

Online Banking ACH Guide

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Prefunding Transactions for ACH Direct Deposits

Prefunding or reserve arrangements is the requirement to pay in advance for all transactions, batches or files processed by FMFCU.

- This will require you to **fund** your direct deposits or ACH credits **in advance**.
- Your control account or funding account, to be debited for disbursing these payments **must be an account at FMFCU**.
- To avoid delaying your transactions, we recommend that sufficient funds be available in your account prior to sending your payments for processing rather than relying on a draw account or a sweep account.

When we process your transaction file, we immediately verify the availability of funds in your FMFCU account, and if funds are available we debit your account. If funds are not available, your payments will not be processed.

Pre-Notes

What is the Purpose of a Pre-Note?

A Pre-Note is a **non-monetary** transaction that you **initiate prior to sending the first debit or credit to a Receiver's account at a Financial Institution**. This notifies that Institution that you intend to initiate one or more transactions to that account and allows you the **opportunity to confirm the validity** of a routing number and account at the Receiving Financial Institution without any movement of funds. *It also assists you as an Originator in complying with your **warranty** that each transaction has the Receiver's Correct Account Number.*

How do I send a pre-note to a new account?

A pre-note can be sent by using the "Payment" option. To send a pre-note, send a zero dollar ACH transaction to the recipient account.

Dual Authorization

Using Dual Authorization When Making ACH Payments

Dual Action

Dual Action serves as a protection. It requires a transaction to be approved by a different end user than the user who created it.

Many Financial Institutions require Dual Action approval, even if the drafter of the transaction has approval rights.

Tips

If the User who creates the ACH transaction **exceeds** the Dual Action amount, the User will not be able to approve the transaction.

The User **can send a notification to eligible approvers**, notifying them to approve a drafted transaction.

If Dual Action is required for an ACH transaction, then the User who drafted it cannot approve it.

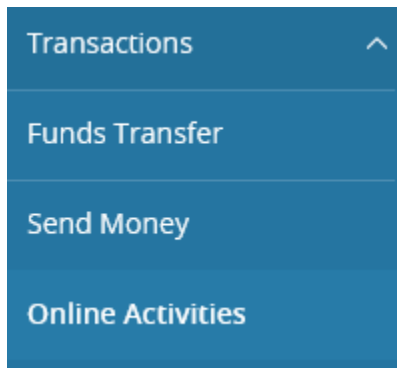
How to Copy a transaction

To copy a transaction or batch that you created, use the Online Activities to copy an existing transaction.


To Copy a Transaction

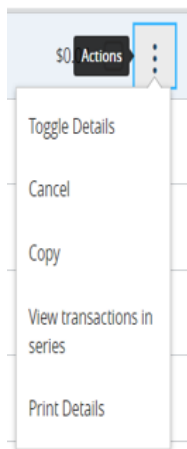
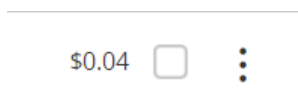
Step 1

Go to **Menu** and Select **Transactions** > **Online Activities**



Step 2

Select the transaction and **click on** , Select **Copy**



This will display the original transaction or batch. Make any changes needed to the transaction or batch and then Draft or Approve.

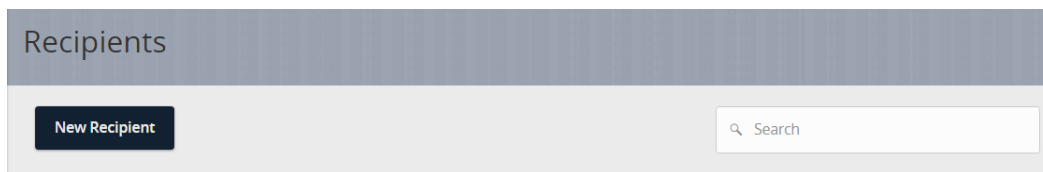
ACH Payments – Creating and Maintaining Recipients

Creating a recipient allows your company to send or receive funds from anyone that you do business. After creating the recipient you can use this information for future ACH payments whether it be a payroll, sending funds, making a payment or debiting for services.

Step 1

The recipient option is found under Commercial on the menu.

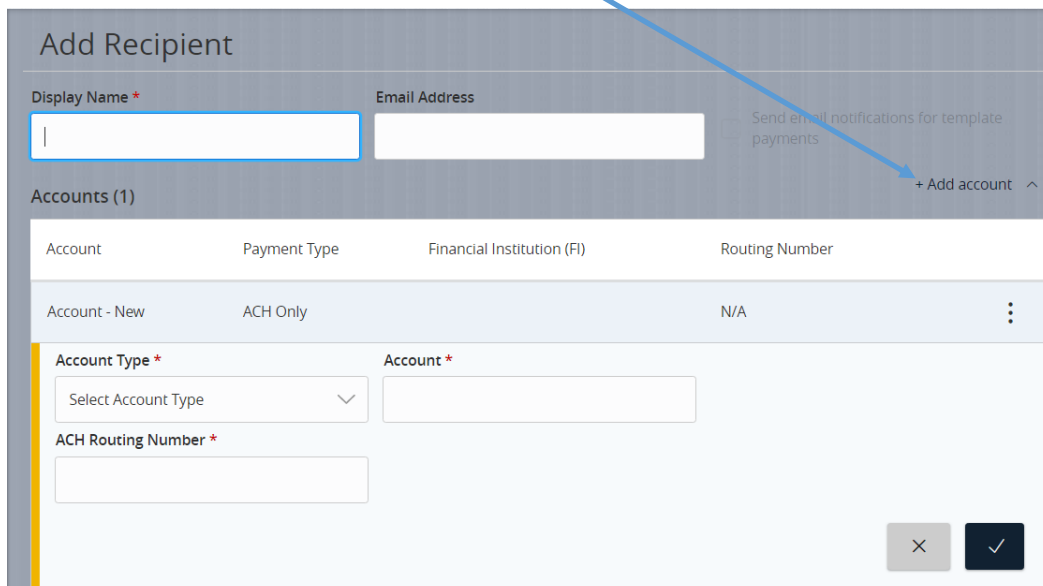
Select New Recipient



The interface shows a header with the title "Recipients". Below the header is a dark button labeled "New Recipient" and a search bar with a magnifying glass icon and the text "Search".

