

This ACH training video will demonstrate how to process ACH in AdelFi's Online Banking Platform.

There are three methods for processing ACH which include:

- Import File – Upload a CSV file or Nacha File
- ACH Template – Saves payees for ongoing use
- Quick ACH – Used for a one-time payment to one payee

Adding Payees

Payees should be added in Online Banking prior to creating a Template.

Add payees by selecting the Pay & Transfer > Manage Payees. This will take you to the Payees screen.

Note: If you select Add Payees > Manage Payees in an existing template you will be taken to the Payees screen also.

1. Select the +Add New Payee icon
2. Select Person or Business (for this demo I will be selecting Person)
3. Enter the full name of the payee
4. An email address is optional
5. The system shows that a Payee ID is optional however if you do not enter an ID the system will auto fill an ID when the payee is saved.
 - a. A Payee ID is a unique identifier used to identify the payee (example would be employee ID number for payroll entries)
6. Choose a group or create a new group (example would be payroll)
7. Select Add Payee
8. The system will require an MFA code in order to continue. Select Email or Call and click Send Code
9. Enter the code upon receipt and select Verify
10. A message will populate stating the Payee was created successfully
11. Select Add Payment Method
12. Select ACH
13. Add the Payee's Routing Number, Account Type (Checking or Savings), and Account Number
14. Enter a Nickname – example Primary ACH or Payroll, etc. – this is a required field
15. Save
16. The Payee Detail will populate
17. Select < Back to Payee List to navigate to the main list of payees

Editing Payees

Editing a payee is required when account information updates are received by the payee or receipt of an NOC (Notification of Change).

1. From the Payee List locate and click on the payee requiring an update
 - a. There is a "Search By Name" field if the list is extensive
2. Place your mouse under Payments Methods which will populate the edit icon
3. Click the edit icon and update the account number (and account type if needed) and save
 - a. If the payee is saved in an existing template the new account number and or account type will be updated in the template

4. If the routing number needs to be updated the existing Payment Method will need to be deleted by clicking the Trash Can and a new Payment Method added
 - a. If the payee was saved in an existing template the payee will be deleted from the template
5. Click the + icon next to Payment methods to add the new payment method – steps were just discussed for adding a new payment method
 - a. If the payee was saved in an existing template the payee will need be added back into template

Creating a new ACH Template

The first ACH payment method we will cover is creating a template. The ACH feature can be found in the Pay & Transfer menu and then selecting Process ACH.

This will take you into the Business ACH screen.

Select the + New Template icon and Enter:

- Template Name
- Offset Account
 - account your organization was approved to use for ACH processing
- Company Name
 - The Company Name that is Online Banking for your organization. If your organization has a DBA you would like payees to see on their bank statements and online transaction history please select the DBA from the drop-down list. If your organization does not have a DBA there will not be a drop-down list. If your organization has a DBA and it is not showing in the drop-down list please contact your Relationship Manager.
- Transaction Type
 - The Payment Type your organization was approved to process
 - Consumer Payments
 - Consumer Collections
 - Business Payments
 - Business Collections
- Company Entry Description
 - ACH Entry Description your payees will see on their bank statements and online transaction history
 - Examples: Payroll, Tuition Pmt, etc. Maximum of 10 characters
- Access Level
 - Normal – All users with ACH permissions can access
 - Restricted – Only users with the Restricted permission can access
- Select Create Template

Add Payees to the blank Template

Now we will add payees to our blank Template

1. Select the Add Payees Icon

2. All Payees that were added in the Manage Payee menu will be listed. Place a check mark in the square next to the payee's name that should be added to the Template
 - a. There is a "Search Payees" Field if the list is extensive
3. The number of Payees will show in the "Assign # Payees" Tab. Click on the Tab when all payees have been selected.
4. The payees will be showing in the Template with 0.00
 - a. If there are any missing payees select the + Add Payees icon
 - b. The Payee list will populate and the missing payees can be selected and assigned to the template
5. Selecting the edit icon next "Amount" will allow you to:
 - a. Add dollar amounts
 - b. Change the Payee Status
 - i. Active – Include when submitted batch
 - ii. On Hold – do not include in the batch this time
 - iii. Prenote – zero-dollar test entry used to confirm account information is accurate
 1. A live-dollar entry cannot be processed for three business days when submitting a prenote. The three business days provides the Receiving Bank time to respond with a return or NOC for inaccurate account information.
 - c. Save Changes
6. The edit icon next to the dollar amount on the payee line will allow you to add an Addenda.
 - a. An Addenda is information added to the payee pertaining to the ACH entry (additional details for the entry – example: Invoice Number)
 - b. You can also change the payee status from here
 - i. Active
 - ii. On Hold
 - iii. Prenote
 - c. This is also how you would Remove Payee from the Template
 - d. Add the addenda information and Save Changes. The addenda is attached to the payee entry so they will now see this extra information on their bank statement.
 - i. When addenda is in play they do have to request their bank to show the addenda information if it is not automatically included.

