



EASTERN TREASURY®

ACH User and Information Guide

April 2024

 **Eastern Bank**
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ACH, NACHA, and NEACH

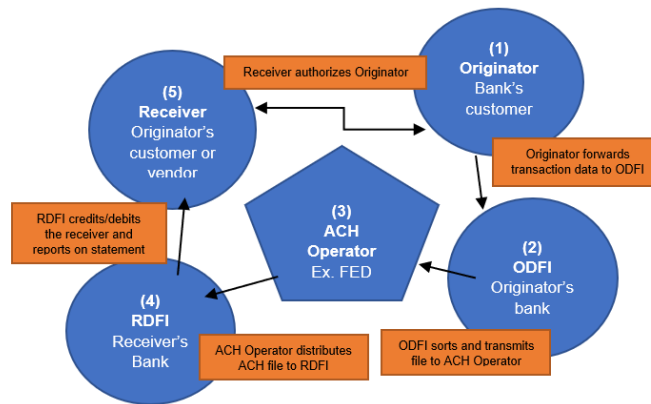
ACH – Automated Clearing House Network

The **ACH Network** enables secure and efficient electronic movement of funds between banks and financial institutions throughout the U.S. and many other countries. The ACH network is governed by the NACHA Operating Rules and all *participants* agree to abide by the “rules”. ACH transactions are the significant payment mechanism for settling payrolls, invoice payments, bill payments, direct deposits, Social Security benefits, and person-to-person and business-to-business payments.

ACH Participants

There are 5 participants to an ACH transaction. More than 12,000 financial institutions act as either Originating Depository Financial Institution (ODFI) or Receiving Depository Financial Institution (RDFI), most participate in both roles. There are two ACH operators in the U.S. that act as the conduit for all ACH transactions. One is FedACH, which stands for Federal Reserve Banks’ Automated Clearing House. It is the collection of all the Federal Reserve Banks and handles the majority of ACH transactions between commercial banks in the U.S. The other operator is the Electronic Payments Network (EPN). EPN is a private-sector ACH operator. Corporate and consumer bank customers can be either the originator or receiver to an ACH transaction.

ACH Transaction Flow



1. Originator

- a. Any individual, corporation or other entity that initiates entries to their financial institution for further processing into the ACH Network.

2. Originating Depository Financial Institution (ODFI)

- a. A participating financial institution that originates ACH entries at the request of and by agreement with its customers. ODFI's must abide by the provisions of the NACHA Operating Rules and Guidelines.

3. ACH Operator

- a. The Federal Reserve or Electronic Payments network serves as the centralized exchange point between the ODFI and RDFI.

4. Receiving Depository Financial Institution (RDFI)

- a. Any financial institution qualified to receive ACH entries that agrees to abide by the NACHA Operating Rules and Guidelines.

5. Receiver

- a. An individual, corporation or other entity who has authorized an Originator to initiate a credit or debit entry to a transaction account held at an RDFI.

NACHA - The National Automated Clearing House Association

NACHA is the leading organization in developing electronic solutions to improve the payments system.

- NACHA develops operating rules “The NACHA Operating Rules” and business practices for the ACH Network and for electronic payments in the areas of Internet commerce, electronic bill and invoice presentment and payment (EBPP, EIPP), e-checks, financial electronic data interchange (EDI), international payments (IAT), and electronic benefits transfer (EBT).
- NACHA convenes hundreds of diverse organizations to enhance and enable electronic payments and financial data exchange within the U.S. and across geographies. Through development of rules, standards, governance, education, advocacy, and in support of innovation, NACHA's efforts benefit the providers and users of those systems. NACHA leads groups focused on API standardization and authors the Quest Operating Rules for EBT.
- NACHA represents more than 12,000 financial institutions through direct memberships and a network of regional payments associations, and 650 organizations through its industry councils.

NACHA is dedicated to improving the payments system through its eight primary functions.

1. Rulemaking for the ACH Network and other payments systems
2. Facilitating the development of new payment applications
3. Identification and implementation of risk management initiatives
4. Providing and supporting education programs
5. Instituting and monitoring quality controls in the payments system
6. Improving member communications/relations
7. Responding to regulatory and government relations issues
8. Marketing electronic payment services

NEACH - The New England Automated Clearing House

NEACH is a non-profit regional payment association that helps members originate and receive ACH transactions, and provides products, services, education and marketing to increase the acceptance, use and quality of electronic transactions.

ACH Processing

Eastern Bank, acting as the ODFI, is bound by the NACHA rules and regulations, but day to day processing timeframes and processes differ between banks. This section of the guide reviews processing guidelines at Eastern Bank.

Consumer, Corporate and Government Payments

ACH transactions are typically categorized as consumer payments, corporate payments or Federal Government payments, depending on the relationship of the parties involved in the transaction and the type of Receiver account.

Both Consumer and Corporate transactions must adhere to the NACHA Operating Rules. Violation of the Rules could result in fines to both the Originator and the ODFI, and in extreme cases suspension of the Originator from using the ACH network. Federal Government ACH transactions require adherence to the Green Book issued by the U.S. Treasury.