Step 2

Enter the required information. Add another account if using multiple accounts for the Recipient. Then select ✓.



The "Add Recipient" form contains the following fields and elements:

- Display Name ***: A text input field.
- Email Address**: A text input field.
- Send email notifications for template payments**: A checkbox.
- + Add account ^**: A button to add more accounts.
- Accounts (1)**: A table showing the current account.

Account	Payment Type	Financial Institution (FI)	Routing Number
Account - New	ACH Only		N/A

Below the table, there are additional fields:

- Account Type ***: A dropdown menu with "Select Account Type" and a downward arrow.
- Account ***: A text input field.
- ACH Routing Number ***: A text input field.
- Buttons**: A grey "X" button and a dark blue checkmark button.

Step 3

Fill any additional fields that will be useful to you in the lower half of the page.

Recipient Details

ACH Name

ACH ID

Country

Address 1

Address 2

City

State

ZIP

Templates (0)

Cancel

Save Recipient

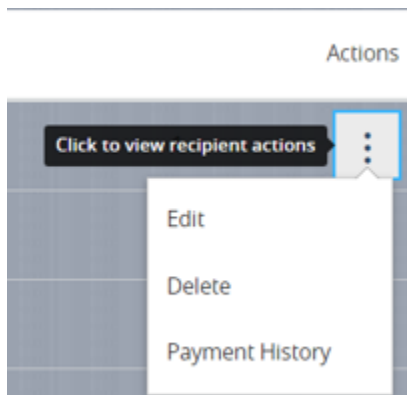
Select “Save Recipient”. Now your Recipient is available when you create a payment.

To Edit, Delete or View Payment History for a Recipient

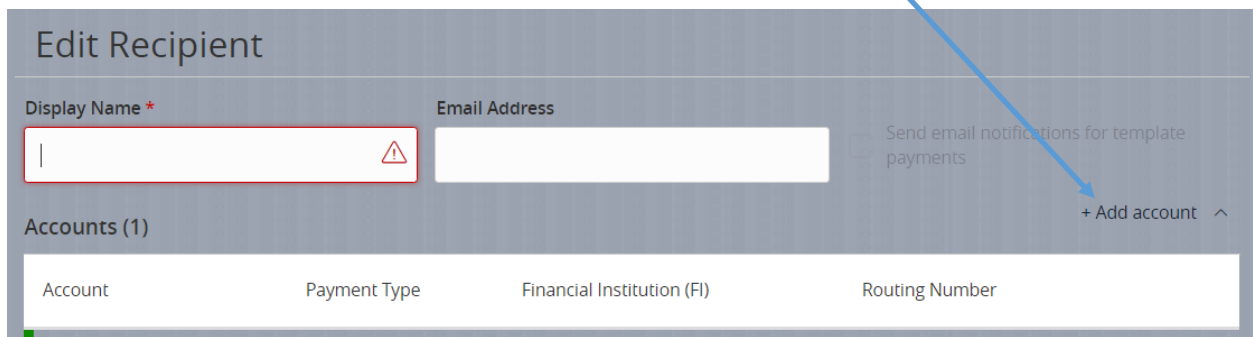
Go to the Menu and Select Recipients.

Recipients			
New Recipient		Search	
Name	Email Address	Number of Accounts	Actions

Click under Actions.



To **ADD** an additional account for a Recipient, select “**Add another account**”.



The screenshot shows the 'Edit Recipient' form. At the top, there's a title 'Edit Recipient'. Below it, there are two input fields: 'Display Name *' and 'Email Address'. The 'Display Name *' field is highlighted with a red border and a warning icon. To the right of these fields is a checkbox labeled 'Send email notifications for template payments'. Below the input fields, there's a section titled 'Accounts (1)'. At the bottom right of the form, there is a link '+ Add account' with a small upward arrow. A blue arrow points from the text 'Add another account' in the instruction above to this link.

Account	Payment Type	Financial Institution (FI)	Routing Number

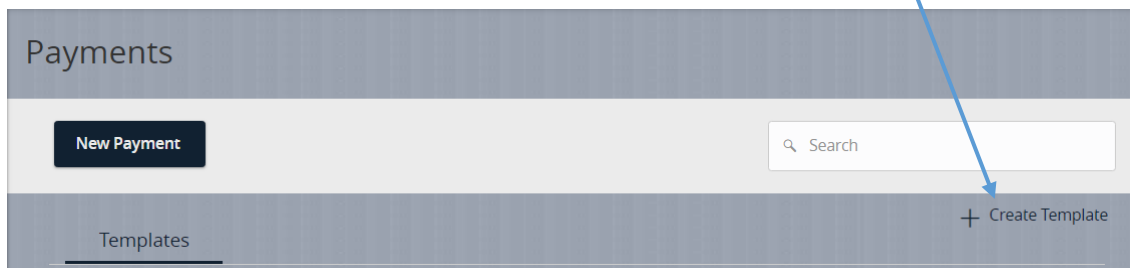
ACH Payments – Creating Templates

Creating templates

You can create a template to set a defined set of instructions for payments or collections that will contain the same information each time. Or use this template to save time when making minor changes to a new payment.

Step 1.

To create a template, select Commercial > Payments and Create Template. Then select type **ACH Batch**, **ACH Collection** or **Payroll**.



Step 2.

