

# Same-Day ACH

## FREQUENTLY ASKED QUESTIONS ABOUT SAME-DAY ACH

### GENERAL QUESTIONS ABOUT SAME-DAY ACH

#### Why is Same-Day ACH happening?

In an effort to meet the demands for faster payments, NACHA approved the most significant rule change in over 40 years, requiring all financial institutions to roll out Same-Day ACH in three phases over a three year period.

#### When will Same-Day ACH go into effect?

Same-Day ACH is being rolled out in three phases:

**Phase I – September 23, 2016**, financial institutions were required to **receive** domestic Same-Day ACH **credits** of \$25,000 or less and make funds available to the recipient by the close of the financial institution's processing day<sup>1</sup>.

Offering Same-Day ACH credit origination was optional for financial institutions. The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) will offer Same-Day ACH credit origination in November, 2017.

**Phase II – September 15, 2017**, financial institutions will be required to **receive** domestic Same-Day ACH **debits** of \$25,000 or less.

Offering Same-Day ACH debit origination is optional for financial institutions. The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) will offer Same-Day ACH debit origination in Q3 2018.

**Phase III – March 16, 2018** financial institutions will be required to make domestic Same-Day ACH credits available to receivers by 5:00 PM local time<sup>1</sup>.

### QUESTIONS ABOUT THE RECEIPT OF SAME-DAY ACH TRANSACTIONS

#### What does Same-Day ACH mean for clients who receive Same-Day ACH debit and credit transactions?

Effective September 15, 2017, domestic Same-Day ACH debit transactions of \$25,000 or less will be introduced into the ACH Network and posted to available account balances by 4:00 p.m. ET (3:00 p.m. CT / 1:00 p.m. PT) within the same business day<sup>1</sup>.

The receipt of domestic Same-Day ACH credits of \$25,000 or less is already available and follows a similar process by posting to available account balances by 4:00 p.m. ET (3:00 p.m. CT / 1:00 p.m. PT) within the same business day<sup>1</sup>.

Clients should review their activity throughout the business day for Same-Day ACH transactions.

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### LEARN MORE

To find out more information about Same-Day ACH, contact your relationship manager or call Treasury Management Sales, or visit [mufgamericas.com/SameDayACH](http://mufgamericas.com/SameDayACH) or [resourcecenter.nacha.org](http://resourcecenter.nacha.org).

### **What should I do to prepare for the receipt of Same-Day ACH debits?**

On September 15, 2017, clients will be able to receive domestic Same-Day ACH debits of \$25,000 or less within the same business day.

- Please understand that when you authorize a vendor, merchant, or biller to debit your business account with BTMU, the vendor, merchant, or biller should include information about the timing of the payment and may provide the option to collect the payment the same business day.
- If you have pre-authorized an electronic payment, such as a recurring utility or insurance payment, then very likely there will be no change to the time that these payments are posted to your account. As always, BTMU will receive and post these payments normally as designated by the transaction effective date.
- You should always have sufficient funds in your account to cover every payment you authorize or initiate. In addition, review your account balances and transactions online and review periodic account statements.

### **When would I use the receipt of Same-Day ACH debits?**

A vendor, merchant, or biller may offer the option to pay a bill or transfer funds by debiting your account within the same business day. For example, if you have a bill due on the 25th of the month, the billing company might allow you to call or use its website on the morning of the 25th to have the funds debited from your account within the same business day.

### **How can I manage the receipt of Same-Day ACH credits?**

To help manage the receipt of domestic Same-Day ACH credits of \$25,000 or less:

- Begin reviewing your end of day transactions for any Same-Day ACH credits
- Determine how to post to internal accounts or reflect credit as of the posting date
- For BTMU accounts, understand that you have access to funds from Same-Day ACH credits the same business day
- Analyze the potential impact on cash forecasting

### **Is there an additional fee for the receipt of Same-Day ACH transactions?**

No, BTMU will not assess an additional fee for received Same-Day ACH transactions. Standard deposit transaction fees apply; please refer to your Fee Schedule.

### **Will the receipt of Same-Day ACH debits cause any changes to existing ACH fees?**

No, BTMU will not make any changes to existing ACH fees for the remaining 2017 calendar year due to the introduction of receipt of Same-Day ACH debits on September 15, 2017.

### **Will there be a change to existing time frames when Same-Day ACH transactions are posted to accounts?**

No, there will be no change to existing post time frames.

## **QUESTIONS ABOUT ORIGINATION OF SAME-DAY ACH TRANSACTIONS**

### **What does Same-Day ACH mean for clients who originate ACH transactions?**

Same-Day ACH will provide originators the option to originate domestic ACH transactions of \$25,000 or less within the same business day<sup>1</sup>. Not all banks will offer Same-Day ACH origination at the same time.

### **When will BTMU offer Same-Day ACH origination?**

In November, 2017, BTMU will introduce domestic Same-Day ACH credit origination for transactions of \$25,000 or less.

In Q3 2018, we will introduce domestic Same-Day ACH debit origination for transactions of \$25,000 or less.