Additional legal and regulatory protections are in place, Regulation E governs Consumer transactions and UCC4 governs Corporate transactions. One of the major regulatory differences between Consumer and Corporate transactions is the timeframe allowable to return an ACH debit transaction as revoked or unauthorized:

- Consumer Debits (PPD, WEB, TEL) — Regulation E allows the receiver of an ACH debit up to 60 calendar days to request a return of a debit as unauthorized or not ‘as agreed to’ (amount, date of debit)
- Corporate Debits (CCD) — UCC4 allows the receiver of a CCD debit 2 banking days to request a return of a debit as unauthorized or ‘not as agreed to’.
- These regulations are enforced based on the ACH transaction code used when the transaction was originated, for example,

- if a PPD debit transaction was sent to a corporation, that corporation has 60 calendar days to request their Bank return that debit.
- if a CCD debit is sent to a consumer, that consumer would only have 2 banking days to request a return.

Payment Category	Payment Types		Rules Enforcement	Regulation Enforcement
	Credits - payments	Debits - collections		
Consumer Payments	payroll, retirement, dividend, interest, and annuity payments	insurance, mortgage and rent, utilities, installments, dues	NACHA Operating Rules	Regulation E
Corporate Payments	cash concentration and disbursement, corporate trade payments, state and Federal tax payments, child support, healthcare, financial electronic data interchange (EDI)		NACHA Operating Rules	UCC4a
Government Payments	Social Security benefits, military and civilian payrolls, retirement benefits, tax refunds, disbursements for state and federal revenue sharing programs, commercial payments		The Green Book	US Treasury

Helpful Links:

Regulation E: <https://www.aba.com/banking-topics/compliance/acts/electronic-fund-transfer-act>
 Uniform Commercial Code: <https://www.law.cornell.edu/ucc/4a/article4a>
 NACHA: <https://www.nacha.org/>

ACH Batches and NACHA Pass Through Files

ACH batches and NACHA formatted pass through files are processed using Eastern Treasury and are required to be unbalanced unless an exception is obtained. Eastern Bank will apply an automated offset for each batch or file. A pass through file can contain multiple batches, consisting of credit only and debits only batches.

Prenotes

Prenotes are an option under the NACHA rules. Eastern Bank recommends our customers use Prenotes. Once the Prenote is transmitted there is a six-business day waiting period before the live dollar transaction can be initiated.

Daily Processing Schedule

Originating ACH transactions can be done at any time of the day, however, there are certain times during the day when information is collected from the Eastern Treasury platform and processed through our ACH processing system and on to the ACH network.

Transactions that are approved after 3:00 p.m. may not process until the next business day if the file suspends for over-the-limit or other condition.

Business Day Calendar

Eastern Bank operates on the US Federal Holiday calendar. Any ACH batches or files transmitted after the daily cut-off time of 6:00p.m., on a weekend or a holiday will be processed on the next business day.

ACH Batch and Pass Through File Processing Schedule

- Standard ACH Batches & Pass Through Files
 - ACH batches and Pass Through files are scheduled to release as follows. Payments must be in an Approved status prior to these times to be eligible for release.

6:45 a.m. ET	8:45 a.m. ET	11:00 a.m. ET	12:45 p.m. ET
2:00 p.m. ET	3:00 p.m. ET	6:00 p.m. ET	8:15 p.m. ET

The effective date for Payments Approved after 6:00p.m. will be the next business day.

Payments Approved after 8:15p.m. will be released the following morning at 6:45a.m.

- ACH transactions are processed by the effective date. To ensure transactions are processed timely, transactions should be Approved two business days prior to the effective date.
 - Batches and files may be Approved up to 30 calendar days in advance of the desired effective date.
 - Future dated transactions will Release the day they are Approved but remain in the ACH warehouse until the effective date.
- Same Day ACH Batches and Pass Through Files

There are 3 Same Day processing deadlines during the business day; each deadline determines the time batches/files need to be released and when recipients will receive credit to their account.

 - Batches and Pass Through files with a Same Day **effective date** must be approved **prior to**:
 - 8:45 a.m. ET - recipients to receive credit by 1:30 p.m. ET on the same day
 - 12:45 p.m. ET - recipients to receive credit by 5:00 p.m. ET on the same day
 - 2:00 p.m. ET - recipients to receive credit by end of the same processing day
 - Any Pass Through credit file received with a stale date (earlier than the current day) will be considered Same Day if approved by 2:00 p.m.
 - Same Day dated batches and files received after 2:00 p.m. will be processed for the next business day
 - Same Day dated batches and files that suspend for over-the-limit or other condition, may not process until the next business day

NACHA Format for Pass Through Files

Originating Pass Through files is an efficient method of sending high volumes of payments. Typically, your accounts payable system will generate a NACHA file containing all the transactions for a specific purpose, such as payroll or vendor payments.

Pass through files are loaded to Eastern Treasury where the file format is validated, and the user Approves the transactions. Once Approved, the file is then released and processed.

This file specification is a standard NACHA format for CCD or PPD transaction types. The only unique fields are the *Immediate Destination*, *Immediate Origin*, *Originating DFI* and *Trace Number* which contain information specific to Eastern Bank. For other transaction types please refer to the NACHA rules.