Create Template Name

Using Payroll as an example

A screenshot of a form for creating a 'Payroll' template. The title 'Payroll' is at the top left, with a 'Change Type' link next to it. Below the title is a section titled 'Template Properties'. Under this section, there's a label 'Template Name' followed by a text input field containing the word 'Sample'.

Step 3.

Select **Company Entry Description** for the Payroll (this field is optional and is used to provide the Receiver with a description of the purpose of the payment or collection)

The screenshot shows the 'Payroll' form with a 'Change Type' link. Under 'Template Properties', there is a 'Template Name' field with 'Sample' entered and a 'Template Access Rights' section indicating '1 of 1 users selected'. Under 'Origination Details', there are three fields: 'Company Entry Description' (with a 'Max 10 characters' hint), 'From Subsidiary' (with a search icon and 'Search by name' text), and 'Account' (with a search icon and 'Search by name or number' text). Blue arrows point from the text instructions to the 'Company Entry Description', 'From Subsidiary', and 'Account' fields.

Select **Subsidiary** for the Payroll, if not using a Subsidiary this will prefill. (See *Subsidiary Guide*)

And Select which of your **Accounts** will be used in this transaction.

Step 4.

Select the **Recipients**, and as you select a Recipient it will display the available account(s) for the Recipients. (See *Recipient Guide*.) Enter the \$ amount.

The screenshot shows the 'Recipients (1)' form. At the top, there are filters for 'All' and 'Pre-Notes', and a search bar labeled 'Find recipients in payment'. Below this is a '+ Add multiple recipients' link. The main section is a table with two columns: 'Recipient/Account' and 'Amount'. The 'Recipient/Account' column has a search icon and 'Search by name or account.' text. The 'Amount' column has a text box with '\$0.00'. Below the table is a '+ Add another recipient' link. At the bottom, there is a summary bar showing '\$0.00' and '1 payments (1 for \$0.00)', along with 'Cancel' and 'Save' buttons. Blue arrows point from the text instructions to the 'Recipients' section, the 'Recipient/Account' search field, and the 'Amount' text box.

Then after selection of recipient, account(s) and amount, **Review** and then **Save**

This template if saved will be available to copy and reuse in the future.

Subsidiaries

Subsidiaries can be used if you need to create a payment for an alternate company profile.

Step 1

Adding a **Subsidiary**

Select “*Commercial*” from your online banking Menu. Then Select “*Subsidiaries*”.

Step 2.

Then Select “Add Subsidiary”

Subsidiary Management

Add Subsidiary

Populate the fields as needed

Add 2nd Company Sample

Name

2nd Company Sample

Payment Types

ACH

ACH Header

Payroll Sample

ACH Tax ID

99999999

Cancel

Create Subsidiary

Select “**Create Subsidiary**” and then this Subsidiary will be available to use when you create Payments.

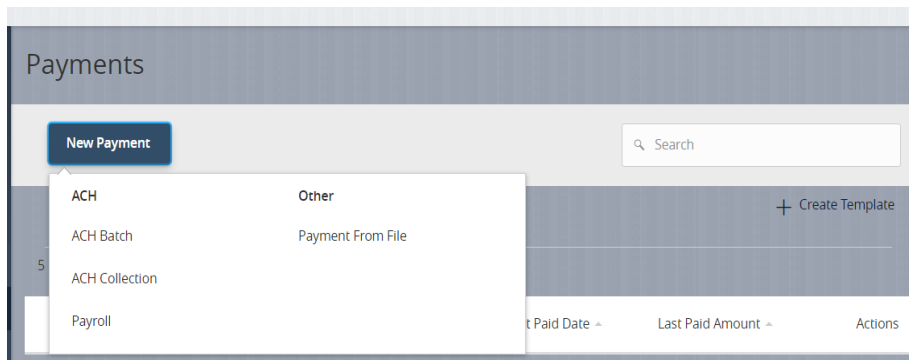
ACH Payments – Creating a Payroll File

The ACH Payroll Feature allows you to send funds to **multiple recipients**. If the recipient requests the payroll be split, **you can split the payroll** between 2 or more accounts.

How to Create an ACH Payroll File

Step 1

Go to **Menu** and Select **Commercial** > **Payments** > **New Payment** > **Payroll**



Step 2

Select the Subsidiary, the Account (to be debited for your file) and the Effective Date (date you wish the file to be sent). *Company Entry Description (this field is optional and is used to provide the Receiver with a description of the purpose of the payment or collection)*

A screenshot of a 'Payroll' form. At the top left, it says 'Payroll' with a 'Change Type' link next to it. At the top right, there is a link 'Upload From File'. The form is divided into several sections. The 'Origination Details' section contains a 'Company Entry Description' field with a placeholder 'Max 10 characters'. Below this is an 'Effective Date' field with a calendar icon. To the right of the 'Company Entry Description' field is a 'From Subsidiary' field with a search icon and the text 'Search by name'. To the right of the 'From Subsidiary' field is an 'Account' field with a search icon and the text 'Search by name or number'. Below the 'From Subsidiary' and 'Account' fields is a 'Recurrence' field with the text 'None'. Four blue arrows point to the 'Company Entry Description', 'From Subsidiary', 'Account', and 'Effective Date' fields.

Step 3

- Select the **Recipients** or Create New Recipients (*See Guide for Creating Recipients*)
- Enter the Amount

Recipients (1) Filters: All Pre-Notes Find recipients in payment

+ Add multiple recipients

Recipient/Account	Amount
<input type="text" value="Search by name or account."/>	<input type="text" value="\$0.00"/>
<div>+ Add another recipient</div>	

Step 4

Select Draft or Approve depending on your security settings.

You will receive a similar screen for Draft.

Transaction Drafted

Transaction requires 1 approval(s).

