



ACH Correction or Return Reason Guide

Occasionally, account information for ACH recipients change or a piece of information in the ACH file was input incorrectly. When this occurs, it is important to update that information in the ACH file before processing it again.

Home Federal will receive a notification from the receiving financial institution instructing us of the incorrect information. A notice will then be produced and shared with you, showing the error. Below is a list of some of the common changes and what they mean.

- **Transaction Code** – Checking, savings, and loan accounts all have unique numbers called transaction codes which enable financial institutions to identify them. If an account is coded as a checking but is actually a savings, then a correction notice may be sent so the account can be properly identified. The correct transaction code will be included in the notice under corrected data.

```

*****
*                ACH CHANGE NOTIFICATION                *
*                                                                 *
*****

PLEASE UPDATE YOUR ACH FILE WITH THE CHANGES BELOW WITHIN
SIX BANKING DAYS OR PRIOR TO SENDING THE NEXT LIVE FILE

.....PAYEE.....REASON.....
.....          TRANSACTION CODE

COMPANY NAME:                *****
COMPANY IDENT:               *****
COMPANY DESCRIPTION:         *****
EFFECTIVE ENTRY DATE:       *****
DFI ACCOUNT NUMBER:          *****
INDIVIDUAL IDENT NUMBER:     *****
INDIVIDUAL NAME/COMPANY NAME: *****
CHANGE CODE:                 *****
ORIGINAL ENTRY TRACE NUMBER: *****
ORIGINAL RECEIVING DFI IDENT: *****
CORRECTED DATA:             32
  
```

The 32 in the corrected data field indicates that the account is a savings account. Your records should be changed to indicate the account is a savings and not a checking.

❖ The following is a list of tran codes for reference

Indicates:

Checking Account – 22, 27 (If the Corrected Data field contains either of these numbers your file should be changed to indicate a checking account)

Savings Account – 32, 37 (If the Corrected Data field contains either of these numbers your file should be changed to indicate a savings account)

- **DFI Account Number** – DFI stands for Depository Financial Institution (recipient’s bank.) This message indicates that the account number, which was used in the ACH file, is incorrect. The specified recipient’s account number will need to be updated before sending another file. The correct account number will be included in the notice under corrected data.

```

*****
*           ACH CHANGE NOTIFICATION           *
*                                                                 *
*****

PLEASE UPDATE YOUR ACH FILE WITH THE CHANGES BELOW WITHIN
SIX BANKING DAYS OR PRIOR TO SENDING THE NEXT LIVE FILE

.....PAYEE.....REASON.....
.....REASON.....
                                DFI ACCOUNT NUMBER

COMPANY NAME:                    ORIGINAL DE NAME
COMPANY IDENT:                   ACCOUNT ID
COMPANY DESCRIPTION:             BUSINESS
EFFECTIVE ENTRY DATE:           04/15/18
DFI ACCOUNT NUMBER:             00000
INDIVIDUAL IDENT NUMBER:        0000
INDIVIDUAL NAME/COMPANY NAME:    GENERAL, BANK
CHANGE CODE:                     000
ORIGINAL ENTRY TRACE NUMBER:    00000000000000000000
ORIGINAL RECEIVING DFI IDENT:    00000000000000000000
CORRECTED DATA:                 00000000000000000000

```

Update the recipients account number to match the information in the Corrected Data field.

- **R/T Number** – R/T stands for the routing number. The routing number is how a financial institution is identified. The specified recipient’s routing number will need to be updated before sending another file. The correct routing number will be included in the notice under corrected data.

```

*****
*           ACH CHANGE NOTIFICATION           *
*                                                                 *
*****

PLEASE UPDATE YOUR ACH FILE WITH THE CHANGES BELOW WITHIN
SIX BANKING DAYS OR PRIOR TO SENDING THE NEXT LIVE FILE

.....PAYEE.....REASON.....
.....REASON.....
                                R/T NUMBER

COMPANY NAME:                    NEW BANK INC
COMPANY IDENT:                   ACCOUNT ID
COMPANY DESCRIPTION:             BUS BANK
EFFECTIVE ENTRY DATE:           04/15/18
DFI ACCOUNT NUMBER:             00000000000000000000
INDIVIDUAL IDENT NUMBER:        0000
INDIVIDUAL NAME/COMPANY NAME:    New Bank Inc
CHANGE CODE:                     000
ORIGINAL ENTRY TRACE NUMBER:    00000000000000000000
ORIGINAL RECEIVING DFI IDENT:    00000000000000000000
CORRECTED DATA:                 091000019

```

Update the recipients routing number to match the information in the Corrected Data field.

- ❖ **Special note** – There may be times when multiple items need to be updated; when this happens, the items will all be listed under the reason. For example, the depository financial institution account number and tran code may both be incorrect and require updating. When this happens, both of the corrected numbers will appear in the corrected data field.

```

*****
*           ACH CHANGE NOTIFICATION           *
*                                                                 *
*****

PLEASE UPDATE YOUR ACH FILE WITH THE CHANGES BELOW WITHIN
SIX BANKING DAYS OR PRIOR TO SENDING THE NEXT LIVE FILE

.....PAYEE.....REASON.....
.....REASON.....DFI ACCT NBR & T/C

COMPANY NAME:
COMPANY IDENT:
COMPANY DESCRIPTION:
EFFECTIVE ENTRY DATE:
DFI ACCOUNT NUMBER:
INDIVIDUAL IDENT NUMBER:
INDIVIDUAL NAME/COMPANY NAME:
CHANGE CODE:
ORIGINAL ENTRY TRACE NUMBER:
ORIGINAL RECEIVING DFI IDENT:
CORRECTED DATA:

```

Update the recipients acct number as well as change the account type to a checking as indicated by the tran code 22

If an item is returned, an ACH Charge Back Notice or Credit Back Notice will be produced which you will be able to view within online banking.