NACHA/Eastern Treasury Pass Through File Specifications

FILE HEADER RECORD

Field #	Data Element Name	Field Inclusion Requirement	Contents	Length	Position	Comments
1	Record Type code	M		1	01-01	
2	Priority Code	R	'01'	2	02-03	
3	Immediate Destination	M	"011000015"	10	04-13	FED Boston Routing & Transit # - left most position blank
4	Immediate Origin	M	"011301798"	10	14-23	Eastern Bank Routing & Transit # - left most position blank
5	File Creation Date	M	YYMMDD	6	24-29	This field should contain the date the file was created
6	File Creation Time	0	HHMM	4	30-33	This field should contain the time the file was created
7	File ID Modifier	M	Upper Case A- Z Numeric 0-9	1	34-34	Allows more than one file created on the same date and between the same participants to be distinguished

8	Record Size	M	'094'	3	35-37	Record Size=094 Bytes
9	Blocking Factor	M	"10"	2	38-39	Block Size = 940 Bytes
10	Format Code	M	'1'	1	40-40	
11	Immediate Destination Name	0	FRB BOSTON	23	41-63	Must be upper case
12	Immediate Origin	0	EASTERN BANK	23	64-86	Must be upper case
13	Reference Code	0	Alphanumeric	8	87-94	This field is reserved for company information use

Field Inclusion Requirements:

M = Mandatory. This field is necessary to ensure proper routing and/or posting of ACH entry.
R = Required. Omission of this field will not cause an entry to reject at the ACH Operator but may reject at the RDFI.
0 = Optional. Inclusion or omission of this field is at the discretion of the ODFI.

COMPANY/BATCH HEADER RECORD

Field #	Data Element Name	Field Inclusion Requirement	Contents	Length	Position	Comments
1	Record type Code	M		1	01-01	
2	Service Class Code	M	Numeric	3	02-04	200-ACH entries mixed Debits & Credits; 220-ACH Credits only; 225-ACH Debits only; 280-ACH Automated Accounting Advices
3	Company Name	M	Alphanumeric	16	05-20	Identifies the source of the entry and description of the individual participants
4	Company Discretionary Data	0	Alphanumeric	20	21-40	This field allows companies to include codes significant only to them. There will be no standardization of the contents of this field
5	Company Identification	M	Alphanumeric	10	41-50	EIN preceded by a 1 must be on all pre-notification records and on each entry
6	Standard Entry Class Code	M	PPD/CCD	3	51-53	See NEACH/NACHA Regs for other codes
7	Company Entry Description	M	Alphanumeric	10	54-63	Company established field to describe the type of entry back to the individual-direct dep, cash con, direct pmt, cash disb
8	Company Descriptive Date	0	Alphanumeric	6	64-69	Company established field for descriptive purpose, field displayed to individual
9	Effective Entry Date	R	YYMMDD	6	70-75	Effective date of entry not to be greater than seven days in the future
10	Settlement Date (Julian)	Inserted By ACH Operator	Numeric	3	76-78	
11	Originator Status Code	M	'1'	1	79-79	
12	Originating DFI Identification	M	'01130179'	8	80-87	Eastern Bank Routing & Transit #
13	Batch Number	M	Numeric	7	88-94	This number is assigned in ascending sequence to each batch

ENTRY DETAIL RECORD (PPD ENTRIES)

Field #	Data Element Name	Field Inclusion Requirement	Contents	Length	Position	Comments
1	Record Type	M	'6'	1	01-01	
2	Transaction Code	M	Numeric	2	02-03	22-Checking Credit; 23-Checking Credit Prenote; 27-Checking Debit, 28-Checking Debit Prenote; 32-Savings Credit, 33-Savings Credit Prenote; 37-Savings Debit; 38-Savings Debit Prenote

3	Receiving DFI Identification	M	TTTTAAAA	8	04-11	Transit routing number of participating employees bank
4	Check Digit	M	Numeric	1	12-12	The 9th digit to the right of the transit routing number
5	DFI Account Number	R	Alphanumeric	17	13-29	Participating individual/company account number with bank
6	Amount	M	\$\$\$\$\$\$cc	10	30-39	Right justified zero filled two decimal places
7	Individual Identification Number	0	Alphanumeric	15	40-45	Employee ID as assigned by company. Must be unique
8	Individual Name	R	Alphanumeric	22	55-76	Individual/Company Name
9	Discretionary Data	0	Alphanumeric	2	77-78	Data related to company. No standardized interpretation of the value of this field
10	Addenda Record Indicator	M	Numeric	1	79-79	"0 " indicates no addenda record "1" indicates one or more addenda record follows
11	Trace Number	M	Numeric	15	80-94	This number will consist of the ABA number of the originating bank and a seven digit sequence number will start with 0000001 and increment by "1" for each detail entry record

ADDENDA RECORD

Field #	Data Element Name	Field Inclusion Requirement	Contents	Length	Position	Comments
1	Record Type	M	7,	1	01-01	
2	Addenda Type	M	'05'	2	02-03	
3	Addenda Related	0	Alphanumeric	80	04-83	
4	Addenda Sequence Number	M	Numeric	4	84-87	Number is consecutively assigned to each addenda record. The first addenda sequence number must always be "1"
5	Entry Detail Sequence Number	M	Numeric	7	88-94	This number is the same as the last seven digits of the trace number of the related entry detail record.