Review and Submit Template for Processing

1. Select the Review and Submit icon
 - a. An overview of the template details will populate
 - i. Confirm that debits and credits are in balance
 - ii. Confirm the number of payees is accurate
 - b. Bullet One Time
 - c. Enter a Deliver By Date (Settlement Date for batch)
 - d. Select "Submit Template"

Note: A Recurring Batch may be created if this batch will be processed on a set / predetermined schedule based on the authorization signed by your payee

- a. Select the frequency from the drop-down list
- b. Enter a Start Date (the first day this batch will be settling)

- c. Enter an End Date
- d. Select how settlement on non-business days will be handled

A non-banking / non-business day is a federal holiday, holiday, or Saturday or Sunday.

- i. Deliver Before (for credit files)
 - ii. Deliver After (for debit files)
- e. Select "Submit Template"

Note: the recurring batch must be cancelled when changes are made to the template used for the recurring batch. Update the template and submit a new batch – select Recurring if you like to continue the recurring batch

2. An ACH Submission Confirmation screen is populated
3. Select Done

The Scheduled Tab will show any ACH batches that have been submitted with a future settlement date. For instance, if the batch I just submitted were to settle on the 20th instead of the 14th it would be shown here under Scheduled because it is not scheduled to process until the 19th. On the 19th it will be moved from the Scheduled Templates to the History tab.

The History Tab will show any batches you have submitted for processing:

- Pending Batches
 - Batches submitted for current day processing
 - The batch will show as Scheduled until Adelfi pulls it in for processing
 - The status will then change to Succeeded and be moved to Template History
 - You may Cancel a batch by selecting the Cancel icon – your batch will not be processed
- Batches can be exported in a CSV or PDF format
 - Expand the desired batch by clicking on the down arrow
 - Click either CSV or PDF
 - The account numbers are masked

Edit a Template

Template edits include (click on the edit icon next to the dollar amount for the payee):

- Changing a dollar amount
- Changing a payee status
- Adding or removing payees from a template
- Adding or deleting addenda from a payee

The demonstration on how to complete the steps for these items was just completed.

Template Details may be changed by:

1. Selecting the Template requiring a change
2. Select the "Details" tab
3. The items that may be updated include:
 - a. Template Name
 - b. Company Entry Description
 - c. Offset Account (if approved to process with more than one offset account)

- d. Access Level – Normal or Restricted
- e. Delete Template

Import File

File Import is another ACH method that can be used. ACH or accounting software will generate a CSV (comma delimited) or a Nacha file that can be used when importing a file. The CSV file must be in a six-column file format.

Importing a Six-Column CSV File

CSV File Format

The comma delimited file must be formatted with the following columns:

- Column A (Field 1) – Two-digit transaction code
 - 27 – Checking Account Withdrawal
 - 22 – Checking Account Deposit
 - 37 – Savings Account Withdrawal
 - 32 – Savings Account Deposit
- Column B (Field 2) – Nine-digit routing number
- Column C (Field 3) – Account Number (17 digits max)
- Column D (Field 4) – Amount (10 digits max)
 - No commas
- Column E (Field 5) – Individual Identification Number or 0
 - Number assigned by you for the payee (example Payroll ID Number)
 - If you are not assigning ID numbers to your payees, this field must be 0
- Column F (Field 6) – Payee name (22 spaces max)

Importing CSV File

From the Home Page select Pay & Transfer > Process ACH.

This will take you into the Business ACH screen.

1. From the Create ACH icon select the down arrow to expand the list and select Import File
2. Browse to where the CSV file is saved on your computer
3. The file will upload and if there are any errors a message will show in the box
 - a. Errors must be corrected or import will not work
 - b. Note – you have an option to Save as a Template Only
4. Select Continue
5. Enter the Offset Account (account approved to use when processing ACH)
6. Enter a Deliver Date (Settlement Date)
7. Company Name – just a reminder that by default the system will use the company name that is in Online Banking. If you have a DBA and this is what you would like your payees to see on their bank statements and transaction history select the drop-down menu and pick your DBA. If you have a DBA and it is not reflected here please contact your Relationship Manager.
8. Enter a Transaction Type – the drop-down list will reflect what you have been approved to process and will be based on the transaction type in the CSV file:
 - a. Consumer Collections
 - b. Consumer Payments

- c. Business Collections
 - d. Business Payments
 - e. Transaction type should reflect the transaction code used in the CSV file
9. Entry a Company Entry Description – example: Payroll, Tuition Pmt
 10. Select Save as Template if desired
 11. Check Restricted Batch if not all ACH users should have access to batch
 12. Save and Submit
 13. You will receive a Successful message
 14. Click on View Submissions Details
 15. It will show in the History Tab under Pending Batches – the status will change to Succeeded once AdelFi pulls the batch in for processing and the batch will be moved to Template History

Importing Nacha Formatted File

The file must be balanced (debits and credits equal) – this is a setting in the ACH software

From the Home Page select Pay & Transfer > Process ACH.

This will take you into the Business ACH screen.

