Same Day ACH service

Overview
The Same Day ACH Rule requires Receiving Depository Financial Institutions (RDFIs) to make eligible Same Day ACH transactions available on the same day they are received, by the time specified in the rule. Same Day ACH will be implemented in three phases. To learn more about the Same Day ACH Rule, see the matrix below and go to https://resourcecenter.nacha.org/.

<table>
<thead>
<tr>
<th>Same Day ACH</th>
<th>Effective date</th>
<th>Type of transaction¹</th>
<th>Made available by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>9/23/2016</td>
<td>Credits</td>
<td>End of RDFI’s processing day</td>
</tr>
<tr>
<td>Phase 2</td>
<td>9/15/2017</td>
<td>Credits and Debits</td>
<td>End of RDFI’s processing day</td>
</tr>
<tr>
<td>Phase 3</td>
<td>3/16/2018</td>
<td>Credits</td>
<td>5 p.m. RDFI local time</td>
</tr>
</tbody>
</table>

¹. At Bank of America, transit ACH debits, transit ACH credits greater than $25,000 and transit international transactions (IAT) are not eligible for Same Day ACH. Transit means transactions destined for accounts that are not at Bank of America.

Receiving Same Day ACH payments

1. Will Same Day ACH transactions received in my accounts be reported similar to other ACH transactions received?
   Yes, Same Day ACH transactions will be processed and available for information reporting, memo-posting and hard-posting, similar to other ACH transactions received.

2. When will Same Day ACH transactions be received and available in my account?
   Beginning September 23, 2016, RDFIs are required to make eligible Same Day ACH credits available by the end of the RDFI’s processing day. At Bank of America, received Same Day ACH credits will generally be available and reported on an intraday basis.

3. Will the bank statement description or BAI code for Same Day ACH transactions received differ from other ACH transactions received?
   No, the bank statement description and BAI format for Same Day ACH transactions received will not differ from other ACH transactions received.

4. How do I apply Same Day ACH transactions to my account receivable system?
   The NACHA Operating Rules (Article 3, Section 3.3, Subsection 3.3.1.3) require that your records must reflect payments from the originator as received on a date that is no later than the settlement date. Consequently, Same Day ACH transactions included in your ACH reporting may need to be backdated in your account receivable system to reflect the actual settlement date. If you wish to receive additional or alternative reporting of Same Day ACH transactions, contact your bank representative.

Making Same Day ACH payments

5. Will I be able to send (originate) Same Day ACH transactions?
   Currently, ACH transactions originated with a same-business-day Effective Entry Date that are destined for U.S. Bank of America accounts (‘on-us items’) are settled on the same day. Beginning September 23, 2016, eligible Same Day ACH transactions destined for accounts at other U.S. RDFIs (‘transit items’) will also settle on the same day.

6. Which transactions are eligible for the new Same Day ACH origination service?
   Beginning September 23, 2016, you may originate eligible same-day transactions to accounts at other U.S. RDFIs. Eligible items include ACH credits for $25,000 or less, including prenotes. International ACH Transactions (IAT) are not eligible.
7. **How will Bank of America identify ACH transactions for same-day origination and settlement?**
   To originate Same Day ACH transactions, you must do both of the following:
   - Include a same-business-day or stale-dated Effective Entry Date
   - Deliver the transactions to us so we receive them by our same-day input deadline
   All eligible Same Day ACH transactions will be processed to settle on a same-day basis.

8. **Which input channels support Same Day ACH Origination?**
   Beginning September 23, 2016, we can accept Same Day ACH credits sent by you or your vendors via CashPro® Online ACH, NACHA formatted files, CashPro Connect Payments® and Electronic File Delivery (EFD).

9. **What are the input deadlines for same day and future-dated ACH origination?**
   Please see the enclosed U.S. ACH Input Deadlines.

10. **When I originate Same Day ACH transit transactions, what happens to transactions that are not eligible for same day ACH?**
    Ineligible transactions will be processed for next-business-day settlement. Transit items that are not eligible for Same Day ACH include: ACH debits, ACH credits greater than $25,000 and international ACH (IATs).
    Note: All ACH credit and debit transactions destined for U.S. Bank of America accounts (‘on-us items’) are eligible for Same Day ACH.

11. **How will Same Day ACH origination impact my origination settlement account?**
    When you originate Same Day ACH transactions, we will apply settlement for all eligible Same Day ACH transactions to your account on the settlement date. If you are on prefunding, we apply settlement on the business day we receive your file.

12. **If I want to originate Same Day ACH but miss the input deadline, how will Same Day ACH transactions be processed?**
    If the ACH transactions carry a same-day Effective Entry Date and are received after our Same Day ACH input deadline (and before our next-day input deadline), we will generate split settlement—same-business-day settlement for on-us items and next-business-day settlement for transit items.

13. **Am I required to originate Same Day ACH transactions?**
    No, you are not required to originate Same Day ACH transactions.

14. **If I don’t need to make a same-day ACH payment, what’s required to make a next-day or future-dated payment?**
    If you don’t need to originate a same-day ACH transaction, you may originate a future-dated transaction by:
    - Populating the Effective Entry Date with a future business date (up to 30 calendar days in the future)
    - Delivering the ACH transaction to us prior to our input deadline for next-business-day settlement

15. **If I use ACH Prefund service, may I originate Same Day ACH credits?**
    Yes, you may originate eligible Same Day ACH credits. Your designated settlement account must hold collected and available funds sufficient to prefund all credits in your ACH origination file.

**ACH Unauthorized Debit Returns**

16. **Who is impacted by the NACHA Unauthorized Entry Fee rule?**
    Beginning with ACH debits that have a return settlement date of October 3, 2016, NACHA will require Originating Depository Financial Institutions (ODFIs) to pay RDFIs for each ACH debit (except IATs) returned as unauthorized.
    Effective October 3, 2016, for each unauthorized debit return, a $4.50 fee will be applied to your account analysis. The additional fee for unauthorized ACH debit returns will be reported on your account analysis statement with the description ACH UNAUTHORIZED ENTRY.
Unauthorized return reasons are shown below:

• Unauthorized debit to consumer account using corporate code (R05)
• Authorization revoked by consumer (R07)
• Customer advises unauthorized, improper, ineligible, incomplete transaction (R10)
• Corporate customer advises not authorized (R29)
• Item related to RCK is ineligible or RCK is improper (R51)

Controlled disbursement and Same Day ACH

Same Day ACH transactions will post to a controlled disbursement account but generally will not be included in controlled disbursement presentment totals (same-day transactions received and processed prior to 6 a.m. Eastern may be included).

• Same Day ACH credits received may result in a positive closing balance in a controlled disbursement account or in its funding account if part of a zero balance account (ZBA) relationship.
• Same Day ACH credits originated with a controlled disbursement account designated as the settlement account may result in a negative balance in a controlled disbursement account or in its funding account if part of a ZBA relationship.

To take advantage of Same Day ACH, we suggest you use an account other than a controlled disbursement account as the settlement or receiving account.