COMPANY/BATCH CONTROL RECORD

Field #	Data Element Name	Field Inclusion Requirement	Contents	Length	Position	Comments
1	Record Type	M	'8'	1	01-01	
2	Service Class Code	M	Numeric	3	02-04	200-ACH entries mixed Debits & Credits; 220-ACH Credit only; 225-ACH Debits only; 280-ACH Automated Accounting Advices
3	Entry/Addenda Count	M	Numeric	6	05-10	Number of entry Detail and Addenda record in a batch.
4	Entry Hash	M	Numeric	10	11-20	Arithmetic sum of receiving DFI field in entry detail. Overflow out of the high order (left most position ignored)
5	Total Debit Entry	M	\$\$\$\$\$\$\$\$cc	12	21-32	Total amount of Debits for batch
6	Total Credit Entry Dollar Amount	M	\$\$\$\$\$\$\$\$cc	12	33-44	Total amount of Credits for batch
7	Company Identification	R	Alphanumeric	10	45-54	Same as company ID number Company/Batch Header Record
8	Message Authentication	0	Alphanumeric	19	55-73	
9	Reserved	N/A	Blank	6	74-79	
10	Originating DFI Identification	M	'01130179'	8	80-87	Eastern Bank Routing & Transit #
11	Batch Number	M	Numeric	7	88-94	Same as sequential batch number in Company/Batch Header Record

Chart of SEC Codes

Consumer Applications		Description
ARC	Accounts Receivable Entry	This Standard Entry Class Code enables Originators to convert to a Single-Entry ACH debit a consumer check received via the U.S. mail or at a drop box location for the payment of goods or services. The consumers source document (i.e., the check) is used to collect the consumers routing number, account number, check serial number, and dollar amount for the transaction.
BOC	Back Office Conversion	Back Office Conversion will allow Originators and ODFI's acting as Originators, to accept checks at the point-of-purchase or at manned bill payment locations and covert the checks to ACH debits during back office processing.
CIE	Customer Initiated Entry	Customer Initiated Entries are limited to credit applications where the consumer initiates the transfer of funds to a company for payment of funds owed to that company, typically through some type of home banking product or bill payment service provider.
IAT	International ACH	An International ACH Transaction is an ACH entry that is part of a payment transaction involving a financial agency's office that is not located in the territorial jurisdiction of the US. IAT Transactions focus on where the financial institution that handles the payment transaction (movement of the funds) is located and not where any other party to the transaction (e.g., the Originator or Receiver) is located.
MTE	Machine Transfer Entry	The ACH Network supports the clearing of transactions from Automated Teller Machines, i.e., Machine Transfer Entries (MTE).
POP	Point-of-Purchase Entry	A POP Entry is a Single-Entry debit originated based on an Eligible Source Document (check) provided to an Originator by a consumer at the point-of-purchase.
PPD	Direct Deposit Entry and Prearranged/Preauthorized Payment	Direct deposit is a credit application that transfers funds into a consumers account at the Receiving Depository Financial Institution. The funds being deposited can represent a variety of products, such as payroll, interest, pension, dividends, etc. Preauthorized payment is a debit application. Companies with billing operations may participate in the ACH through the electronic transfer (direct debit) of bill payment entries. Through standing authorizations, the consumer grants the company authority to initiate periodic charges to his or her account as bills become due.
POS / SHR	Point of Sale Entry/Shared Network Transaction	These two Standard Entry Class Codes represent point of sale debit applications in either a shared (SHR) or non- shared (POS) environment. These transactions are most often initiated by the consumer via a plastic access card.
RCK	Re-presented Check Entry	A re-presented check entry is a Single-Entry ACH debit application used by Originators to re-present a check that has been processed through the check collection system and returned because of insufficient or uncollected funds.
TEL	Telephone-Initiated Entry	This Standard Entry Class Code is used for the origination of debit entries (either recurring, Single-Entry or Standing Authorization) to a consumers account pursuant to an authorization that is obtained from the Receiver via the Telephone.
WEB	Internet-Initiated Entry	This Standard Entry Class Code is used for the origination of debit entries (either recurring, Single-Entry or Standing Authorization) to a consumers account pursuant to an authorization that is obtained from the Receiver via the Internet.

Corporate Applications		Description
ACK / ATX	Acknowledgment Entries	These optional Standard Entry Class Codes are available for use by the RDFI to acknowledge the receipt of ACH credit payments originated using the CCD or CTX formats. These acknowledgments indicate to the Originator that the payment was received and that the RDFI will attempt to post the payment to the Receivers account.
ADV	Automated Accounting Advice	This Standard Entry Class Code represents an optional service to be provided by ACH Operators that identifies automated accounting advices of ACH accounting information in machine readable format to facilitate the automation of accounting information for Participating DFIs
CTX	Corporate Trade Exchange	The Corporate Trade Exchange application supports the transfer of funds (debit or credit) within a trading partner relationship in which a full ANSI ASC X12 message or payment related UN/EDIFACT information is sent with the funds transfer. The ANSI ASC X12 message or payment related UN/EDIFACT information is placed in multiple addenda records.
CCD / CCD+	Corporate Debit or Credit	This application, Cash Concentration or Disbursement, can be either a credit or debit application where funds are either distributed or consolidated between corporate entities. This application can serve as a stand-alone funds transfer, or it can support a limited amount of payment related data with the funds transfer.
DNE	Death Notification Entry	This application is utilized by Federal Government to notify a depository financial institution that the recipient of a government benefit payment has died.