1. From the Create ACH icon select the down arrow to expand the list and select Import File
2. Browse to where the Nacha files is saved on your computer
3. The file will upload and if there are any errors a message will show in the box
 - a. Any errors must be corrected before a successful import
 - b. Note – you have an option to Save as a Template Only
4. Select Continue
5. Online Banking will not use the Company Name that is in the Nacha file. The Company Name that is Online Banking will populate in the Company Name field. If you have a DBA on file and the DBA is what you would like to people to see on their bank statements and online transaction history the DBA will need to be selected from the Company Name drop-down list.
 - a. Please contact your Relationship Manager if you do see your DBA
6. Review the batch details for accuracy
7. Save and Submit
8. Select View Submission Details
9. Batch will be in the History Tab under Pending Batches. The status will change to Succeeded once AdelFi pulls it in for processing and the batch will be moved to Template History

Quick ACH

The final method for review is Quick ACH. Quick ACH is used for a one-time payment to one payee. The batch is created without creating or using a template.

From the Home Page select Pay & Transfer > Process ACH.

This will take you into the Business ACH screen.

1. From the Create ACH icon select the down arrow to expand the list and select Quick ACH
2. Select the:
 1. Offset Account
 - i. Account you have been approved to use for ACH processing
 2. Payment Company
 - i. Your Online Banking Company Name

- ii. If using a DBA and it is not in the drop-down menu contact your Relationship Manager. You will not have a drop-down list if you do not have a DBA.
3. Transaction Type
 - i. Based on what you have been approved to process
4. Entry Description
 - i. Description of the entry (example: Bonus or Reimbursement)
5. Access Level
 - i. Normal
 - ii. Restricted
6. Amount
7. Deliver By Date
 - i. Settlement Date
 - ii. I will select a future date so that you will see what this looks like in the Scheduled Tab
8. Click in the Payee Name Field to bring up list of payees from Manage Payees
9. Select +Create New Payee to add a payee that is not in Manage Payees
 - i. Enter the Payee Details
 - ii. Add Payee
 - iii. Add Payment Method (account information)
 - iv. Save

Note: Addenda cannot be used with Quick ACH. If an addenda record is desired a template will need to be used.

10. Submit

Because I entered my settlement date as March 20th this is now in my Scheduled tab verses my History Tab. On March 19th, the schedule process date, this batch will be moved from the Scheduled Tab to the History Tab. The batch status will change from Active to Scheduled.

NOCs (Notification of Change) and Returns

The final thing to review is the NOCs and Returns.

NOCs and Returns can be received up to two banking days after file settlement. It is your responsibility as an ACH Originator to review any NOCs and returns and complete the corrective action needed.

A Notification of Change (NOC) is a non-dollar entry that is submitted by a RDFI (payee's financial institution) that:

- Identifies an ACH entry has been received by the RDFI
- Pinpoints specific information pertaining to an ACH entry that is incorrect
- Provides the correct information so you can update the payee's account information

Some common NOCs include:

- C01 – Incorrect Account Number
- C02 – Incorrect Routing Number
- C03 – Incorrect Routing and Account Number
- C05 – Incorrect Transaction Code

Changes specified in an NOC must be completed within six banking days of receipt or prior to initiating another entry for the payee

An Originator Return is an ACH entry that the payee's financial institution could not post to the payee's account.

Some common returns include:

- R01 – Insufficient Funds
- R02 – Account Closed
- R03 – No Account / Unable to Locate
- R04 – Invalid Account Number Structure

An entire list of the NOC and Return Codes can be found in the ACH rulebook.

The NOCs and Returns can be viewed from the Home Page and selecting Account Services > Positive Pay and ACH Controls

1. Select Submit
2. From the ACH NOC and Returns Reporting Dashboard select the dollar amount link to the right of "Total ACH Returns" – this will be \$0.00 if no returns were received the day logged in
3. This will take you to the Transaction History Page
4. Any NOCs and / or returns received that day will be listed. If it has been a few days since you have checked for entries, you will need to change the date range.
5. Change the Date Range
 - Yesterday
 - Last 7 Days
 - This Month
 - Last Month
 - Custom
 - Apply
6. A list of NOCs and Returns will populate based on the date range entered if any were received
 - Since I am using a test account and I have not received any NOCs or Returns I do not have a history which is why we are not seeing anything listed.

Export the NOCs and Return Report By:

1. Select Returns Export from the Manage menu for Returns or
2. Select NOC Export from the Manage menu for NOCs
3. Template – Select Return PDF and place a check in the Set as Default in the box
4. Company – Select your Company Name and place a check in the Set as Default box
 - a. I am in the test environment and do not have a company to select
5. Enter the date range
6. Generate Returns Report or Generate NOC Report
7. Generates and downloads PDF report you can print and save

This concludes the Online Banking Demo for ACH processing. If you have any questions, please call our Implementations Department at 800.921.1130, ext. 1546. We can be reached Monday through Friday from 8:30 a.m. to 4:30 p.m. (PT). You may also contact us by sending a secure message through the AdelFi Online Banking site. Thank you for allowing AdelFi the opportunity to serve you.

I hope you have a great day.