### **When would I use Same-Day ACH credit origination?**

There are number of scenarios where you can take advantage of Same-Day ACH credit origination:

- **Invoice Payments** - pay vendor invoices on or after the due date
- **Urgent Claim Payments and Refunds** - quick payouts of insurance claims and refunds
- **Same-Day Payroll** - faster payroll payments for hourly or temporary pay, bonuses, and emergency payments
- **Supplier Payments** - pay your suppliers faster to receive your materials on time, while taking advantage of vendor discounts

### **What should I do to prepare for the origination of Same-Day ACH credits?**

We will offer Same-Day ACH credit origination in November, 2017, but it is important to start preparing for origination now:

- Evaluate your current payments to determine how to take advantage of Same-Day ACH
- Analyze your payment processes to determine the impact on liquidity
- Be aware that the process to initiate a Same-Day ACH payment will be distinguished by marking the "Effective Entry Date" as the current business day's date<sup>1</sup> (additional instructions are below)
- Note that BTMU will require that clients submit Same-Day ACH files by **12:10 p.m. ET (11:10 a.m. CT / 9:10 a.m. PT)**<sup>1</sup>. If you miss the Same-Day ACH deadline, your batch will be processed within the next window and with the next business day<sup>1</sup> "Effective Entry Date". Ensure your ACH settlement account has sufficient funds available prior to submitting Same-Day ACH credit transactions.
- Understand that Same-Day ACH origination will be a premium service and will incur a higher transaction fee than standard ACH origination transactions. Please see the upcoming Fee Schedule for more details.

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**What is the Same-Day ACH per transaction limit?**

There is a limit of \$25,000 or less per Same-Day ACH credit or debit transaction.

**What if I originate a Same-Day ACH transaction above \$25,000?**

If a Same-Day ACH transaction is greater than \$25,000, it will be processed as a next-day ACH transaction.

**What is the deadline to originate Same-Day ACH transactions?**

BTMU will require that clients submit Same-Day ACH files by 12:10 p.m. ET (11:10 a.m. CT / 9:10 a.m. PT)<sup>1</sup>. If you miss the Same-Day ACH deadline, your batch will be processed within the next window and with the next business day<sup>1</sup> "Effective Entry Date".

**Is there an additional fee for origination of Same-Day ACH transactions?**

Same-Day ACH origination is considered a premium service and additional fees will apply. Please see the upcoming Fee Schedule for more details.

**Why is there an additional fee for origination of Same-Day ACH transactions?**

BTMU will be assessed an additional per transaction processing fee by the ACH Network for each Same-Day ACH origination transaction.

**How do I originate a Same-Day ACH transaction via Transmission?**

When Same-Day ACH credit origination becomes available in November, 2017, please follow the steps below to submit a domestic Same-Day ACH credit of \$25,000 or less via Transmission:

1. ACH Transmission clients must properly indicate the "Effective Entry Date" field with the current day on the NACHA file. Please note that BTMU will not edit the "Effective Entry Date" on the NACHA file.
2. Submit files or batches to meet the Same-Day ACH deadline at 12:10 p.m. ET (11:10 a.m. CT / 9:10 a.m. PT)<sup>1</sup>.
3. Acknowledge the processing fee associated with Same-Day ACH.
4. Ensure funds are available in accounts for settlement.

**Which ACH Payment types (Standard Entry Class Code or "SEC") will be eligible for Same-Day ACH?**

All ACH payment types will be eligible for Same-Day ACH, excluding International ACH (IATs).

**What is the deadline to cancel or reverse a Same-Day ACH payment?**

You will have until 12:30 p.m. ET (11:30 a.m. CT / 9:30 a.m. PT)<sup>1</sup> to send the Bank notification that you wish to cancel a Same-Day ACH payment file.

**What if I submit a batch for same-day processing which includes a transaction over \$25,000?**

If a client submits a batch via the BTMU Online Banking ACH system containing a Same-Day ACH transaction greater than \$25,000, an error message will result. You will need to remove the transaction from the batch and ensure that all transactions are \$25,000 or less.

If you are submitting a batch via the ACH Transmission channel containing a Same-Day ACH transaction greater than \$25,000, it will be settled as a Next-Day ACH transaction. The transactions that are \$25,000 or less will be settled in the same day.

**Will I be able to exclude certain ACH Originating Company IDs from Same-Day ACH Origination?**

Yes, prior to the launch of Same-Day credit origination in November, 2017, please submit a list of ACH Originating Company IDs that you would like excluded from Same-Day ACH origination to your relationship manager.

**Will I be able to opt-out of SDA origination?**

Yes, please contact your Treasury Relationship Manager to complete the required documentation.

**ADDITIONAL QUESTIONS ABOUT SAME-DAY ACH****How does Same-Day ACH affect ACH Returns?**

ACH Return rules and timelines remain unchanged. Same-Day ACH transactions will be processed in the same manner as basic ACH transactions.

**How does Same-Day ACH affect ACH Reversals?**

Reversals may be processed as a Same-Day ACH transaction following NACHA Reversal and Same-Day ACH rules.

**Will I be able to send ACH pre-notes and Notifications of Change (NOCs) as Same-Day ACH transactions?**

Yes, you will be able to send ACH pre-notes and NOCs as Same-Day ACH transactions.

<sup>1</sup>Monday through Friday, excluding federal holidays.