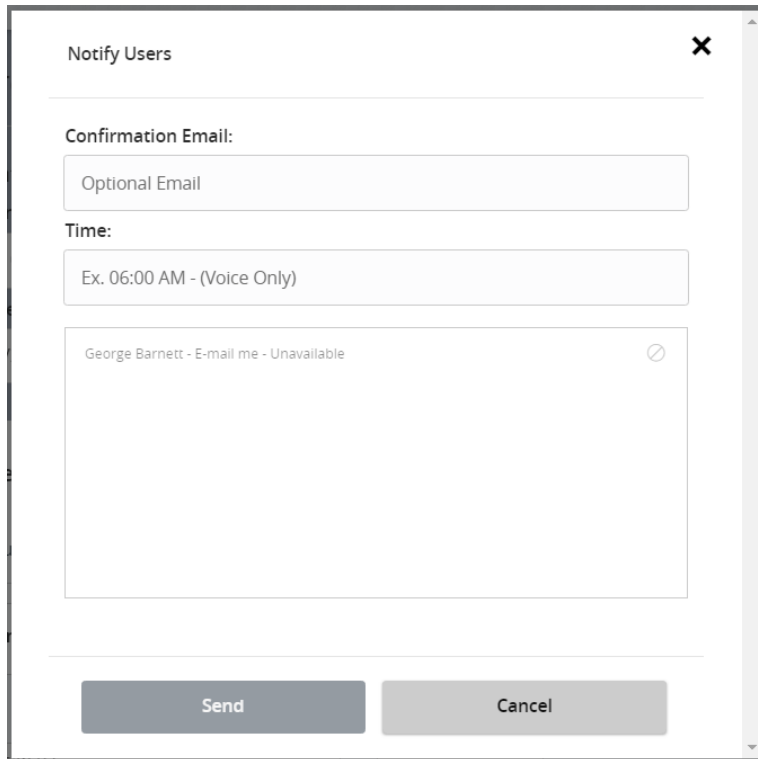
Transaction ID: 2679214

Total Amount: \$0.02

Close Notify approvers View in Activity Center

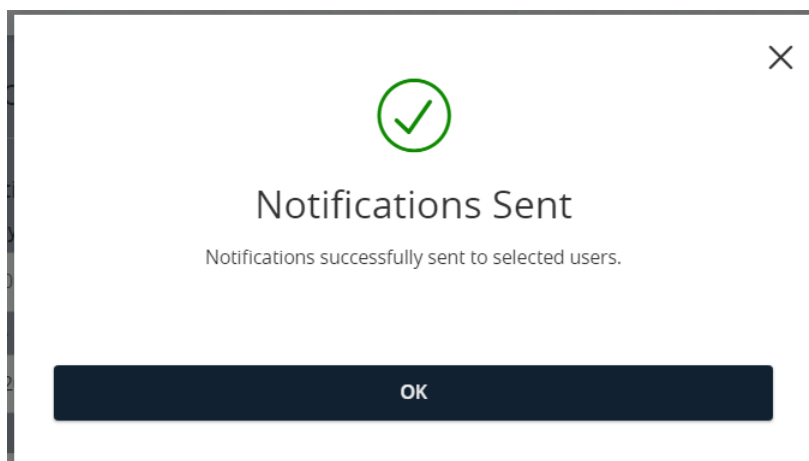
If you click “Online Activities” then the submitted batch or file will reflect.

If you click “Notify Approvers” then the contact information for the approver can be entered.



A dialog box titled "Notify Users" with a close button (X) in the top right corner. It contains three input fields: "Confirmation Email:" with a placeholder "Optional Email", "Time:" with a placeholder "Ex. 06:00 AM - (Voice Only)", and a larger text area with a placeholder "George Barnett - E-mail me - Unavailable" and a small circular icon with a slash. At the bottom, there are two buttons: "Send" and "Cancel".

Resulting message and the Approver will receive a Notification to go online and approve.



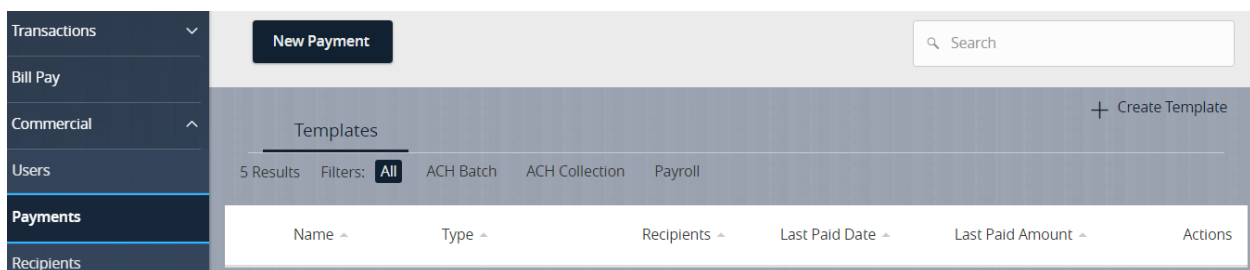
Processing ACH Payments (Credits or Debits)

The ACH Batch or ACH Collection Feature allows you to send a debit or credit to a single recipient or multiple recipients.

How to Create an ACH Payment (Credit or Debit)

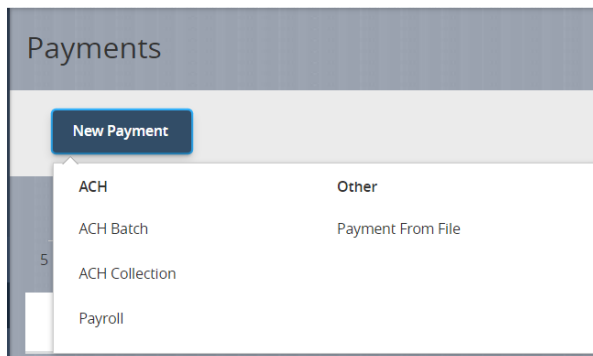
Step 1

Go to **Menu** and Select **Commercial**>**Payments**>**New Payment** >



Step 2

Select either **ACH Batch to send a credit** or **ACH Collection to send a debit**.



