m. ET (1700 ET) - Current Business Day
FedACH Returns*		
10:30 a.m.ET (1030 ET)	12 noon ET (1200 ET)	1 p.m. ET (1300 ET) - Current Business Day
2:45 p.m. ET (1445 ET)	4 p.m. ET (1600 ET)	5 p.m. ET (1700 ET) - Current Business Day
4 p.m. ET (1600 ET)	5 p.m. ET (1700 ET)	5:30 p.m. ET (1730 ET) - Current Business Day
8 p.m. ET (2000 ET)	10 p.m. ET (2200 ET)	8:30 a.m. ET (0830 ET) - Next Business Day
2:15 a.m. ET (0215 ET)	6 a.m. ET (0600 ET)	8:30 a.m. ET (0830 ET) - Next Business Day

*Return entries not future-dated and received within the 1030 ET, 1445 ET, and 1600 ET transmission windows will settle on the current business day in accordance with the times provided above. All other return entries will settle at 0830 ET on the next business day following transmission.

Same Day ACH Settlement Timing

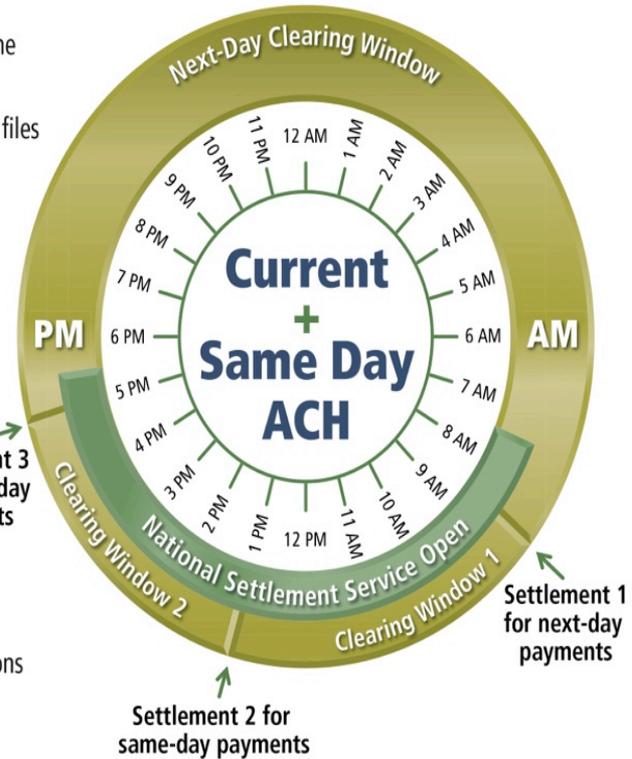
*In combination, Current ACH + Same Day ACH provide **3** daily settlement options.*

- 2:15 AM: ODFI deadline for next-day transactions
- 6:00 AM: RDFI receipt files for next-day ACH
- 8:30 AM: Settlement



- 10:30 AM: ODFI deadline for same-day window
- 12:00 PM: RDFI receipt files for same-day window
- 1:00 PM: RDFI settlement for same-day transactions
- 2:45 PM: ODFI deadline for same-day window
- 4:00 PM: Receipt files for same-day window
- 5:00 PM: Settlement for same-day transactions

Settlement 3 for same-day payments



What did we hear from you in advance?

QUESTIONS RECEIVED

- Will there be any impact to return deadlines?
- What type of reporting is required on behalf of the FI for Same Day ACH transactions?
- Are there any plans to expand eligibility for Same Day ACH to include IATs and/or items over \$25,000?

- ❑ What are the biggest areas of risk?

- ❑ What are vendors doing to prepare for Same Day ACH and what are they communicating to their clients?

- ❑ How will fees be handled?

- Weekend and overnight processing details?
- Specifics on the 2:15 a.m. cutoff for next day and “open and close” of Same Day ACH per the ACH Operator?
- When can stale-dated entries be processed as next day and not as Same Day ACH?

- Better understanding of the fee structure and input on pricing to keep market for Same Day ACH appealing?
- Are any file format changes needed?
- Have definitive cutoff times been set?

- ❑ How will an FI know for which transactions it is charged the Same Day ACH fee (particularly in light of the fact that MANY originators are using the Effective Entry Date field incorrectly)?

- ❑ What do vendors intend to do to assist ODFIs with stale-dated entries that may lead to unintentional same day processing?

Processing Scenario 1

- In phase 1, a batch is submitted to the ACH Operator at 11:45 pm ET on Tuesday, October 4, 2016, with an effective entry date of October 3, 2016 (stale-dated).
- Since the batch was submitted prior to the 2:15 am ET deadline and is not future-dated, it will settle at 8:30 am ET on Wednesday, October 5, 2016.
- No same day ACH entry fee will be applied.

Processing Scenario 2

- In phase 1, a batch containing CCD debit entries with an effective entry date of December 1, 2016, is submitted to the ACH operator on December 6, 2016, at 10:00 am ET.
- The batch has met the 10:30 am ET submission deadline for same day ACH, but debits are not allowed in phase 1 of Same Day ACH. Therefore, the batch will be processed as next day settlement, with output delivered at 12 noon ET on December 6, 2016, and settlement will occur at 8:30 am ET on December 7, 2016.
- No same day ACH entry fee will be applied.

