ACH Reversal Requirements Guide

As an originator of ACH payments, there are certain rules and regulations that must be followed to ensure your payments are processed in a timely manner. **All ACH files should be initiated 48 hours prior to the effective date.**

An ACH Reversal may be necessary for several reasons such as an error in the dollar amount, duplicate file or to correct an entry processed to the incorrect receiver, etc. There may also be other circumstances that could warrant a reversal. Below are the requirements that must be followed in order to process an ACH reversal.

Please contact us before processing a reversal.

ACH Reversal Requirements

- A reversal can only be processed if an entry or file was processed in error.
- The reversing entry must be transmitted to the bank within five banking days after the settlement date of the erroneous file. If it is past the five banking day time frame, a reversal is not allowed to be processed.
- Transmit the reversing file within 24 hours of discovering the error.
- Make a reasonable attempt to notify the receiver of the reversing entry and the reason for the reversing entry no later than the settlement date of the reversing entry.
- Reverse the entire amount of the entry. No partial amount reversals are allowed.
- Initiate a correcting file if you are reversing an entire file that includes errors.
- Type REVERSAL (in ALL CAPS) in the company entry description field of each company/batch header record.

**ACH files will not be processed on Federal Holidays.
For a list of RCB Bank's holiday closings visit RCBbank.com/Holidays.**

Questions? Call us!
855-BANK-RCB

ACH REINITIATION OF ENTRIES REQUIREMENTS GUIDE

REASON:

A reinitiated entry is an entry initiated to the same Receiver's account in the same payment amount or fulfillment of the same underlying obligation following the return of an entry. An Originator my reinitiate an entry that was returned if:

- The entry was returned for insufficient or uncollected funds (the entry cannot be reinitiated more than two times following the return of the original entry - a total of 3 presentments.)
- The entry was returned for stopped payment and reinitiation has been authorized by the Receiver
- The Originator has taken corrective action to remedy the reason for the return.

TIMEFRAME:

The Originator must reinitiate the entry within 180 days after the Settlement Date of the original entry.

REQUIREMENTS:

- The item MUST be reinitiated for the same amount as the original item.
- A fee may NOT be added to the reinitiated item.
- The contents of the Company Name, Company Identification and Amount fields of the reinitiated entry must be identical to the contents of the original entry.
- The contents of other fields should be modified only as necessary to correct an error or facilitate proper processing of the Reinitiated Entry.
- ALL reinitiated entries must be in a separate batch file.
- Type "RETRY PYMT" (in ALL CAPS) in the Company Entry Description field of the company/batch header recorder to identify entries that are permissible resubmissions of returned entries under the rules.

RETURN FEE ENTRY REQUIREMENTS

A return fee may be charged in a separate batch as follows:

- Only one return fee per entry or item
- May NOT originate a return fee entry for a returned fee entry
- Return fee entry authorized by notice must have a Settlement date within 45 days of the return entry
- RETURN FEE (in ALL CAPS) must be specified within the Company Entry Description field of the Company/Batch Header Record

There should ONLY be 3 total presentments of an item. The original payment and 2 RETRY payment entries. After 3 total presentments, collection will need to be performed outside the ACH Network.