



NOTICE OF AMENDMENT
TO THE
2018 NACHA OPERATING RULES

October 3, 2018

SUPPLEMENT #1-2018

Expanding Same Day ACH

1. Faster Funds Availability
Effective Date: September 20, 2019
2. Same Day ACH Dollar Limit Increase
Effective Date: March 20, 2020
3. New Same Day ACH Processing Window
Effective Date: September 18, 2020

Network Administration Fees

Effective Date: January 1, 2019

Supplement #1-2018 to the *NACHA Operating Rules*

On September 13, 2018, the NACHA Voting Membership approved three Same Day ACH amendments to the *NACHA Operating Rules (Rules)*. The effective dates for these rule changes range from September 20, 2019 to September 18, 2020. The effective date for each amendment is included in the discussion of each rule change.

This supplement also contains the 2019 ACH Network Administration Fees as approved by NACHA's Board of Directors. The new fee schedule is effective January 1, 2019.

This supplement provides ACH Network participants with a summary of the key components of each change, along with details regarding the technical changes to *Rules* language. To ensure compliance with the most current rules, this Supplement should be used in conjunction with the 2018 edition of the *Rules*.

Faster Funds Availability

SUMMARY

The Faster Funds Availability Rule will provide faster funds availability for many ACH credits. Funds from Same Day ACH credits processed in the first processing window will be made available by 1:30 p.m., RDFI local time. Funds from non-Same Day ACH credits that are made available to the RDFI by 5:00 p.m., RDFI local time, on the banking day before Settlement Date will be available by 9:00 a.m., RDFI local time, on Settlement Date.

Currently, funds from non-Same Day ACH credits are required to be made available by the end of the Settlement Date, which can be at any hour before the RDFI's close of business or by the end of day at an ATM. One exception is for PPD credits made available to the RDFI by 5:00 p.m. local time the banking day before Settlement Date. The RDFI must provide funds availability for these credits by the opening of business on Settlement Date. This exception will now be the standard practice for any ACH credit made available to the RDFI by 5:00 p.m., local time, on the banking day before Settlement Date, regardless of SEC Code.

Receivers will have earlier funds availability for a large portion of ACH credits:¹

- funds from non-Same Day ACH credits made available to the RDFI by 5:00 p.m. local time the banking day before settlement will be available on Settlement Date at 9:00 a.m. RDFI local time;
- funds from credits received in the first Same Day ACH processing window will be available at 1:30 p.m. RDFI local time; and
- funds from credits received in the second Same Day ACH processing window will be available at 5:00 p.m. RDFI local time.²

IMPACT TO PARTICIPANTS

ODFIs, Originators, Third-Party Senders and Third-Party Service Providers: These ACH participants should be aware that funds for certain non-Same Day credits they originate will be available to Receivers by 9:00 a.m., RDFI local time, on Settlement Date. Funds for credits they originate in the first Same Day ACH window will be available to Receivers by 1:30 p.m., RDFI local time.

RDFIs: RDFIs will need to update their internal processing applications and procedures to accommodate providing 9 a.m., RDFI local time, funds availability on Settlement Date for any credits made available by 5:00 p.m., RDFI local time, on the Banking Day prior to Settlement Date and 1:30 p.m., RDFI local time, funds availability for Same Day ACH credits received in the first processing window.

EFFECTIVE DATE

The Rule will become effective on September 20, 2019.

¹RDFIs located east of the Atlantic Time Zone and west of the International Date Line must make funds available for withdrawal from any Same Day ACH credit no later than 9 a.m., RDFI local time, on the Banking Day following the Settlement Date.

²RDFIs in the Atlantic Time Zone may use Eastern Time for the 1:30 p.m. and 5:00 p.m. requirements.

TECHNICAL SUMMARY

Below is a summary of the impact of the Faster Funds Availability Rule on the *NACHA Operating Rules*. Sections of the *Rules* that are affected by this amendment are also included and reflect rule language as it will read upon implementation in highlighted, italicized text.

