



2022 *ACH Rules* Update for Corporate Originators



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2345 Grand Blvd., Suite 1700, Kansas City, Missouri 64108 • www.epcor.org

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There are several changes to the *ACH Rules* which take effect in 2022. Here is a breakdown of the changes that apply to corporate users.

Increasing the Same Day ACH Dollar Limit to \$1 Million

Effective March 18, 2022

This Rule change increased the per-transaction dollar limit for Same Day ACH credits and debits from \$100,000 to \$1,000,000. With this increase, the percentage of ACH payments eligible for Same Day ACH more than doubled. Additionally, 3.5% of business-to-business payments became eligible for Same Day ACH. The increase also enabled large-dollar business-to-consumer transactions.

Corporate ACH Originators and Third-Party Senders: If your company is currently originating Same Day ACH payments, contact your financial institution to discuss your per transaction dollar limits. If your organization has questions about using Same Day ACH, contact your financial institution to determine if it is appropriate for your business.

Corporate ACH Receivers: Businesses should be prepared to potentially receive Same Day ACH debits and credits up to the new \$1,000,000 limit to their accounts throughout the business day. In addition to examining accounts closely, businesses should review their internal cash management procedures to determine whether any changes are required.

Supplementing Data Security Requirements (Phase 2)

Effective June 30, 2022 (2 million or more ACH transactions)

The Supplementing Data Security Requirements Rule expands the existing ACH Security Framework to explicitly require large Originators, Third-Party Service Providers (TPSPs) and Third-Party Senders (TPSs) to protect account numbers used in the initiation of ACH entries by rendering them unreadable when stored electronically. This Rule aligns with existing PCI requirements; thus, industry participants are expected to be reasonably familiar with the manner and intent of the requirement.

This Rule applies only to account numbers collected for, or used in, ACH transactions and does not apply to the storage of paper authorizations. However, if paper authorizations are scanned and archived electronically then this Rule does apply.

Implementation of this Rule began on June 30, 2021, for the largest Originators, TPSPs and TPSs with ACH volume of six million transactions or greater annually. This second phase of the Rule applies to those with ACH volume of two million transactions or greater annually and is effective June 30, 2022.

Any non-financial institution Originator whose total ACH origination volume exceeds 2 million entries in calendar year 2020 or 2021 will be required to comply with this rule no later than June 30, 2022. Any TPS or TPSP whose total transmission volume (that is, the aggregate volume transmitted on behalf of ALL of its clients) exceeds 2 million entries in calendar year 2020 or 2021 must comply with this rule no later than June 30, 2022.

Corporate ACH Originators, TPSPs and TPSs: If your ACH transaction volume exceeds the threshold of two million transactions, ensure you are adequately protecting account numbers and any information you collect electronically. Account numbers must be rendered unreadable when collected and stored electronically, also known as data at rest. If your ACH volume is less than two million transactions annually, you may still consider using this practice of securely storing account numbers electronically as a sound business practice.

Micro-Entries

Phase 1 - Effective September 16, 2022

Phase 2 - Effective March 17, 2023

This Rule will define and standardize practices and formatting of Micro-Entries, which are used as a method of account validation.

This Rule is effective in two phases:

September 16, 2022 - Phase 1

“Micro-Entries” will be defined as ACH credits of less than \$1 and any offsetting ACH debits used for the purpose of verifying a client or consumer’s account. Businesses initiating Micro-Entries will be required to include ‘ACCTVERIFY’ in the Company Entry Description and use a Company Name that is known to the recipient. Consumers should not be negatively impacted by the processing of the Micro-Entries to their account, meaning the outcome of the transactions should be greater than or equal to zero.

March 17, 2023 – Phase 2

Businesses originating Micro-Entries will be required to use commercially reasonable fraud detection, including the monitoring of Micro-Entry forward and return volumes.

For additional information, download Nacha's [end-user briefing PDF](#) or visit the [Micro-Entries Rule page](#).

Corporate ACH Originators: In preparation for Phase 1, businesses using Micro-Entries for account validation will have to adopt the formatting convention of 'ACCTVERIFY' in the Company Entry Description and comply with the Company Name requirement. Additionally, corresponding debit Micro-Entries must be sent simultaneously with the credit Micro-Entry, and businesses must wait to originate future Entries until the verification process is complete. For Phase 2, businesses should be prepared to conduct commercially reasonable fraud detection for Micro-Entries. This includes monitoring forward and return volumes of Micro-Entries and other desired velocity checks or anomaly detection.

Third-Party Sender Roles and Responsibilities

Effective September 30, 2022

This Rule is to clarify the roles and responsibilities of Third-Party Senders (TPSs) by addressing the existing practice of Nested TPS relationships and making explicit and clarifying the requirement that a TPS conduct a risk assessment. Specifically, the Rule will:

Define a Nested TPS as a TPS that has an agreement with another TPS to act on behalf of an Originator and does not have a direct agreement with an ODFI for the purpose of originating ACH payments.

Require that Nested TPSs be addressed in ACH Origination agreements between a TPS and its financial institution. Additionally, a TPS must have an Origination Agreement with its Nested TPS(s). These modifications will be required only for agreements entered or renewed on or after the effective date of the Rule, September 30, 2022.

Update other TPS obligations, including conducting a risk assessment, and warranties to identify and cover Nested TPSs.

Corporate ACH Originators: This Rule will not impact traditional ACH Originators. Only ACH Originators denoted as TPSs will be impacted.

Third-Party Senders: TPSs with Nested TPS clients may need to modify their Origination Agreements to address these relationships on a go-forward basis after September 30, 2022.

Source: Nacha