Step 3

Select the ACH Class Code.

PPD is used to debit or credit a Consumer Account

CCD is used to debit or credit an Organization or Business

ACH Batch [Change Type](#)

Origination Details

SEC Code ⓘ

----Select a SEC Code----

Step 4

Origination Details

SEC Code ⓘ PPD - Prearranged Payment and Deposits	Company Entry Description Max 10 characters	From Subsidiary Search by name
Account Search by name or number	Effective Date Calendar icon	Recurrence None

- Select the **Recipient(s)** or Create New Recipient(s) (See Guide for Creating Recipients)
- Enter the Amount

Step 5

- Select the Subsidiary, the Account (to be debited for your file) and the Effective Date (date you wish the file to be sent). *Company Entry Description (this field is optional and is used to provide the Receiver with a description of the purpose of the payment or collection)*

Origination Details

SEC Code ⓘ PPD - Prearranged Payment and Deposits	Company Entry Description Max 10 characters	From Subsidiary Search by name
Account Search by name or number	Effective Date 07/22/2020 Calendar icon	Recurrence Set schedule

There is also the option at this point to choose a Recurrence or Schedule for future payments.

If ever the date will fall on a non-processing date you will receive this type of email notice

Recurring Payroll Date Change Notification

☐ This message should never expire

Enrollment Review

2/10/2020 - 9:26 AM

The 2/17/2020 occurrence of your Payroll has been re-scheduled to be effective on 2/18/2020, as the recurring date selected falls on a non-processing day.

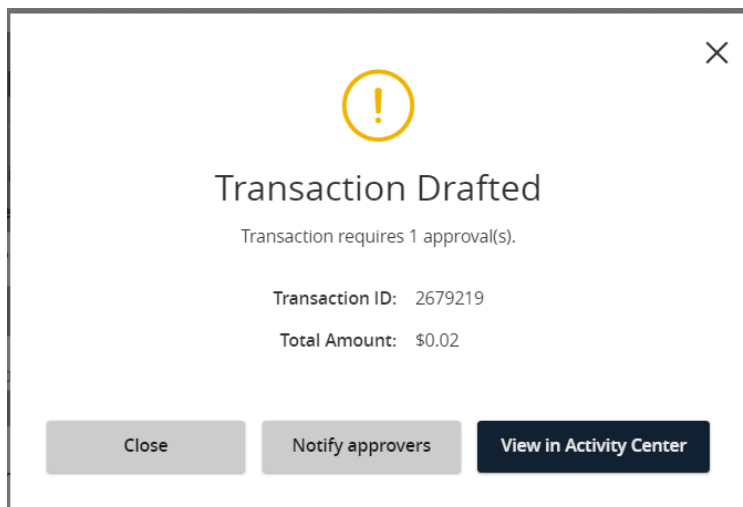
If 2/18/2020 is not an acceptable effective date for this transaction, you can cancel Tracking Id #33381 in Online Activity and create a new, one-time transaction in its place.

The remaining occurrences of your recurring transaction will not be affected.

Step 6

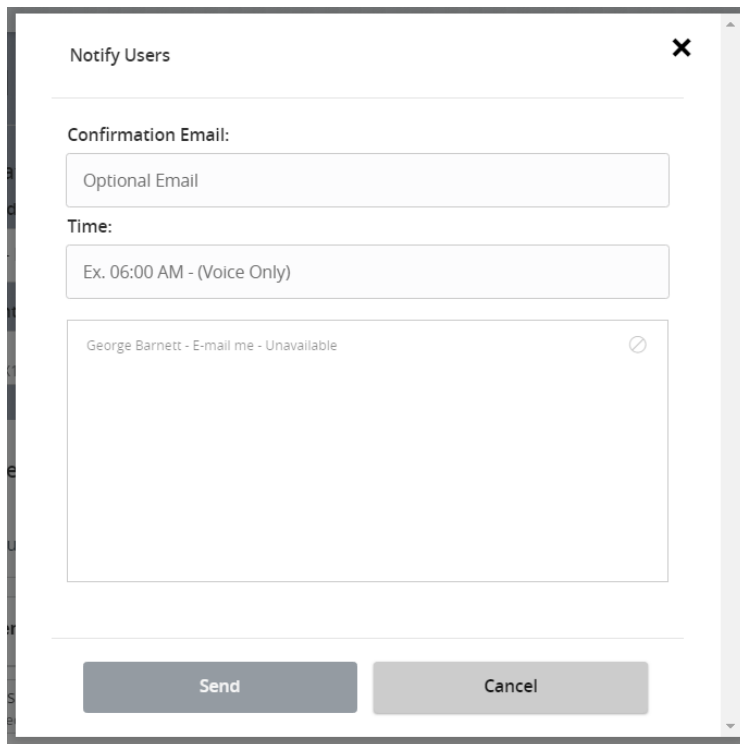
Select Draft or Approve depending on your security settings.