- *Article Three, Subsection 3.3.1 (Availability of Credit Entries to Receivers)* – Renames section and generalizes umbrella availability rules.
- *Article Three, Subsection 3.3.1.1 (General Rule for Availability of Credits)* – Renames section and specifies funds availability requirements for non-Same Day ACH credits
- *Article Three, Subsection 3.3.1.2 (Availability for Certain Credit PPD Entries)* – Renames section and replaces current PPD requirements with funds availability requirements for Same Day ACH credits

As approved September 13, 2018, effective September 20, 2019, the Rules will be amended as follows for changes related to Faster Funds Availability:

ARTICLE THREE

Rights and Responsibilities of RDFIs and Their Receivers

SECTION 3.3 Timing Requirements for RDFI to Make Credit and Debit Entries Available

SUBSECTION 3.3.1 Availability of Credit Entries to Receivers

SUBSECTION 3.3.1.1 General Rule for Availability of Credits

For a credit Entry that is not a Same Day Entry, an RDFI must make the amount of the credit Entry received from its ACH Operator available to the Receiver for withdrawal no later than the end of the Settlement Date of the Entry, subject to its right to return the Entry under these Rules.

For a credit Same Day Entry, an RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 5:00 p.m. in the RDFI's local time on the Settlement Date of the Entry, subject to its right to return the Entry under these Rules and except as noted below.

An RDFI in the Atlantic Time Zone must make the amount of a credit Same Day Entry available to the Receiver for withdrawal no later than 5:00 p.m. Eastern Time on the Settlement Date of the Entry, subject to its right to return the Entry under these Rules.

An RDFI located east of the Atlantic Time Zone and west of the International Date Line must make the amount of a credit Same Day Entry available to the Receiver for withdrawal no later than the opening of business on the Banking Day following the Settlement Date of the Entry, subject to its right to return the Entry under these Rules.

An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from these requirements, subject to applicable Legal Requirements. An RDFI invoking such an exemption must promptly notify the ODFI.

SUBSECTION 3.3.1.2 Availability for Certain Credit PPD Entries

For a credit PPD Entry that is made available to the RDFI by its ACH Operator by 5:00 p.m. (RDFI's local time) on the Banking Day prior to the Settlement Date, the RDFI must make the amount available to the Receiver for withdrawal at the opening of business on the Settlement Date. For purposes of this subsection, opening of business is the later of 9:00 a.m. (RDFI's local time) or the time the RDFI's teller facilities (including ATMs) are available for customer account withdrawals. An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from this requirement, subject to applicable Legal Requirements. An RDFI invoking such an exemption must promptly notify the ODFI.

SUBSECTION 3.3.1 General Rules for Availability of Credit Entries to Receivers (new subsection effective September 20, 2019)

An RDFI's obligation to make funds available under this Subsection 3.3.1 is subject to its right to return the Entry under these Rules.

An RDFI that reasonably suspects that a credit Entry is unauthorized is exempt from the funds availability requirements of this Subsection 3.3.1. An RDFI invoking such an exemption must promptly notify the ODFI.

SUBSECTION 3.3.1.1 Availability of Credits That Are Not Same Day Entries (new subsection effective September 20, 2019)

For a credit Entry that is not a Same Day Entry and that is made available to the RDFI by its ACH Operator by 5:00 p.m. (RDFI's local time) on the Banking Day prior to the Settlement Date, the RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 9:00 a.m. (RDFI's local time) on the Settlement Date.

For a credit Entry that is not a Same Day Entry that is made available to the RDFI by its ACH Operator after 5:00 p.m. (RDFI's local time) on the Banking Day prior to the Settlement Date, the RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than the end of the Settlement Date.

SUBSECTION 3.3.1.2 Availability of Credits That Are Same Day Entries (new subsection effective September 20, 2019)

For a credit Same Day Entry received in the first same-day processing window, an RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 1:30 p.m. (RDFI's local time) on the Settlement Date of the Entry.

For a credit Same Day Entry received in the second same-day processing window, an RDFI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 5:00 p.m. (RDFI's local time) on the Settlement Date of the Entry.