IAT	International ACH	An International ACH Transaction is an ACH entry that is part of a payment transaction involving a financial agency's office that is not located in the territorial jurisdiction of the US. IAT Transactions focus on where the financial institution that handles the payment transaction (movement of the funds) is located and not where any other party to the transaction (e.g., the Originator or Receiver) is located.
TRCITRX	Truncated Entries	This Standard Entry Class Code is used to identify batches of truncated checks. For more information on check truncation, please see the National Association for Check Safekeeping Guidelines available from NACHA.
XCK	Destroyed Check Entry	This application can be utilized by a collecting institution for the collection of certain checks when those checks have been destroyed
RCK	Re-presented Check Entry	A re-presented check entry is a Single-Entry ACH debit application used by Originators to re-present a check that has been processed through the check collection system and returned because of insufficient or uncollected funds.

ACH Returned Items and Notification of Change (NOC)

Eastern Bank receives Returned entries and Notifications of Change (NOC) from RDFI's daily. They are communicated to the Originator within 2 business days of the settlement date.

The Eastern Treasury Legacy Report service provides notification of Return entries or NOC's (Notification of Change) for ACH originated items that are received from RDFI's. This report is called the ACH Return Items Report.

For any *Return* entries a financial adjustment will be made to your account at Eastern Bank for each individual item. It is your responsibility as the originator to determine the changes, based on the Return or Correction code that must be made on your system(s) or data records.

If you receive an NOC, an entry must not be transmitted again containing the incorrect information or the change must be made within 6 business days to avoid any fines as outlined in the NACHA rules.

ACH Return Report — Return Entries

Below is a sample of the ACH Return report and a table of return reason codes.

Highlighted fields indicate information from the original payment: the amount of the transaction, customer or payee name, the original entry type (PAYROLL) and the reason the payment was returned. Refer to the Return Reason Code table for an explanation of REASON: R03.