You will receive a similar screen if you select Draft



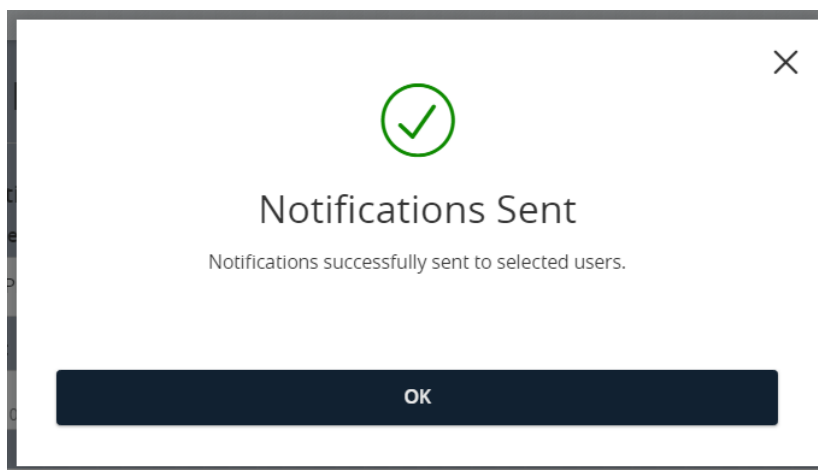
If you click "Go to Activity Center" then the submitted batch or file will reflect.

If you click “Notify Approvers” then the contact information for the approver can be entered.



A dialog box titled "Notify Users" with a close button (X) in the top right corner. It contains three input fields: "Confirmation Email:" with the placeholder text "Optional Email", "Time:" with the placeholder text "Ex. 06:00 AM - (Voice Only)", and a larger text area containing "George Barnett - E-mail me - Unavailable" and a small circular icon with a diagonal line. At the bottom, there are two buttons: "Send" and "Cancel".

Resulting Message

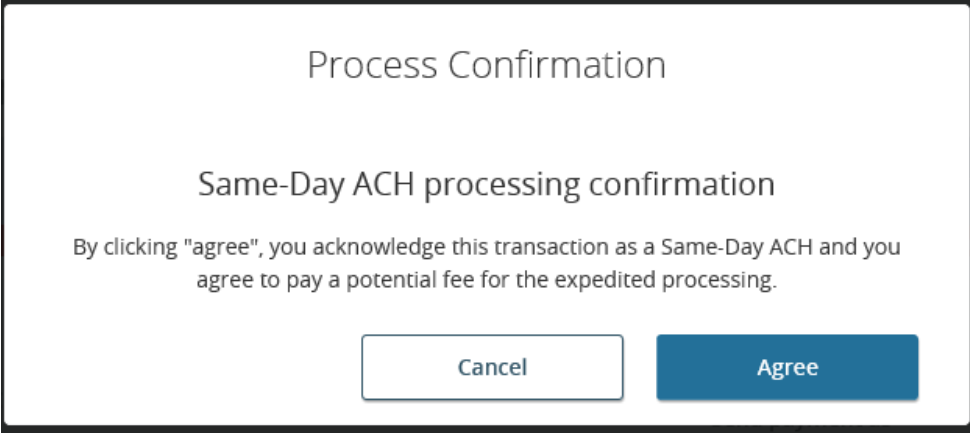


Same Day ACH

Same Day ACH allows you to make expedited ACH payments on the same day they are drafted or approved.

Same Day Processing Points to Consider

- Processing ACH requires selecting an “Effective Date”. If the Effective Date is on the same day the payment is drafted or approved then it may be eligible for Same Day ACH.
 - Below is an example of the type of message that may be presented if you are selecting the Same Day processing. This message is present whether the payment is being drafted or approved.
- The payment must be prepared before the cutoff for Same Day ACH, after the cutoff time the next Business Day will be considered Same Day ACH.
- There may be a fee for this service
 - Below is an example of the type of message that may be presented if you are selecting the Same Day processing. This message is present whether the payment is being drafted or approved



The image shows a screenshot of a web-based confirmation dialog box. At the top, the title 'Process Confirmation' is centered. Below it, the subtitle 'Same-Day ACH processing confirmation' is also centered. A paragraph of text follows: 'By clicking "agree", you acknowledge this transaction as a Same-Day ACH and you agree to pay a potential fee for the expedited processing.' At the bottom of the dialog, there are two buttons: a white button with a black border labeled 'Cancel' and a solid blue button labeled 'Agree'.

- If you select cancel then you must select another date to execute the payment.
- If the transaction exceeds \$100,000 a Same-Day limit error appears.
- Non-monetary transactions are also eligible for Same Day ACH (prenotification, notification of change)

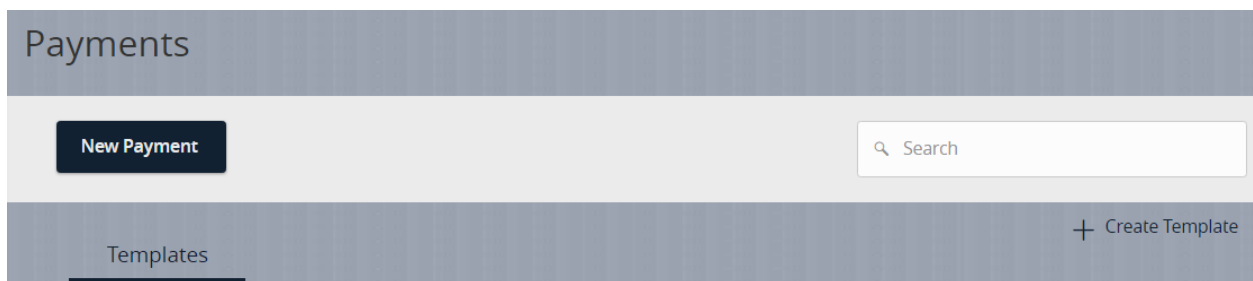
Uploading ACH CSV Files

A 5 column CSV file can be uploaded for ACH Collections, ACH Batch and ACH Payroll.