An RDFI whose local time is Atlantic Time may use Eastern Time to satisfy these requirements.

An RDFI located east of the Atlantic Time Zone and west of the International Date Line must make the amount of a credit Same Day Entry received in any same-day processing window available to the Receiver for withdrawal no later than 9:00 a.m. (RDFI's local time) on the Banking Day following the Settlement Date of the Entry.

SUBSECTION 3.3.1.3 Non-Consumer Receiver's Records Must Reflect Payments Received from Originator

A Non-Consumer Receiver of a credit Entry must update its records to reflect the Originator's payment as having been received as of a date that is no later than the Settlement Date. The Non-Consumer

Receiver has a reasonable period of time after the RDFI posts the Entry to the Receiver's account to update its records or to instruct the RDFI to return the Entry. For purposes of this subsection, a Receiver is considered to act within a reasonable period of time if it updates its records or instructs the RDFI to return the Entry within the time it usually completes these processes. A Receiver that instructs the RDFI to return the Entry is not considered to have accepted the Entry.

SUBSECTION 3.3.1.4 Credit Entries Subject to Article 4A Are Provisional

For a credit Entry subject to Article 4A, credit given to a Receiver by an RDFI as provided in this Subsection 3.3.1 (Availability of Credit Entries to Receivers) is provisional until the RDFI has received final settlement through a Federal Reserve Bank or has otherwise received payment as provided in Section 4A-403(a) of UCC Article 4A. If such settlement or payment is not received, the RDFI is entitled to a refund from the Receiver of the amount credited, and the Originator is considered not to have paid the Receiver the amount of the Entry. This Subsection 3.3.1.4 applies only if the Receiver has agreed to be bound by the Rules contained in this Subsection 3.3.1.4.

Same Day ACH Dollar Limit Increase

SUMMARY

The Same Day ACH Dollar Limit Increase rule will increase the per-transaction dollar limit from \$25,000 to \$100,000. At implementation, both Same Day ACH credits and Same Day ACH debits will be eligible for same day processing up to \$100,000 per transaction.

The first Same Day ACH rule incorporated the existing \$25,000 per transaction limit as a risk mitigation measure, which gave the industry time to gain experience with same day processing while transacting at relatively low dollar amounts. With the \$25,000 limit, approximately 98% of all ACH transactions are eligible for same day processing. However, only about 89% of business-to-business transactions are eligible for Same Day ACH. Increasing the limit to \$100,000 will not only make an additional 8% of business-to-business transactions eligible for same day processing, but it will also make large dollar business-to-consumer transactions and reversals Same Day ACH eligible.

IMPACT TO PARTICIPANTS

Originators, Third-Party Senders and Third-Party Service Providers: These ACH participants should discuss with their financial institutions whether and when originating debit and/or credit entries up to the \$100,000 is appropriate for their businesses.

ODFIs: ODFIs will need to determine whether and how they will implement higher limit same day transactions with their Originators. ODFIs that offer Same Day ACH will need to update internal processing applications and procedures to accommodate higher dollar limit same-day entries.

RDFIs: RDFIs may need to update their internal processing applications and procedures to accommodate higher limit same-day entries.

Receivers: Receivers, particularly non-Consumer Receivers, should be prepared to receive ACH debits and credits up to the new \$100,000 limit. These participants should review their internal procedures to determine whether any changes are required.

EFFECTIVE DATE

The Same Day ACH Dollar Limit Increase rule will become effective on March 20, 2020.

TECHNICAL SUMMARY

Below is a summary of the impact of the Same Day ACH Dollar Limit Increase rule on the *NACHA Operating Rules*. Sections of the *Rules* that are affected by this amendment are also included and reflect rule language as it will read upon implementation in highlighted, italicized text.

- *Article Eight, Section 8.99 (Same Day Entry)* – Updates definition to reflect higher per-transaction dollar limit.
- *Appendix Three, Subpart 3.2.2 (Glossary of Data Elements): Settlement Date* – Updates description to reflect higher per-transaction dollar limit.
- *Appendix Ten, Subpart 10.4.6.2 (Responsibilities of Enforcement Panel)* – Updates Rules Enforcement Panel responsibilities to reflect higher per-transaction dollar limit.

