

Check Adjustments Tips

How do I receive a same day entry for my adjustments request? (January 2009)

Requests submitted via the FedLine® access solution by 3 p.m. to your local Federal Reserve Bank which also meet the applicable investigation type (ITYP) timeframe requirements will result in a same day entry. These timeframe requirements can be found by investigation type in the *Check Adjustments Quick Reference Guide*, available at FRBservices.org/operations/checkadjustments/quick_reference_guide.html. Attachments, if required, must be received within 5 business days or the entry will be automatically reversed. Be sure to verify that any attachments submitted via the Federal Reserve's Documents to Follow (DTF) Archive are visible from within your FedLine Web® adjustments request.

How do I get Check Adjustments training? (February 2009)

The Federal Reserve Banks' Check Adjustments Webinar series will continue in 2009. The Webinars are designed to provide you with an interactive training experience while remaining at your desk. The Webinars allow for cost savings derived by eliminating travel, as well as the ability to have multiple participants attend sessions from one location.

Topics to be covered in 2009 include:

- Basic principles and concepts of Check 21 Adjustments
- Basic principles and concepts of Check Adjustments
- Basic principles and concepts of Return Item Check Adjustments
- Check Adjustments insights into Investigation Types (ITYPs)
- Documents to Follow (DTF) archiving
- Managing Check Adjustments on the FedLine Web access solution

Check Adjustments Webinar sessions are two hours in length and priced at \$175 per connection, payable by credit card. All available sessions are displayed in Eastern Time. Be sure to factor in any time zone differences when registering for Webinar sessions.

To view 2009 Webinar details, visit https://events.frbservices.org/ep_web/Dsp_eventlist.cfm, and then register online for the session(s) that will benefit your organization. **Remember to sign up soon to help ensure that you get your preferred date and times, as these sessions fill up quickly.**

Where can I find information on submitting and receiving Check Adjustments requests?

(March 2009)

The Federal Reserve Banks' *Check Adjustments Quick Reference Guide* and Documents to Follow Reference Guide are great resources for better understanding what information is required on a Check Adjustments request, as well as how documents are received and verified by the Federal Reserve Banks.

Other helpful aspects of these reference guides include:

- Basic service levels of Check Adjustments requests
- Basic timeframes of Check Adjustments requests
- Documents to Follow (DTF) archiving

To view the *Check Adjustments Quick Reference Guide* and Documents to Follow Reference Guide, please visit FRBservices.org/operations/checkadjustments.

What should I do when the Federal Reserve responds to my adjustments request stating I should deal directly with another institution? (April 2009)

When the Federal Reserve responds to any adjustments request stating, “deal directly with another institution,” generally, it is due to the request being received outside of the reporting time frame for a same-day entry, or, depending on the investigation type, outside of the reporting time frame in which we would provide an entry after approval of the offsetting institution.

Ideally, you should submit your adjustments request within the reporting time frame in which the Federal Reserve can make entry to you or act on your behalf. When you receive a response advising you to deal directly with another institution, you should contact them directly, and provide the information you received from the Federal Reserve. While we do not provide a telephone number or address for the other institution, we will provide the routing number of the offsetting institution and cash/return letter information regarding the item involved.

If you reach a general number, we recommend you ask to speak with someone in the Check Adjustments, Bookkeeping or Accounting departments. We also recommend you keep a list of helpful contacts in case you need to deal with that institution in the future.

For detailed information on the reporting time frame and Federal Reserve Bank action for each investigation type, please refer to the online *Check Adjustments Quick Reference Guide* at FRBservices.org/operations/checkadjustments/quick_reference_guide.html.

How can I check the status of my outstanding check adjustments requests? (May 2009)

Before checking the status of an outstanding check adjustments request, you should determine if sufficient time has passed for you to receive a resolution response. The *Check Adjustments Quick Reference Guide* provides information on the action steps taken by the Federal Reserve Bank based on the nature of the investigation type (ITYP). These action steps are based on the reporting timeframe in which the request was received.

For example, if a Photocopy and Original Paid (PAID) request is received after three calendar months, but within six calendar months of the most recent cash/return letter entry date, you will receive a CA2000 (Case Acknowledgement) message the same day the request is received (provided requirements are met). An entry will be made after approval is received from the offsetting institution. Within twenty business days of receiving the request, the Federal Reserve will complete the initial research to identify the offsetting institution and request approval to adjust their account. The offsetting institution then has twenty business days to respond or entry will be made. In this example you should not check the status before forty business days.

If you have not received a resolution after forty business days of receiving the CA2000 message and you are a FedLine Web access solution customer, you can check the status of your request by sending a CA4000 (Case Status Inquiry) message via the FedLine Web check adjustments application. The Federal Reserve will respond with a CA6000 (Case Status Inquiry Response) message.

For detailed information on the reporting timeframe and Federal Reserve Bank action for each ITYP, please refer to the online *Check Adjustments Quick Reference Guide* at FRBservices.org/operations/checkadjustments/quick_reference_guide.html.