Uploading a CSV File

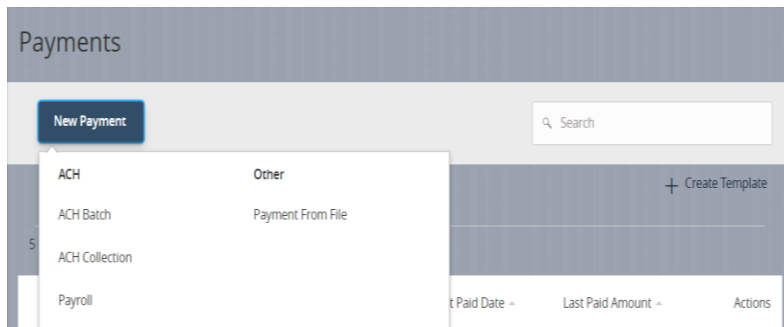
Step 1

Go to **Menu** and Select **Commercial** > **Payments** > **New Payment**




Step 2

Select "**Payment From File**" in the drop down



Step 3

Select **Payment Type** and follow the Upload Guidelines



Payment From File

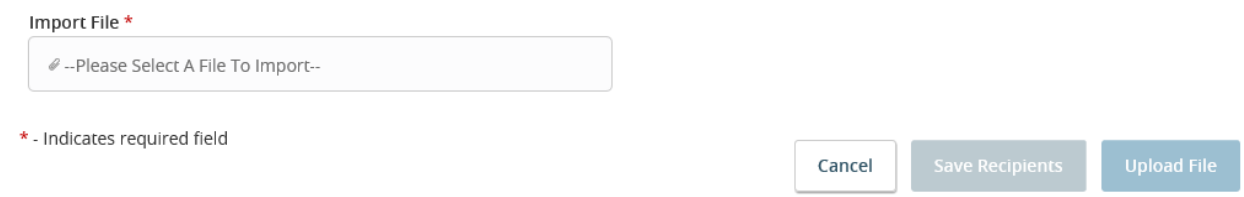
Payment Type *

Payroll

Step 4

Import File. If these are new recipients and you wish to save them, Select “Save Recipients”.

Select Upload File.



Import File *

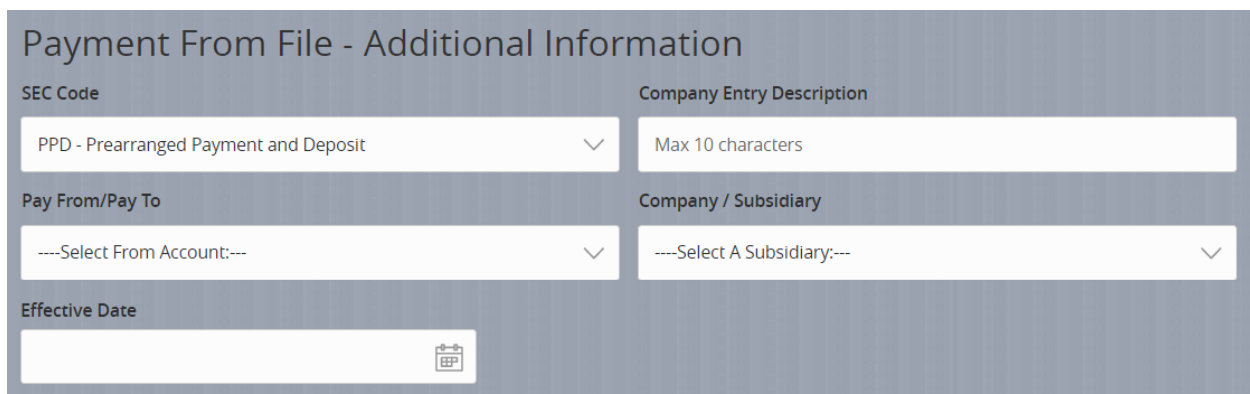
--Please Select A File To Import--

* - Indicates required field

Cancel Save Recipients Upload File

Step 5

Select **ACH Class Code**, **Company Entry Description (optional)**, **Effective Date**, **Appropriate Account**, **Company/Subsidiary** and **Effective Date**



Payment From File - Additional Information

SEC Code

PPD - Prearranged Payment and Deposit

Company Entry Description

Max 10 characters

Pay From/Pay To

----Select From Account:---

Company / Subsidiary

----Select A Subsidiary:---

Effective Date

Draft/Approve the Uploaded file

Making Tax Payments

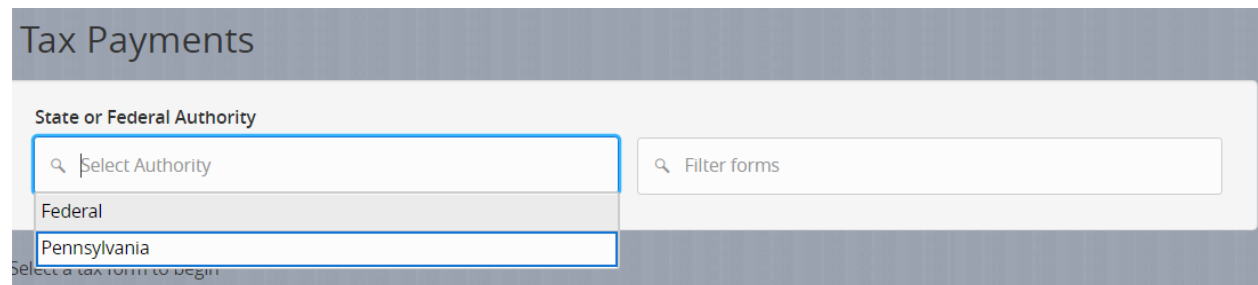
Tax Payments to a State or Federal Tax Authority can be made using online and mobile banking. *However, each tax authority must be contacted before you make an electronic tax payment to confirm their requirements.*

Creating a Tax Payment

Step 1

Go to Menu and Select Commercial > Tax Payments

Select from the drop down.



The screenshot shows a web interface titled "Tax Payments". Below the title is a section labeled "State or Federal Authority". On the left, there is a dropdown menu with a magnifying glass icon and the text "Select Authority". The dropdown is open, showing two options: "Federal" and "Pennsylvania". To the right of the dropdown is a search bar with a magnifying glass icon and the text "Filter forms". Below the dropdown menu, the text "Select a tax form to begin" is partially visible.