As approved September 13, 2018, effective March 20, 2020, the Rules will be amended as follows for changes related to the Same Day ACH Dollar Limit Increase:

ARTICLE EIGHT

Definitions of Terms Used in These Rules

SECTION 8.99 “Same Day Entry”

An Entry for which the Effective Entry Date is the same Banking Day as the date on which the Entry is Transmitted by the ODFI to its ACH Operator, and is Transmitted by the ACH Operator’s deadline for same-day processing and settlement. A Same Day Entry must be for an amount of \$25,000 or less. An IAT or ENR Entry cannot be a Same Day Entry. For purposes of fulfilling its obligations under these Rules, an RDFI may rely on the Settlement Date of an Entry, regardless of the Effective Entry Date. An Entry with a stale or invalid Effective Entry Date will also be a Same Day Entry if it is Transmitted by the ODFI to its ACH Operator by the ACH Operator’s deadline for same-day processing and settlement, and is otherwise eligible for same-day processing and settlement.

An Entry for which the Effective Entry Date is the same Banking Day as the date on which the Entry is Transmitted by the ODFI to its ACH Operator, and is Transmitted by the ACH Operator’s deadline for same-day processing and settlement. A Same Day Entry must be for an amount of \$100,000 or less. An IAT or ENR Entry cannot be a Same Day Entry. For purposes of fulfilling its obligations under these Rules, an RDFI may rely on the Settlement Date of an Entry, regardless of the Effective Entry Date. An Entry with a stale or invalid Effective Entry Date will also be a Same Day Entry if it is Transmitted by the ODFI to its ACH Operator by the ACH Operator’s deadline for same-day processing and settlement, and is otherwise eligible for same-day processing and settlement.

APPENDIX THREE

ACH Record Format Specifications

PART 3.2 Glossary of ACH Record Format Data Elements

SUBPART 3.2.2 Glossary of Data Elements

Settlement Date: 3 Positions – Company/Batch Header Record – Inserted by Receiving ACH Operator (all batches)

The Settlement Date (a 3-digit Julian date) for a batch of Entries is inserted by the Receiving ACH Operator. This is the date on which the Participating DFI or its correspondent is scheduled to be debited or credited by the Federal Reserve.

The Settlement Date inserted by the Receiving ACH Operator is the same as the Effective Entry Date, except as noted below.

In the following situations, the Receiving ACH Operator will insert the Banking Day following the Banking Day of processing as the Settlement Date (i.e., the next Banking Day):

- (1) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry is received by the Receiving ACH Operator after its deadline for same-day settlement.
- (2) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry is for an amount greater than \$25,000.
- (2) *The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry is for an amount greater than \$100,000.*
- (3) The Effective Entry Date and the Originating ACH Operator's processing date are the same, but the Entry bears the IAT Standard Entry Class Code.
- (4) The Entry bears the ENR Standard Entry Class Code.

Entries with invalid or stale Effective Entry Dates will be settled at the next available settlement opportunity.

Return Entries, dishonored Return Entries, and contested dishonored Return Entries are settled by the ACH Operator no earlier than the Effective Entry Date contained within the original Entry, as it appears in the Return Entry Company/Batch Header Record. The return of an Entry that contains an invalid or stale Effective Entry Date will be settled by the ACH Operator at the next available settlement opportunity (i.e., the Banking Day of processing or the next Banking Day).

Notifications of Change will be settled at the next available settlement opportunity, (i.e., the Banking Day of processing or the next Banking Day).

APPENDIX TEN

Rules Enforcement

SUBPART 10.4.6 ACH Rules Enforcement Panel

SUBPART 10.4.6.1 Selection of Enforcement Panel

The National Association will maintain a list of members of the ACH Rules Enforcement Panel that have been nominated in accordance with the procedures established by the National Association.