Processing Scenario 3

- In phase 1, a “balanced” file with an effective entry date of December 7, 2016, is submitted to the ACH Operator on December 7, 2016 prior to 2:45 pm ET.
- The file contains a single PPD debit entry for \$12,500, and multiple PPD credit entries, when added together, equal the \$12,500 debit entry.
- The credit entries are eligible for same day but the debit is not. Therefore, the credit entries will settle on December 7, 2016 at 5:00 pm ET, and the debit entry will settle on December 8, 2016 at 8:30 am.
- The credit entries are subject to the same day ACH entry fee; the debit entry is not.

Processing Scenario 4

- In phase 1, a batch is submitted at 2:00 pm ET on November 18, 2016, with an effective entry date of November 1, 2016 (The entry is stale-dated).
- The batch contains credits only, and all are under \$25K.
- Because the effective entry date in the batch is not future-dated and the entry is submitted prior to the 2:45 pm ET submission deadline, it will settle on November 18, 2016 (same day) at 5:00 pm ET.

Processing Scenario 5

- In Phase I, a batch containing PPD entries with an effective entry date of October 1, 2016, is submitted to the ACH operator at 2:30 pm ET on October 19, 2016. (The batch is stale-dated.)
- The batch contains several credit entries and one debit entry for \$12,500; one credit entry is for \$96,100 and all other credit entries are under \$25,000. Assuming there are no edit errors, the batch will be processed at the 2:45 pm ET deadline.
- For the eligible same day entries (the credit entries under \$25,000), the output files will be distributed by 4:00 pm ET with settlement occurring at 5:00 pm ET on October 19, 2016.
- The credit entry for \$96,100 and the single debit entry for \$12,500 will be included with the 4:00 pm ET output file, but they will settle the next business day, October 20, 2016, at 8:30 am ET.

Processing Scenario 6

- In phase 2, a batch containing WEB credit entries with an effective entry date of August 1, 2017, is submitted to the ACH operator on September 28, 2017, at 4:00 am ET.
- All items are \$25,000 or less.
- The entries are eligible for same day as the batch was submitted prior to the 10:30 am ET deadline, no entries exceed \$25,000, the effective entry date is stale, and the batch contains no IAT or ENR entries.
- The batch will be processed as same day, with output delivered by 12 noon ET and settlement occurring at 1:00 pm ET on September 28, 2017.

Processing Scenario 7

- In phase 1, a forward entry is submitted on October 4, 2016 at 9:30 am ET, meeting the 10:30 am ET same day submission deadline. The effective entry date of the batch is September 30, 2016 (stale-dated), and it qualifies for same day settlement. It is processed and settled same day, on October 4, 2016 at 1:00 pm ET.
- The entry must be returned, so the return entry is submitted to the ACH Operator on October 4, 2016 at 3:00 pm ET, meeting the 4:00 pm ET return submission deadline. The effective entry date on the return is September 30, 2016 (same as original forward entry).

Processing Scenario 7 (continued)

- The forward entry will settle same day (October 4, 2016) at 1:00 pm ET. The forward entry will incur the same day ACH entry fee.
- The return entry will settle at 5:30 pm ET on October 4, 2016. There will be no same day ACH entry fee applied to the return.
- ***NOTE: The return entry is not subject to the same requirements as a forward same day entry.***

Processing Scenario 8

- In phase 2, a batch containing WEB debit and credit entries with an effective entry date of August 1, 2017, is submitted to the ACH operator on September 28, 2017, at 4:00 am ET.
- All items are \$25,000 or less.
- The entries are eligible for same day as the batch was submitted prior to the 10:30 am ET deadline, no entries exceed \$25,000, the effective entry date is stale, and the batch contains no IAT or ENR entries.
- The batch will be processed as same day, with output delivered by 12 noon ET and settlement occurring at 1:00 pm ET on September 28, 2017.

Processing Scenario 9

- In phase 2, a CCD forward entry is submitted to the ACH Operator on May 10, 2018 at 2:00 pm ET with an effective entry date of May 11, 2018 (future-dated).
- The entry is for \$23,000.
- Even though the CCD entry was submitted to meet the 2:45 pm ET same day deadline, the entry was future-dated and will settle on May 11, 2018 at 8:30 am.
- No same day ACH entry fee is applied.

Processing Scenario 10

- In phase 2, a forward entry is processed as a next-day entry and settles on August 4, 2018 at 8:30 am ET.
- The entry must be returned.
- Option 1: Return the entry same day (August 4, 2018) to settle at 5:30 pm ET. Submit the entry by 4:00 pm ET.
- Option 2: Return the entry next day (August 5, 2018) to settle at 8:30 am ET on August 6, 2018. Submit the entry by 2:15 am August 6, 2018.
- Settlement of the return entry must occur no later than the opening of business on the second business day following settlement.

Stale Date Research

- Data extracted for **October 2015**
- **155,740** total batches examined

Edit Time	Total Credit \$	Total Number Batches	Total Number Items/Addenda
After 2:45 PM	\$6,081,340,258	85,660	1,789,672
Before 2:45 PM	\$8,915,646,643	70,080	2,745,577
GRAND TOTAL	\$14,996,986,900	155,740	4,535,249

- Number of ODFIs with stale-dated batches: **3,198**
- Number of distinct company names with stale-dated batches: **28,003**

Same Day ACH Customer Testing

- Customer Testing will run June to September
- Vendor Relationship Manager will be in contact to determine testing needs
- Customer testing areas of interest:
 - Sending Same Day items
 - Settlement and Returns
 - Participants interested in testing should submit a request via FRBservices.org

Resource and Contact Information

FRB Same Day ACH Resource Center

https://www.frbservices.org/resourcecenter/sameday_ach/index.html

NACHA Same Day ACH Resource Center

<https://www.nacha.org/content/same-day-ach-resource-center>

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