Same Day ACH: Moving Payments Faster

"Check and Correct" Effective Entry Dates for
Same Day ACH Debits in Phase 2

April 13, 2017

Prior to the implementation of Same Day ACH, the NACHA Operating Rules provided that if the Effective Entry Date field contained invalid information, such as a "stale date," the batch of entries would be settled on the next Banking Day. At that time, the use of a "today's date" in the Effective Entry Date field was treated as invalid and settled the next day.

Starting with Same Day ACH credits in September 2016 and lasting until the beginning of Same Day ACH debits on September 15, 2017, a "today's date" in the Effective Entry Date field is treated as valid for a credit entry and settled on that day (assuming it is submitted timely into an ACH Operator's same-day processing window); while a "today's date" for a debit entry is treated as invalid and settled on the next day.

On September 15, 2017, when debits become eligible for same-day processing, a "today's date" in the Effective Entry Date field also will be treated as valid for a debit entry and settled on that day, assuming it is submitted timely into an ACH Operator's same-day processing window. ODFIs, their Originators, and software and processing vendors are strongly encouraged to "check and correct" Effective Entry Dates for ACH debit processing, even among those who do not intend to use same-day processing – i.e., do not be an inadvertent Originator of same-day ACH debits.

Example of valid "next-day" Effective Entry Date processing for next-day settlement:

- A batch of debit Entries is submitted on Tuesday, September 19, 2017 with an Effective Entry Date of Wednesday, September 20, 2017 (i.e., with content "170920" in the Effective Entry Date field). This is a valid "next-day" date in the Effective Entry Date field, and the batch is settled at 8:30 a.m. ET on Wednesday, September 20, 2017.

Example of valid "same-day" Effective Entry Date processing for same-day settlement:

- A batch of debit Entries is submitted on Tuesday, September 19, 2017 with an Effective Entry Date of Tuesday, September 19, 2017 (i.e., with content "170919" in the Effective Entry Date field). As of Phase 2, this is a valid "same-day" date in the Effective Entry Date field, and the batch is settled on Tuesday, September 19, 2017 at the time that corresponds to the same-day processing window (e.g., either 1:00 p.m. or 5:00 p.m. ET).

<u>Example of unintentional "same-day" Effective Entry Date processing for same-day settlement:</u>

- A batch of debit Entries is submitted on Tuesday, September 19, 2017 with an Effective Entry Date of Tuesday, September 19, 2017 (i.e., with content "170919" in the Effective Entry Date field). Unfortunately, the Originator did not "check and correct" the Effective Entry Dates, and did not intend to use same-day processing for this batch of debits. Nevertheless, the Effective Entry Date is valid, and the debits are settled on Tuesday, September 19, 2017 at the time that corresponds to the same-day processing window (e.g., either 1:00 p.m. or 5:00 p.m. ET). The Originator has become an unintentional same-day Originator, which resulted in its customers being debited one day too early.