SUBPART 10.4.6.2 Responsibilities of Enforcement Panel

The ACH Rules Enforcement Panel, in accordance with these rules, is the final authority regarding each of these issues:

- the imposition of any fines or penalties recommended by the National Association;
- instances in which the National Association believes the time frames and Resolution Dates asserted by the respondent Participating DFI as necessary to resolve the problem causing a rules violation are excessive;
- instances in which the National Association believes an ODFI, Originator, or Third-Party Sender has originated Entries without proper authorization in accordance with these Rules;
- instances in which the National Association believes an ODFI, Originator, or Third-Party Sender has attempted to evade the limitations on Reinitiation;

- instances in which the National Association recommends, after the inquiry process, that an ODFI be required to reduce an Originator's or Third-Party Sender's applicable return rate below the Administrative Return Rate Level and/or the Overall Return Rate Level;
- instances in which the National Association believes an ODFI, Originator, or Third-Party Sender has attempted to evade the \$25,000 per-Entry limitation on Same Day Entries;
- *instances in which the National Association believes an ODFI, Originator, or Third-Party Sender has attempted to evade the \$100,000 per-Entry limitation on Same Day Entries;*
- rules violations that the National Association believes constitute Class 1, Class 2, or Class 3 Rules Violations; and
- situations in which the National Association determines that it is unclear whether a rules violation has occurred.

New Same Day ACH Processing Window

SUMMARY

The New Same Day ACH Processing Window rule will create a new processing window that will enable ODFIs and their customers to originate same day transactions for an additional two hours each banking day. The new window will allow Same Day ACH files to be submitted to the ACH Operators until 4:45 p.m. ET (1:45 p.m. PT). RDFIs will receive files from this third window by 5:30 p.m. ET (2:30 p.m. PT), with interbank settlement occurring at 6:00 p.m. ET (3:00 p.m. PT)³. RDFIs will need to make funds available for credits processed in the new window by the end of their processing day. All credits and debits, and all returns, will be eligible to be processed in the new Same Day ACH window, with the exception of International ACH Transactions (IATs), Automated Enrollment Entries (ENRs), and forward transactions in excess of the per-transaction dollar limit.

Currently, ODFIs can submit Same Day ACH files to the ACH Operators until 2:45 p.m. ET (11:45 a.m. PT). ODFI processing arrangements that use payment processors and correspondent institutions have earlier deadlines. ACH end-users may have even earlier deadlines to submit Same Day ACH files to their ODFIs. These timing requirements can make it impractical for many ODFIs to offer, or for ACH end-users to adopt, Same Day ACH payments. Adding a third, later Same Day ACH processing window will provide greater access for all ODFIs and their customers.

IMPACT TO PARTICIPANTS

Originators, Third-Party Senders and Third-Party Service Providers: These ACH participants should discuss with their financial institutions whether using the third Same Day ACH window is appropriate for their businesses.

ODFIs: ODFIs will need to determine with their Originators whether to implement origination in the third window. ODFIs will need to update their internal processing applications and procedures to accommodate returns processed in the last window.

RDFIs: RDFIs will need to update their internal processing applications and procedures to accommodate receiving late-window Same Day ACH files and sending late-window returns. RDFIs will also need to provide availability for credits received in this window by the end of their processing day.

Receivers: Receivers, particularly non-Consumer Receivers, should be prepared to receive ACH debits and credits later in the day. These participants should review their internal procedures to determine whether any changes are required.

EFFECTIVE DATE

The New Same Day ACH Processing Window rule is expected to become effective on September 18, 2020. Final implementation of the rule is contingent upon receiving timely notification from the Federal Reserve Board of Governors of changes to Federal Reserve services necessary to support the new window. NACHA has been in dialogue with the Board of Governors for more than a year regarding these changes and has explicitly asked for the Federal Reserve's support. The Federal Reserve process likely includes a public comment period on changes to the Federal Reserve's National Settlement Service for interbank settlement and to the Fedwire Funds Service.

³The specific ACH Operator processing schedules are not determined by the NACHA Operating Rules, but are believed to be accurate with respect to ACH Operator intentions.

