

## Overview

Automated Clearing House (ACH) is a secure and efficient batch-oriented network that provides businesses the power to transfer funds electronically between other businesses or individual entities. All ACH transfers use the National Automated Clearing House Association (NACHA) transaction rules format to move funds electronically between financial institutions in the United States Federal Reserve System.

The Federal Reserve Bank plays the role of the primary ACH processor and settlement facilitator between financial institutions. Users create credit or debit batches, which they submit online to their financial institutions. The system submits the ACH batches to the local Federal Reserve network to distribute the associated transactions to the end-point financial institutions. The Federal Reserve collects and settles all the funds between the participating financial institutions.

ACH Transfers provide users the power to manage their cash flows by means of efficient collection of receivables and controlled disbursements of payments. The typical uses of ACH transfers are as follows:

- Direct Deposit of payroll, tax refunds, social security and other government benefits.
- Collection of consumer bills, such as mortgages, loans, utilities, cable, insurance premiums, and others.
- Business-to-business vendor payments.
- Re-present NSF checks.
- Cash Concentration Collection.
- Collection of commercial bills.
- Federal, state and local tax payments.

## Creating ACH Batches

ACH Transfers involves creating new ACH batches through an ACH Wizard. The system helps facilitate this process by setting up your files according to NACHA rules. There are three main steps to create a new ACH Batch Transfer:

1. Step 1: Batch Header. Enter batch header information. The batch header provides information identifying the batch contents. It shows who originated the batch, the total batch amount, and the settlement account debited or credited for the batch amount. This section also requires scheduling information and whether the batch is a one\_time or recurring batch. Note: Batches with a frequency of Fixed Recurring Payment need to be approved only once, when the batch is created.
2. Step 2: Batch Items. After you have created a batch header, you must add batch items to the batch. For example, each batch item is a single transfer-funds transaction within the batch. You can add batch items manually or import them from a file.
3. Step 3: Review & Submit. After entering the batch items, the batch must be approved before it can be processed. The batch can be approved only by someone who has been given approval authority.



**ACH Transfer Types**

Authorized users can create certain types of ACH batches depending on your task objective. The following batch types are available:

PPD Credit	An ACH transaction that debits your business's settlement account and credits the batch item amounts to each consumer's account. Typical use is deposit payroll through direct deposit.
CCD Credit	An ACH transaction that debits your business's settlement account and credits the batch item amounts to another one of your accounts at Liberty Bank or to another business's account. Typical use is to consolidate funds or make vendor payments.
PPD Debit	An ACH transaction that allows you to debit a consumer's account for one-time or recurring payments. You must obtain written authorization from the consumer to debit their accounts. Typical use is to collect rent, mortgage, insurance, loan, or cable payments.
CCD Debit	An ACH transaction that allows you to debit another one of your business accounts at Liberty Bank or another business's account for one-time or recurring payments. Typical use is to consolidate funds or to collect vendor payments.
NACHA Import	An ACH transaction that allows you to receive third-party ACH files that may contain balanced and unbalanced and mixed batches with credits, debits, and prenotes in one file.

**Pending ACH Batches**

Pending ACH Batches are displayed on the PENDING ACH sub-tab, which is visible by default on the Cash Management menu page. Here you will find all pending ACH transfers that have been created but not yet sent. ACH transfers cannot be sent until they have been approved. (Note that batches with a frequency of Fixed Recurring Payment need to be approved only once when the batch is created.)

Various ACH related cut-off times can appear at the top right of the page:

- ACH Add Cut-off Time -- The deadline to have your ACH batches scheduled and approved for the current business day's processing. Batches entered after this Cut-off time will be processed on the next business day. An institution might offer multiple Add Cut-off times. In that case, separate indications for Next ACH Add Cut-off Time and/or Final ACH Add Cut-off Time may appear on Cash Management pages.
- ACH Edit Cut-off Time -- The deadline to submit priority ACH batches for processing early in the day before the Add Cut-off time. ACH batches approved prior to the Edit Cut-off time are sent for processing at the Edit Cut-off time. Batches approved after the Edit Cut-off time but before the Add Cut-Off time are sent for processing at the next Add Cut-off time.
- Same Day ACH Add Cut-off Time -- The deadline to have Same Day ACH batches created and approved for the current business day's processing and settlement. Batches entered after this Cut-off time will be settled on the next business day. An institution might offer multiple Same Day Add Cut-off times. In that case, separate indications for Next Same Day ACH Add Cut-off Time and/or Final Same Day ACH Add Cut-off Time may appear on Cash Management pages.
- You can receive notification that your batches have been processed by setting up an alert on the Notify Me Alerts page.

All pending ACH transfers are displayed in the PENDING ACH sub-tab list. Below the list are two drop-down menus, New Batch and Bulk Actions. The New Batch menu contains the same list of available batch types as found under the ACH section on the page below, such as Payroll Batch and Debit Batch (CTX). The Bulk Actions menu, which becomes active when at least one pending batch has been selected, has the options Create Report, Export Selected, Delete Selected, Copy Selected, Approve Selected, and Request Approval. Use the Search link in the Batch Name column to search for transactions within a batch.

The following information is displayed for each transfer:

Field	Description
Effective Date	The date the payments will be deposited into the accounts listed in the batch items. Shows "not set" for batches in Not Scheduled status.
SEC Code	The standard entry class (SEC) code(s) contained in the batch.
Batch Name	The name given to the batch when it was created, with the selected settlement account for the batch. The batch name usually reflects the batch contents (for example, Payroll). The batch name is a link that goes to the batch editing screen. Following the name, a <a href="#">search</a> link goes to the ACH Search screen, where you can use multiple criteria to search for particular ACH transactions.
Tracking #	A system-generated number assigned to the batch for tracking purposes. If you have a question or a problem with a batch, please refer to the tracking number when making inquiries.
Credit	The total dollar amount of a Credit batch.
Debit	The total dollar amount of a Debit batch.
Net Settlement	The total dollar amount of the batch.
Settlement Type	The type of settlement used for the batch: <ul style="list-style-type: none"> <li>• <b>Summary Settlement.</b> A single offsetting entry in the settlement account for the sum of all credits/debits in the batch.(Default)</li> <li>• <b>Detailed Settlement.</b> Individual offsetting entries in the settlement account for each credit or debit item in the batch.</li> </ul>
Status	The current status of the batch: <ul style="list-style-type: none"> <li>• <b>Not Scheduled.</b> The batch needs to be scheduled. It may need additional payment information as well. A <b>Schedule</b> button also appears. It opens the batch header page, allowing you to set an Effective Date or add batch items.</li> <li>• <b>Needs Approval.</b> The batch has been scheduled, but it cannot be processed until it has been approved. An <b>Approve</b> or <b>Request Approval</b> button also appears, depending on whether you are authorized to approve the batch.</li> <li>• <b>Approved.</b> The batch is waiting for the scheduled processing date.</li> <li>• <b>Pending Text Alert Authentication</b> by &lt; <i>approver name</i> &gt; at &lt; <i>masked phone #</i> &gt;. An approval request text message for the batch has been sent. The approver has not yet responded.</li> </ul> <p>Below a Needs Approval or Approved status, information about the timing of the next step in the batch flow appears, such as "Processing begins on 01/27/2020".</p>
Discretionary Data	Added data per each batch by the batch creator