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CITY ..... Eastern Bank
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ACDDAENT-01/RTA                RETURN AUTOMATION REPORT                09-16-21 03:44 PAGE 1
0                                FINANCIAL INSTITUTION: EASTERN BANK
0                                BANK NUMBER: 373
PROCESS DATE: 09/16/21
-----
CUR ACCOUNT NBR/  TRACE NUMBER/  TC TYPE/  AMOUNT/  CUSTOMER ID  CUSTOMER NAME  TRAN/ABA  COMPANY NAME/  ENTRY
ORIG ACCOUNT NBR  SETTLEMENT DATE SEC  DISC DATA  ID          NAME          NUMBER    ID             DESCR
-----
08260112704      011103090676305  21 CR      $00 10264  10264        ELIZABETH      011301798  CITY          PAYROLL
09/16/21
REASON: R03      ORIG TRACE: 0113017918071  ORIG EFF DATE: 09/16/21  ORIG RDFI T/R: 01110309  DOD:
ADDDDA INFO:
SETTLEMENT TRANSACTION -  TRAN CODE: 22  ABA NUMBER: 011301798  ACCOUNT NUMBER: 00000000101721.
  
```

Return Reason Codes

The below list represents the most common return reason codes. The full list is available on the NACHA.org website

Code	Title	Description	Initiated By	Return Type	Account Type	Time Frame	Written Statement Required
R01	Insufficient Funds	The available and/or cash reserve balance is not sufficient to cover the dollar value of the debit Entry.	RDFI	Return	Consumer or Non-consumer	2 Banking Days ("24 hours")	No
R02	Account Closed	A previously active account has been closed by action of the customer or the RDFI	RDFI	Return	Consumer or Non-consumer	2 Banking Days ("24 hours")	No
R03	No Account/ Unable to Locate Account	The account number structure is valid, and it passes the Check digit validation, but the account number does not correspond to the individual identified in the Entry, or the account number designated is not an existing account.	RDFI	Return	Consumer or Non-consumer	2 Banking Days ("24 hours")	No
R04	Invalid Account Number Structure	The account number structure is not valid.	RDFI	Return	Consumer or Non-consumer	2 Banking Days ("24 hours")	No
R05	Unauthorized Debit to Consumer Account Using Corporate SEC Code	CCD or CTX debit Entry was transmitted to a Consumer Account of the Receiver and was not authorized by the Receiver.	RDFI	Extended Return	Consumer	60 Calendar Days	Yes
R06	Returned per ODFI's Request	The ODFI has requested that the RDFI return an Erroneous Entry.	RDFI	Return	Consumer or Non-consumer	Not defined, determined by ODFI and RDFI	No
R07	Authorization Revoked by Customer	The RDFI's customer (the Receiver) revoked the authorization previously provided to the Originator for this debit Entry.	RDFI	Extended Return	Consumer	60 Calendar Days	Yes
R08	Payment Stopped	The Receiver has placed a stop payment order on this debit Entry.	RDFI	Return	Consumer or Non-consumer	2 Banking Days ("24 hours")	No
R09	Uncollected Funds	A sufficient ledger balance exists to satisfy the dollar value of the transaction, but the available balance is below the dollar value of the debit Entry.	RDFI	Return	Consumer or Non-consumer	2 Banking Days ("24 hours")	No
R10	Customer Advises Not Authorized, Improper, Ineligible, or Part of an Incomplete Transaction.	The RDFI has been notified by the Receiver that the Entry is unauthorized, improper, ineligible, or part of an incomplete transaction.	RDFI	Extended Return	Consumer: for ARC, BOC, IAT, or POP, Entries may also be a Non-consumer.	60 Calendar Days	Yes
R11	Check Truncation Entry Return	Used when returning a Check Truncation Entry	RDFI	Return	Consumer or Non-consumer	2 Banking Days ("24 hours")	No
R12	Account Sold to Another DFI	A financial institution received an Entry to an account that was sold to another financial institution.	RDFI	Return	Consumer or Non-consumer	2 Banking Days ("24 hours")	No
R14	Representative Payee Deceased or Unable to Continue in that Capacity	The representative payee is either deceased or unable to continue in that capacity. The beneficiary is NOT deceased.	RDFI	Return	Consumer or Non-consumer	2 Banking Days ("24 hours")	No
R15	Beneficiary or Account Holder (Other Than a Representative Payee) Deceased	(1) The beneficiary is deceased, or (2) The account holder is deceased.	RDFI	Return	Consumer	2 Banking Days ("24 hours")	No

ACH Return Report — NOC (Notification of Change) Entries

Below is a sample of the ACH NOC report and a table of NOC reason codes.

Highlighted fields indicate information from the original payment: the amount of the transaction, customer or payee name, the original entry type (PAYROLL) and the reason the payment was returned. Refer to the Change Reason Code table for an explanation of REASON: C01.

CUR ACCOUNT NBR / ORIG ACCOUNT NBR		TRACE NUMBER / SETTLEMENT DATE	TC TYPE / SEC	AMOUNT / DISC DATA	CUSTOMER ID	CUSTOMER NAME	TRAN / ABA NUMBER	COMPANY NAME / ID	ENTRY DESCR
026891919		211381730162655	31 CR	\$.00 14406	JESSICA		011301798	CITY	PAYROLL
		09/23/21	CR				1046001397		
		REASON: C01	ORIG TRACE:	011301797252660	ORIG EFF DATE:	09/23/21	ORIG RDFI T/R:	21138173	DOB:
		ADDENDA INFO:	26891900						
00187518		21138395266091	31 CR	\$.00 8742	MARIE		011301798	CITY	PAYROLL
		09/24/21	CR				1046001397		
		REASON: C01	ORIG TRACE:	011301797251504	ORIG EFF DATE:	09/23/21	ORIG RDFI T/R:	21138395	DOB:
		ADDENDA INFO:	0100018951						
		SETTLEMENT TRANSACTION	-	TRAN CODE: 22	ABA NUMBER:	011301798	ACCOUNT NUMBER:	000000000101	

Return Notification of Change Reason Codes (NOC)

The below list represents the most change return reasons. The full list is available on the NACHA.org website

Code	Description	Initiated by	Corrected Data	Entry Type	Time Frame	Notes
C01	Incorrect DFI Account Number	RDFI	Correct DFI Account Number appears in first 17 positions of the Corrected Data Field.	NOC (COR)	2 Banking Days from original Entry Settlement Date	Time frame not applicable for merger or acquisition. IAT: For Outbound IAT entries, the correct Foreign Receiver's Account Number will appear in the first (left justification) 35 positions of the Corrected Data Field.
C02	Incorrect Routing Number	RDFI	Correct Routing Number (including Check Digit) appears in first nine positions of the Corrected Data Field.	NOC (COR)	2 Banking Days from original Entry Settlement Date	Time frame not applicable for merger or acquisition. IAT: For Outbound IAT Entries, this field refers to the Gateway Operator's routing number.
