



Same Day ACH: Moving Payments Faster

May 19, 2015

OPTIONAL SAME DAY ACH INDICATOR IN THE BATCH HEADER RECORD

An ODFI could, at its discretion, require one or more of its Originator to use discretionary data within the Batch Header Record to further show intent for same-day settlement. While each ODFI could determine on its own how to accomplish this, practically speaking, a standardized approach would be more efficient for ODFIs and their Originators to use, even as it remains optional from an ODFI's perspective.

NACHA recommends that ODFIs that desire to use such an optional same-day indicator do so through specific content in the Company Descriptive Date field. The Company Descriptive Date field (5 record, field 8) is an optional field with 6 positions available (positions 64-69). Currently, the Rules provide that the "Originator establishes this field as the date it would like to see displayed to the Receiver for descriptive purposes."

NACHA recommends that, as desired, the content of this field be formatted using the convention "SDHHMM", where the "SD" in positions 64-65 denotes the intent for same-day settlement, and the hours and minutes in positions 66-69 denote the desired settlement time using a 24-hour clock. When electing to use this convention, the ODFI would validate that the field contains either "SD1300" for settlement desired at 1:00 p.m. ET, or "SD1700" for settlement desired at 5:00 p.m. ET. A benefit of using this convention is the potential to denote additional same-day settlement times should they become available in the future.

As an example, assume an ODFI chooses to use this optional identification method with one of its Originators because the Originator has a history of default use of the current day in the Effective Entry Date field. The ODFI receives the Originator's ACH file that has the current day's Effective Entry Date, which under the same-day rule would be a valid date. The ODFI then could validate the Originator's intent for same-day settlement by verifying the content of the Company Descriptive Date field. If the field contains a valid same-day identifier, the ODFI submits the file into the appropriate ACH Operator same-day processing window. If the field does not contain the correct same-day identifier, the ODFI holds the file and later submits it to the ACH Operator after the deadline for the last same-day processing window, thus avoiding unintentional same-day settlement and the assessment of Same Day ACH fees, without having to modify or edit the Originator's file.

Alternatively, ODFIs always have the discretion and option to use specific codes in the Company Discretionary Data field to designate specific handling and processing instructions for a batch of ACH Entries. The Company Discretionary Data field (5 record, field 4) is an optional field with

20 positions available (positions 21-40). Currently, the Rules provide that the Company Discretionary Data field “allows Originators and/or ODFIs to include codes (one or more), of significance only to them, to enable specialized handling of all Entries in that batch.” NACHA is not making specific recommendations on the use or content of the Company Discretionary Data field, but simply notes that it exists for ODFIs’ use as desired.

RDFIs will not be required to take any action with respect to the presence or absence of the optional same-day indicator. RDFIs can rely solely on the Settlement Date of the entry.