If the Federal Reserve confirms to NACHA by June 30, 2019 that it can support the necessary changes, then the effective date of the new Same Day ACH window will remain September 18, 2020. If NACHA receives the Federal Reserve's confirmation between July 1 and December 31, 2019, then the effective date will be extended by six months to March 19, 2021.

TECHNICAL SUMMARY

Below is a summary of the impact of the New Same Day ACH Processing Window rule on the *NACHA Operating Rules*. Sections of the *Rules* that are affected by this amendment are also included and reflect rule language as it will read upon implementation in highlighted, italicized text. The excerpts are based upon the language that will be in effect on September 18, 2020 and so include changes related to the Faster Funds Availability rule, which implements on September 20, 2019.

- *Article Three, Subsection 3.3.1.2 (Availability of Credit That Are Same Day Entries)* – Updates language to address funds availability of third window same day credits.
- *Appendix Three, Subpart 3.2.2 (Glossary of Data Elements) Company Descriptive Date* – Updates language to describe additional optional indicator for third window same day processing.

As approved September 13, 2018, effective September 18, 2020, the Rules will be amended as follows for changes related to the New Same Day ACH Processing Window Rule:

ARTICLE THREE

Rights and Responsibilities of RDFIs, Their Receivers

SUBSECTION 3.3.1.2 Availability of Credits That Are Same Day Entries

For a credit Same Day Entry received in the first same-day processing window, an RFDI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 1:30 p.m. (RFDI's local time) on the Settlement Date of the Entry.

For a credit Same Day Entry received in the second same-day processing window, an RFDI must make the amount of the credit Entry available to the Receiver for withdrawal no later than 5:00 p.m. (RFDI's local time) on the Settlement Date of the Entry.

An RFDI whose local time is Atlantic Time may use Eastern Time to satisfy these requirements.

For a credit Same Day Entry received in the third same-day processing window, an RFDI must make the amount of the credit Entry available in the Receiver's account no later than the completion of the RFDI's processing for that Settlement Date, subject to its right to return the Entry under these Rules. An RFDI is not required to make such funds available for withdrawal on the Settlement Date.

An RFDI located east of the Atlantic Time Zone and west of the International Date Line must make the amount of a credit Same Day Entry received in any same-day processing window available to the Receiver for withdrawal no later than 9:00 a.m. (RFDI's local time) on the Banking Day following the Settlement Date of the Entry.

APPENDIX THREE

ACH Record Format Specifications

PART 3.2 Glossary of ACH Record Format Data Elements**SUBPART 3.2.2 Glossary of Data Elements**

Company Descriptive Date: 6 Positions – Company/Batch Header Record – Optional (ACK, ADV, ARC, ATX, CCD, CIE, CTX, DNE, ENR, MTE, POP, POS, PPD, RCK, SHR, TEL, TRC, TRX, WEB, XCK, Returns, dishonored Returns, contested dishonored Returns, COR, refused COR)

Except as otherwise noted below, the Originator establishes this field as the date it would like to see displayed to the Receiver for descriptive purposes. This field is never used to control timing of any computer or manual operation. It is solely for descriptive purposes. The RDFI should not assume any specific format. Examples of possible content in this field are “011311,” “01 11,” “Jan 13,” “JAN 11,” etc.

Same Day Entries: At its discretion, an ODFI may require an Originator to use this field to further demonstrate intent for same-day processing and settlement. ODFIs that choose to do so should use the convention “SDHHMM”, where the “SD” in positions 64-65 denotes the intent for same-day settlement, and the hours and minutes in positions 66-69 denote the desired settlement time using a 24-hour clock. When electing to use this convention, the ODFI would validate that the field contains either “SD1300” for settlement desired at 1:00 p.m. ET, or “SD1700” for settlement desired at 5:00 p.m. ET, in accordance with the settlement times offered by the ACH Operators. ACH Operators and RDFIs are not required to take any action with respect to the presence or absence of these optional same-day indicators.