C03	Incorrect Routing Number and Incorrect DFI Account Number	RDFI	Correct Routing Number (including Check Digit) appears in first nine positions of the Corrected Data Field--correct DFI Account Number appears in the 13th through 29th position of same field with a space in the 10th, 11th, and 12th positions.	NOC (COR)	2 Banking Days from original Entry Settlement Date	Time frame not applicable for merger or acquisition. IAT: This change code should not be used for Outbound IAT Entries due to field length limitations.
C05	Incorrect Transaction Code	RDFI	Correct Transaction Code appears in first 2 positions of the Corrected Data Field.	NOC (COR)	2 Banking Days from original Entry Settlement Date	Time frame not applicable for merger or acquisition.
C06	Incorrect DFI Account Number and Incorrect Transaction Code	RDFI	Correct DFI Account Number appears in the first 17 positions of the Corrected Data Field — correct Transaction Code appears in the 21st and 22nd positions of the same field with spaces in the 18th, 19th, and 20th positions.	NOC (COR)	2 Banking Days from original Entry Settlement Date	Time frame not applicable for merger or acquisition. IAT: This change code should not be used for Outbound IAT entries due to field length limitations.
C07	Incorrect Routing Number, Incorrect DFI Account Number, and Incorrect Transaction Code	RDFI	Correct Routing Number (including Check Digit) appears in the first 9 positions of the Corrected Data Field — correct DFI Account Number appears in the 10th through 26th positions of the same field — and correct Transaction Code appears in the 27th and 28th positions of the same field.	NOC (COR)	2 Banking Days from original Entry Settlement Date	Time frame not applicable for merger or acquisition. IAT: This change code should not be used for Outbound IAT Entries due to field length limitations.
C08	Incorrect Receiving DFI Identification (IAT only)	RDFI	The correct Receiving DFI Identification appears in the first 34 positions of the Corrected Data Field.	NOC (COR)	2 Banking Days from original Entry Settlement Date	Time frame not applicable for merger or acquisition.
C09	Incorrect Individual Identification Number/Incorrect Receiver Identification Number	RDFI	Correct number appears in first 22 positions of the Corrected Data Field.	NOC (COR)	2 Banking Days from original Entry Settlement Date	Time frame not applicable for merger or acquisition. IAT: For IAT Entries, the correct Receiver Identification Number appears in the first 15 positions of the Corrected Data Field.
C13	Addenda Format Error	RDFI	Information in the Entry Detail Record was correct and the Entry was able to be processed and posted by the RDFI. However, information found in the Addenda Record was unclear or was formatted incorrectly.	NOC (COR)	2 Banking Days from original Entry Settlement Date	Time frame not applicable for merger or acquisition.
C14	Incorrect SEC Code for Outbound International Payment	Gateway	The RDFI/Gateway has identified the Entry as an Outbound international payment and is requesting that future Entries be identified as IAT Entries and convey information required by the Gateway for OFAC compliance. The value "IAT" must appear within the first 3 positions of the Corrected Data Field.	NOC (COR)	2 Banking Days from original Entry Settlement Date	This Change Code may only be used by a Gateway to request a change to the IAT format. It may not be used by RDFIs to request other changes involving the use of Standard Entry Class Codes.

ACH Reversal/Deletion Procedures

There may be situations that require an entry within a batch or a complete batch or to be reversed or deleted. Batch and transaction reversals or deletions are requested by using the interactive Eastern Bank ACH Payment Reversal Request Form.

Reversal requests are allowed for only 3 clearly defined reasons: **wrong dollar amount, wrong account number or duplicate transactions**. Once a payment is released the only way to get it back is to request a reversal within 5 business days of the effective date of the original payment. A deletion can be requested for a future dated batch/transaction as early as the same day the batch/transaction has been released or up to 2 days prior to the effective date. Although unlikely, the receiving Bank may not honor the reversal request.

Please note for reversals related to ACH files uploaded using Eastern Treasury or files directly transmitted, the preferred reversal process is to create a NACHA formatted **REVERSAL** file and submit using the originating system. Refer to your software (or vendor) for instructions.

Procedure for ACH Batch and Transaction Reversals/Deletions

To request a reversal use this link which is also available at easternbank.com: [ACH Reversal Request Form](#)

1. Complete and submit the request online
 - a. **Deletions** can be requested up to 2 days *prior* to the effective date to **delete** an entire batch or a single transaction within a batch. If more than one transaction within a batch needs to be deleted, separate requests are required.
 - b. **Reversals** can be requested within 5 business days *after* the original effective date to reverse an entire batch or a single transaction within a batch. If more than one transaction within a batch needs to be reversed, separate requests are required.
 - c. After the form is submitted, a submission confirmation message, including a confirmation # is displayed in the event you have questions
 - i. Maintain a copy of this confirmation
2. The ACH Payment Reversal Request Form must be transmitted to and received by Eastern Bank by 4:00p.m. ET to be processed the same day.
 - a. the offsetting transaction will post to your account within one business day
3. A confirmation of the deletion or reversal will be emailed to the requestor once the request is processed
4. If you have not received an email confirmation by end of the same business day, please contact the Business Service Team at 1-800-333-8000 and provide the original confirmation number.

Note: Fees apply for this request

<https://www.easternbank.com/form/ach-payment-reversal-request>

ACH Payment Reversal Request

Customer Information *

Company Name *

Requester Name *

Online Banking ID *

Requester Email *

ACH Payment Reversal Request Information

1. Transaction Reversal Request

Request Type *
 Transaction Reversal Request Batch/File Reversal Request

Transaction Reversal Request

ACH CO ID

Enter ten digit alpha numerical ID

ACH CO Name

Enter up to sixteen characters

Destination Bank ABA