Step 2

Select the **correct form** and proceed.

Glossary of Q2 ACH Related terminology and Tips

Term	Definition & Tips
ACH Batch	A procedure to create a credit for a single recipient or multiple recipients.
ACH Collection	A procedure to collect funds from a single recipient or multiple recipients. For example – collecting dues, fees etc.
Approve	<p>Approve an existing drafted transaction or batch so that it will move forward to be processed.</p> <p>TIP You cannot approve a transaction after the processing date. However, you can copy the transaction to create a new transaction with a new effective date.</p>
Approver (ACH)	<p>Someone who has rights to approve a drafted payment (ACH Payment, ACH Batch, Payroll, Tax Payment, ACH Collection).</p> <p>TIP</p> <ul style="list-style-type: none"> • This would include the rights to the account being used in the drafted payment. These rights may be limited to type of transaction and size of transaction per day, month, account and amount. • You may not be able to approve or cancel a draft or transaction without the proper View rights. • The right to approve alone will not allow the User to create a payment, they also must have Draft Rights.
CCD	A credit or debit entry to the account of an Organization or Business
Draft	To create an ACH Payment either by creating a template or using an assigned existing template for ACH.
Dual Action	Requires transaction/file approval by a different person than the one who created it (even if the drafter has approval rights).
Effective Date	<p>This is the effective date of the ACH payment. Your ACH payment is processed to meet the effective date.</p> <p>TIP</p> <ul style="list-style-type: none"> • This must be a business day. It cannot be scheduled for a holiday or weekend. • A transaction cannot be approved after its effective date. If the date is in the past, you can copy the transaction to create a new transaction with a new effective date.

Notification of Change	Notification of Change is a non-monetary entry used to identify incorrect information contained within a transaction or pre-note that has been sent out to the recipient. And to provide correct information for future transactions to that recipient.
Payroll	<p>A procedure to send funds to multiple recipients. For example your employee(s).</p> <p>TIP</p> <ul style="list-style-type: none"> • This also allows you to split the total payment to recipient(s) between multiple accounts.
PPD	Is a credit or debit transaction to a Consumer Account
Pre-Note	A non-monetary transaction that you initiate prior to sending the first debit or credit to a Receiver's account at a Financial Institution. This notifies that Institution that you intend to initiate one or more transactions to that account and allows you the opportunity to confirm the validity of a routing number and account at the Receiving Financial Institution without any movement of funds.
Recipient	<p>Any person or business your company can exchange funds with using Online Banking ACH. This would include both debits and credits.</p> <p>TIP</p> <ul style="list-style-type: none"> • You must have Allow One-Time Recipient and Manage Recipients enabled to see the existing recipient list when drafting a 1-time payment. <p>OR</p> <ul style="list-style-type: none"> • "Can View All Recipients" enabled • You must have the Draft and Manage Recipients feature enabled to create new recipient records. • Once you have created a recipient, you can include them in multiple payments and templates. • Additional associated accounts may be added to that recipient
Subsidiary	<p>This can be used for multiple entities. A subsidiary is an alternate company profile that can be used in your payments or templates.</p> <p>TIP</p> <ul style="list-style-type: none"> • The required fields in the Add Subsidiary page vary depending on the payment types. •
Tax Payment	Federal, State or Local Taxes

	TIP <ul style="list-style-type: none"> These may be paid by sending funds using the EFTPS (Electronic Federal Tax Payment System) with online banking
Template	A defined set of instructions that can be used for repeated payments or collections. TIP You must have Draft right and Manage Recipient Right <u>to Create a template</u>
User Role	This defines all the rights for a company's online users. The User Role will define what rights and permissions are available in drafting and approving ACH payments along with other permissions in online banking.
View	Refers to activities you may view: View All - View activity of all other users View Own - Can view your own activity but cannot view activity by any other users View None – Cannot view any activity by any User

Authorization Requirements for Consumer Receivers

Minimum Authorization Requirements

To Originate ACH you must obtain Authorization from the Receiver (your customer) to originate one or more debits to their account.

- The Authorization must be readily identifiable as an ACH debit authorization with clear and easily understandable terms.
- Must obtain Banking Account number and Routing Number from Receiver
 - Example – Voided check copy to obtain account and routing number
- Type of account to be debited – Savings, Checking
- Provide a copy of the authorization to the Receiver
- Specify that the Receiver may revoke the authorization only by notifying you in the manner specified on the authorization form.

Retention of Authorization

You must retain the original or a copy for 2 years from the termination or revocation of authorization and be capable of accurately reproducing a copy should it be requested.

Multiple, Non-Recurring Debits

The amount of the debits or method of determining the amount and the dates or frequency of debit should be addressed in the authorization.

Recurring Debits

Amount

- When the amount of the recurring debit is going to change, you must send written notification to the Receiver at least 10 calendar days before the scheduled transfer date, regarding the amount change and the date on or after which the debit will occur.

Date

- To change the date of the recurring debit, you must send the Receiver written notification of the new date, at least 7 calendar days before the first debit affected by the changed date.

PreNotes

Before sending any debits to an account, a prenote or zero dollar amount should be sent to this account. Provided that no Return or Notification of change (FMFCU would communicate the receipt of any

Return or Notification of Change to you) is received then on the 3rd banking day after the settlement date of the prenote, a live entry may be sent.

Return

- Would indicate that something is wrong with the prenote.
- You would need to contact the Receiver (your customer) to obtain the correct information

Notification of Change

- Pinpoints the specific information that is incorrect
- Provides correct information so that you can make the needed changes
- FMFCU would convey this information to you and assist you in understanding the message