Same Day Entries: At its discretion, an ODFI may require an Originator to use this field to further demonstrate intent for same-day processing and settlement. ODFIs that choose to do so should use the convention “SDHHMM”, where the “SD” in positions 64-65 denotes the intent for same-day settlement, and the hours and minutes in positions 66-69 denote the desired settlement time using a 24-hour clock. When electing to use this convention, the ODFI would validate that the field contains either “SD1300” for settlement desired at 1:00 p.m. ET, “SD1700” for settlement desired at 5:00 p.m. ET, or “SD1800” for settlement desired at 6:00 p.m. ET in accordance with the settlement times offered by the ACH Operators. ACH Operators and RDFIs are not required to take any action with respect to the presence or absence of these optional same-day indicators.

MTE, POS, and SHR: This date is the actual date the transfer was initiated by the Receiver, and formatted the same as the Effective Entry Date (YYMMDD).

TRC: This field contains the date established by the keeper (ODFI) for checks being truncated.

Network Administration Fees

The *NACHA Operating Rules* require each Participating Depository Financial Institution that transmits or receives ACH entries (commercial and Federal Government) to pay an annual fee and a per-entry fee to cover costs associated with the administration of the ACH Network. These Network Administration Fees apply to all entries subject to the requirements of the *NACHA Operating Rules*, whether such entries are transmitted via an ACH Operator, sent directly from one Participating DFI to another, or sent through another entity. The Network Administration Fees have been established by the NACHA Board of Directors and are reviewed and modified, as appropriate, on an annual basis.

NETWORK ADMINISTRATION FEES AND DATA REPORTING REQUIREMENTS

The accompanying chart provides information on the amount of the annual and per-entry fees for the 2019 calendar year. The ACH Operators collect the annual fees and per-entry fees on behalf of NACHA for entries sent from one Participating DFI to another Participating DFI through the ACH Operators.

Financial institutions are required to report and NACHA collects directly the per-entry fees for ACH entries not sent through the ACH Operators, but that are sent as part of direct send or “on-we” arrangements. A direct send or “on-we” arrangement is one in which a Participating DFI sends a payment file that uses the NACHA formats and/or is covered by the *NACHA Operating Rules*, where that file is not processed by an ACH Operator, but instead is exchanged with another non-affiliated Participating DFI, either directly or through another entity. This definition applies regardless of how interbank settlement is accomplished.

Participating DFIs with direct send or “on-we” volume exceeding 5 million entries annually are obligated to file the requisite reporting with NACHA quarterly. Participating DFIs with direct send volume below this threshold are obligated to file with NACHA annually. These financial institutions are required to submit transaction volume data and any associated fees directly to NACHA using Form N-7 (2019). Any Participating DFI whose direct send or “on we” volume of entries originated or received exceeds 5 million for any quarter ending March 31, June 30, September 30, or December 31, 2019 must submit the above data and fees on a quarterly basis thereafter. The submission deadlines for quarterly filers are April 30, July 31, and October 31, 2019, and January 31, 2020. Participating DFIs that exceed the threshold during the calendar year must aggregate all prior quarters’ fees in their current quarter’s Form N-7 (2019) payment. Participating DFIs whose direct send volume is below this threshold must submit the above data and fees for calendar year 2019 by January 31, 2020.

**National Automated Clearing House Association
2019 Schedule of Fees
ACH Network Administration Fees**

This Schedule of Fees has been established by the NACHA Board of Directors for calendar year 2019 in accordance with the requirements of the *NACHA Operating Rules*, Article One (General Rules), Section 1.13 (Network Administration Fees).

- Per-Entry Fee (January 1–December 31) \$.000185
- Annual Fee \$ 264.00

NETWORK ADMINISTRATION FEES — FILING REQUIREMENTS FOR PARTICIPATING DEPOSITORY FINANCIAL INSTITUTIONS

Form N-7 (2019) is provided for the purposes of reporting and submitting payment of Network Administration Fees, as required by the *NACHA Operating Rules*, on ACH entries that are transmitted or received under a direct send or “on-we” arrangement. These reporting requirements are not applicable to Participating DFIs whose entries are processed exclusively through an ACH Operator, where all applicable transaction volume will be reported to and fees collected by the ACH Operators on behalf of NACHA.