Enter nine digit Destination Bank ABA number

Destination Account #

Enter up to seventeen digits

Payee Name

Enter up to sixteen characters

Transaction Amount \$

Enter dollar amount between .01 and 999999999.99. Only numbers with no commas. Two decimal points required.

Effective Date

Choose a date no more than 5 business days prior to now

Creation Date

Reason for Reversal

Submit

2. Batch Reversal Request

Request Type *

Transaction Reversal Request Batch/File Reversal Request

Batch/File Reversal Request

ACH CO ID

Enter ten digit alpha numerical ID

ACH CO Name

Enter up to sixteen characters.

Batch Name

Enter up to ten characters.

Total Debits (Item Ct)

Enter up to six digits.

Total Credits (Item Ct)

Enter up to six digits.

Effective Date

Choose a date no more than 5 business days prior to now.

Batch/File Amount \$

Please enter an amount between ".01" and "999999999.99". Only numbers with no commas. Two decimal points required.

File creation Date

Reason for Reversal

Submit

3. Online Receipt

ACH Payment Reversal Request

Thank you for submitting you ACH Reversal Request. This transaction is subject to bank rules and regulations governing such electronic transactions as described in our services agreement. If you have questions, please contact the Business Service Team at 1-800-333-8000.

<https://www.easternbank.com/ach-payment-reversal-request>

Before you submit your form, you may copy this confirmation ID for your records. Please have this ID ready when inquiring about your reversal submission.

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NACHA Operating Rules – Micro-Entries and Prenotifications (Prenotes) Account Validation Methods

This information is intended to assist you, as the Originator of ACH entries, in compliance with NACHA Rules regarding ACH usage. For complete guidance, please refer to the NACHA Rules:

<https://www.nacha.org/rules/>

Micro-Entries and Prenotes are ACH based **Payee account validation methods**.

- Originators can choose to use either or both, depending on what they determine is best for their business.
- Micro-Entries and Prenotes are distinct processes and not interchangeable.
- Each function slightly differently, and each type has unique formatting requirements to ensure its proper identification as an **account validation tool**.

MICRO-ENTRIES

A Micro-Entry is a credit Entry used by an Originator to verify a Receiver's account.

- Like Prenotes, Micro-Entries are an ACH-based **account validation method**.
 - often referred to as “test transactions” or “test deposits”
- Unlike Prenotes, Micro-Entries are “live” credit and/or debit transactions that move of funds in and out of the Receiver's account.
 - specific action by the Receiver is required to complete the account validation process.

1. Dollar Limits on Micro-Entries

An Originator may originate one or more Micro-Entries to a Receiver's account **prior** to initiating future credit or debit Entries.

- Each **credit** Micro-Entry must be in an amount less than \$1.00.

2. Requirement for Simultaneous Transmission of Credit and Debit Micro-Entries

An Originator may choose to transmit credit Micro-Entries only, without offsetting debit Micro-Entries. However, an Originator is prohibited from transmitting debit Micro-Entries only.

- Micro-Entries must not result in a net debit to the Receiver's account.
- Debit Micro-Entries must be transmitted simultaneously with one or more credit Micro-Entries.
- The aggregate value of all Micro-Entries must be zero or result in a net credit to the Receiver's account.

3. Waiting Period Following Micro-Entries; Receiver Validation of Micro-Entries

- An Originator that has sent Micro-Entries to a Receiver's account may not initiate future Entries until the verification process has been completed.
 - the expectation is the Receiver validates receipt of Micro-Entries with the Originator.
- If the Originator does not receive validation from Receiver, the Originator is not permitted to originate any future entries.
- The Originator is also prohibited from originating future entries simultaneously with Micro-Entries.

4. Authorization of Micro-Entries

As with any other ACH credit or debit entry, the Originator must obtain the Receiver's authorization to transmit Micro-Entries to the Receiver's account.

- The minimum authorization requirements for Micro-Entries are based upon:
 - the type of entry (consumer or corporate)
 - method of authorization (internet, telephone, paper, etc.)
 - For Micro-Entry verification, the Originator may not wish to provide the specific dollar amount to the Receiver up front in the authorization. However, Originators must provide a description of how the Micro-Entries will be used, and the general dollar amounts that can

As of March 16, 2023, an Originator using Micro-Entries for account validation is required to conduct commercially reasonable fraud detection

- Must include a process to monitor forward and return volumes of Micro-Entries to minimize the incidence of fraud schemes that make use of Micro-Entries.
- Establish a baseline of normal Micro-Entry activity.
- Micro-Entry return rates are in addition to and distinct from overall return rate threshold monitoring.
 - Entries returned as unauthorized could be an indication of attempted fraud.

PRENOTIFICATIONS (Prenotes)

A prenote is a **Non-Monetary** entry transmitted through the ACH Network by an Originator to a receiving bank.

- A prenote conveys the same information that will be carried on subsequent entries, except for the dollar amount, transaction code, and any addenda records.
- Prenotes allow the receiving bank to **verify the accuracy of account numbers** prior to receiving a live entry.

1. Transaction Codes for prenote entries are:

TC	Description	TC	Description	TC	Description	TC	Description
23	DDA credit	33	Savings credit	43	General Ledger credit	53	Loan Account credit
28	DDA debit	38	Savings debit	48	General Ledger debit		

2. Addenda Records for prenotes

The NACHA Rules do not require addenda records be included with prenotes even though addenda records may be transmitted with a subsequent “live” entry.

3. Returned Prenotes/Notifications of Change

Any response to a prenote, either from the ACH Operator (Federal Reserve) or the receiving bank, is transmitted to the sending bank and made available to the Originator in the form of a return or Notification of Change (NOC).