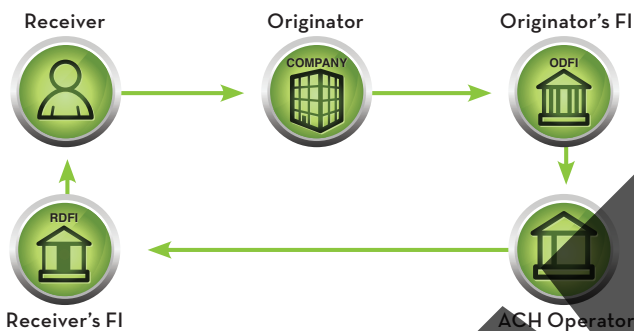


# CORPORATE USER ACH QUICK REFERENCE CARD

# ACH BASICS

## WHAT IS THE ACH NETWORK?

The Automated Clearing House (ACH) Network is the backbone for the electronic movement of money and other related data, providing a safe, secure, reliable network for direct consumer, business and government payments. The ACH Network is governed by fair and equitable *Rules* that guide risk management and create certainty for all participants. As the migration from paper to electronic payment continues, the cost-effective ACH Network grows and enables innovation that strengthens the industry with creative payment solutions.



## WHO ARE THE ACH PARTICIPANTS?

There are five key participants that contribute to the successful completion of an ACH transaction:

- The **Receiver** can be either an individual or a company that has authorized the Originator (your company) to credit or debit their account. An employee is the Receiver if their company is initiating a payroll credit. A business partner is the Receiver if the Originator is sending a credit to pay for goods or services.
- The **Originator** is the company or business that has been authorized by the Receiver to either credit or debit their account. Your company is the Originator when you are initiating credit transactions to an employee's account for payroll or when you are initiating debit transactions to a consumer or business account for payment of goods or services.
- The **Originating Depository Financial Institution (ODFI)** is the financial institution with which your company has a contractual relationship for ACH Services.
- The **ACH Operator** is the central clearing facility for ACH transactions.
- The **Receiving Depository Financial Institution (RDFI)** is a financial institution with which the Receiver has an account relationship.

## WHAT IS A PRENOTIFICATION (PRENOTE)?

Prenotifications (prenotes) are non-monetary entries used by your company to verify that the account number on an entry is for a valid account at an RDFI. Prenotes are optional and can be sent with any ACH application.

If your company chooses to send prenotes, you may transmit the initial valued entry as soon as the third banking day following

the settlement date of the prenote; that is, provided you have not received a notification of change (NOC) or return of the prenote.

An NOC or return will be sent by the RDFI to notify your company of the necessary corrections to be made.

## TRANSACTION CODES

ACH entries may be directed to a variety of account types. Both credit and debit entries may be transmitted to demand accounts (a.k.a. checking, NOW and sharedraft), savings accounts and

financial institution general ledger accounts. Only credit entries may be transmitted to loan accounts.

Demand (Checking) Credits	
Code	Description
21	Notification of Change or Return
22	Deposit
23	Prenotification
24	Zero dollar with remittance data

Savings Credits	
Code	Description
31	Notification of Change or Return
32	Deposit
33	Prenotification
34	Zero dollar with remittance data

Financial Institution General Ledger Credits	
Code	Description
41	Notification of Change or Return
42	Deposit
43	Prenotification
44	Zero dollar with remittance data

Demand (Checking) Debits	
Code	Description
26	Notification of Change or Return
27	Payment
28	Prenotification
29	Zero dollar with remittance data

Savings Debits	
Code	Description
36	Notification of Change or Return
37	Payment
38	Prenotification
39	Zero dollar with remittance data

Financial Institution General Ledger Debits	
Code	Description
46	Notification of Change or Return
47	Payment
48	Prenotification
49	Zero dollar with remittance data