Who Must File

Any Participating DFI that transmits or receives entries that use the NACHA formats and/or are covered by the *NACHA Operating Rules*, where those entries are not processed by an ACH Operator, but instead are exchanged with another non-affiliated Participating DFI, either directly or through another entity, during the 2019 calendar year.

Who Does Not Have to File

Any Participating DFI that transmits and receives 100% of its ACH entries during 2019 through an ACH Operator or with affiliated Participating DFIs does not need to file Form N-7 (2019). All applicable Network Administration Fees are billed and collected on NACHA’s behalf by the ACH Operator, and appear on your customer statement as “NACHA Admin Network Fee/Entry” and “NACHA Admin Network Fee/Month.”

When and Where to File

Any Participating DFI whose direct send or “on-we” volume of entries originated and received exceeds 5 million for any quarter ending March 31, June 30, September 30, or December 31, 2019 must file on a quarterly basis thereafter. The submission deadlines for quarterly filers are April 30, July 31, and October 31, 2019, and January 31, 2020. Participating DFIs that exceed this threshold during the calendar year must aggregate all prior quarters’ fees in the current quarter’s payment. Participating DFIs whose direct send or “on-we” volume is below the threshold must submit their calendar year 2019 data and fees by January 31, 2020.

Completed forms and payment must be received by NACHA no later than the above deadlines and should be mailed to: NACHA – The Electronic Payments Association, Attn: Finance Department, 2550 Wasser Terrace, Suite 400, Herndon, VA 20171. Payment may be made by ACH credit or check (made payable to NACHA).

To pay by ACH credit, credit must be initiated by the organization filing Form N-7. UPIC Routing & Transit # 021052053, Acct # 59058945. Use CCD format for single filing. Complete in Batch Header (1) Company Name (2) Company Entry Description (specify Form N-7 (2019)).

Form Instructions

Line 1. Enter legal name of Participating DFI.

Line 2. Enter mailing address of Participating DFI.

Line 3a. List the number of ACH entries transmitted and received by the Participating DFI that were not processed by an ACH Operator but were exchanged with another non-affiliated Participating DFI, either directly or through another entity, for the applicable period. Entries should be sorted by routing number of the non-affiliated DFI and include debits, credits and entries of non-value. If there are more routing numbers than spaces available, attach another sheet. Total columns and add together to calculate the grand total.

Line 3b. Enter the grand total from line 3a.

Line 4. Represents the 2019 per entry fee of \$.000185

Line 5. Multiply line 3b by line 4 [example: (line 3b) 100,000 x (line 4) \$.000185 = (line 5) \$18.50]

Line 6. Payment due is equal to the amount on line 5. Indicate payment method. If by check, make check payable to NACHA. If payment by ACH Credit, indicate date of credit to be initiated by the business. See account information above for ACH Credit. If amount on line 5 is less than one dollar, submit the completed form only; no payment is due.

Still Need Additional Information?

Downloadable Forms and Instructions are available at <https://www.nacha.org/ach-network/administration-fees> or contact Member Services, 800-487-9180 or 703-561-1100 or email: info@nacha.org.

FORM N-7 (2019)
(continued)

- b. 2019 total direct send ACH entries *(see instructions)* _____
4. 2019 per entry fee x \$.000185
5. Uncollected 2019 Network Administrative Fees (line 3b x line 4) \$ _____
6. Payment Due: (Amount on line 5) Check enclosed _____ or Date of ACH credit _____
(If less than \$1.00, no payment due, submit form only)

I declare that I have examined this form and to the best of my knowledge and belief, it is true, correct and complete.

Signature _____ Date _____

Printed Name _____

Title _____

Financial Institution Name _____

Email Address _____ Phone Number _____

Mail completed form and payment to:

NACHA – The Electronic Payments Association
Attn: Finance Department
2550 Wasser Terrace, Suite 400
Herndon, VA 20171