



ACH Authorization Requirements

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Regional Payments AssociationSM

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Credit Authorization

- » Credit authorizations may be verbal
 - Recommended in writing
 - Include language for Reversals
 - Clear and readily understandable
 - State terms
 - Items will post based solely on account number



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Debit Authorizations

- » Single or recurring consumer debit authorizations
 - Must be in writing, signed or similarly authenticated
 - Receiver must be provided with a copy
- » Corporate debit authorizations
 - Established by agreement between Originator and Receiver
- » Copies of authorization
 - Originator must provide copy to ODFI
 - ODFI may provide your contact information



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Originator Responsibilities

- » Authorizations
 - Maintain 2 years after revocation
- » Notices
 - Change in amount of debit
 - 10 days
 - Consumer may waive right
 - Change in debiting date
 - 7 days
- » Respond to Notifications of Change

RIGHTS and
RESPONSIBILITIES



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Names vs. Account Numbers

- » **IMPORTANT:**
 - RDFIs post entries based on account number only
 - Regardless of account name(s)
- » ODFI warrants information provided is accurate
 - Your agreement may hold you (Originator) responsible



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Originator Best Practices

- » Ensure files are sent to ODFI on time
 - Consider intended posting date to Receiver's account
 - Take into account weekends and federal holidays
- » Request voided check
 - When available
 - Do not use deposit slips
- » Send Prenotes when practical



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Sample Consumer Authorization

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSITS (ACH CREDITS) or DIRECT DEBITS (ACH DEBITS) ← **Readily identifiable**

I (we) hereby authorize _____, hereinafter called COMPANY, to initiate credit and/or debit entries to my (our) Checking Account / Savings Account indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to credit or debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law. ← **Clear terms**

Financial Institution Name: _____ / Branch Name or Number: _____

Financial Institution Routing Number: _____ / Account Number: _____

Please circle: CHECKING / SAVINGS

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it. ← **Revocable**

Name: _____ / Date _____

Signature _____ ← **Signed**



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Information on a check

John Q. Smith Jane Smith 123 First Ave Anytown, USA 75525	_____ Date	1004 <small>88-123/1119</small>
PAY to the order of _____	\$ _____	
_____ Dollars		
Your Paying Bank Name Address City State Phone / Website		
Memo: _____		
⋮ ⋮ ⋮ 90 1234 ⋮ ⋮ ⋮ 2345789 ⋮ ⋮ ⋮ 1004		

Routing Number Account Number

Consumer Check



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THANK YOU

Should you have questions or require clarification, please contact your financial institution or ACH Origination Service Provider



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