What determines the Federal Reserve Banks' initial action in responding to an adjustments request? (June 2009)

The Federal Reserve Banks' initial action and response to a check adjustments request is based on information provided by the requester, which includes the investigation type (ITYP) and the date entered in the cash letter or entry date (CLED) field of the adjustments request. Once the request is received in our case management system, it is evaluated by the system and either an entry (CA5100) is passed or an acknowledgement (CA2000) is sent to the requester.

Each ITYP has a reporting time frame and the system determines the timeliness of the request by comparing the date and time the request is received to the date entered in the CLED field of the adjustments request.

It is important to use the correct date in the CLED field, per the following conventions:

- If the request involves an item processed in a cash/return letter, use the cash/return letter date in the CLED field.
- If the request involves an entry, made by a Reserve Bank, use the date the entry was made in the CLED field.
- If subsequent entries are involved, use the most recent entry date in the CLED field.

For detailed information on the reporting time frame and Federal Reserve Bank action for each ITYP, please refer to the *Check Adjustments Quick Reference Guide* at FRBservices.org/operations/checkadjustments/quick_reference_guide.html.

Ever wonder why it's so important to use the correct ITYP when submitting an adjustments request? (July 2009)

It's important to use the correct investigation type (ITYP) when submitting an adjustments request to ensure that the request is handled properly for all institutions involved and in accordance with the guidelines of that ITYP. When a request is submitted with the incorrect ITYP, it may delay the resolution of the request, and/or the request may be returned to the sender advising them to resubmit with the correct ITYP and corresponding documentation. For example, if a request is submitted as a Duplicate Entry (DUP) (no attachments required) but is later determined to be a Photocopy and Original Paid (PAID) (attachments required), the case could be returned to the sender because the required attachments for a PAID were not received. In this example, if a provisional entry was given, it would be reversed and the sender of the request must resubmit the request within the reporting time frame of the correct ITYP (with the required attachments) to receive a provisional entry.

For detailed information on descriptions and proper usage of each ITYP, as well as reporting time frames, please refer to the online *Check Adjustments Quick Reference Guide* at FRBservices.org/operations/checkadjustments/check_adjustment_error_types.html.

Do all Investigation Types (ITYPs) require supporting documentation? (August 2009)

No, not all ITYPs require supporting documentation, or what is more commonly referred to as Documents to Follow (DTFs). Actually, most ITYPs only require you to provide information pertaining to your request.

When an adjustment request is submitted for an ITYP that only requires information regarding an item, there is no need to provide a DTF, such as "Listing Error (LST)." In fact, there is a difference between information and documentation. Information is intangible (not physical) and can be provided in the fields and or comment (COM 1) section of the adjustments request. Examples include sequence number, cash/return letter or bundle totals. Documentation, such as a copy of an item or form, is tangible (physical) and should be provided, according to the requirements of the ITYP to support the adjustment request.

In an effort to save time and money and help ensure that you submit your adjustments requests in accordance with the requirements for the ITYP, refer to the online *Check Adjustments Quick Reference Guide* for detailed information on required fields (information) and supporting documentation. It is located at FRBservices.org/operations/checkadjustments/check_adjustment_error_types.html.

Change in minimum adjustments threshold for PAID adjustments requests (September 15, 2009)

On August 31, 2009, the Federal Reserve Banks changed the minimum adjustments submission level for Photocopy and Original Paid (PAID) adjustments requests. As a result, paying banks may now submit requests for credit for any amount equal to or greater than \$0.01 for duplicate items received in presentments from the Federal Reserve Banks. Those requests will be researched and resolved to the responsible depositing institutions. You should still combine duplicate items received in the same bundle of work and submit them as one request. Please refer to the online *Check Adjustments Quick Reference Guide* for all other procedures, including reporting and resolution timeframes and requirements, which remain unchanged. It is located at FRBservices.org/operations/checkadjustments/quick_reference_guide.html.

Are you in need of check adjustments training and aren't sure which Webinar will meet your training needs? (October 15, 2009)

If you'd like to find out more about the specific topics covered in Check Adjustments Webinars, you can participate at no cost in our informational Webinar, entitled "What is a Webinar?" In these one-hour Webinars, you will receive valuable information regarding the topic areas covered in each of our priced Check Adjustments Webinars, which will be helpful in identifying training needs for your organization.

The process for registering and obtaining connection information and materials for both the free and the priced Webinars is the same. For more information and to register, please visit https://events.frbservices.org/ep_web/Dsp_eventlist.cfm.

Priced Webinar session topics:

- Basic Principles and Concepts of Check 21 Adjustments
- Basic Principles and Concepts of Check Adjustments
- Basic Principles and Concepts of Return Item Check Adjustments
- Check Adjustments Insights into Investigation Types (ITYPs)
- Documents to Follow Archiving
- Managing Check Adjustments on the FedLine Web access solution

Did you know there's been a change in the Federal Reserve Banks' centralized data entry site?

(November 15, 2009)

Effective October 1, 2009, the Federal Reserve Bank of Cleveland became the centralized data entry site for check adjustments. As a result, all paper check adjustments requests and live item supporting documentation, referred to as documents-to-follow (DTFs), for requests submitted via the FedLine Web access solution, should be sent to the Federal Reserve Bank of Cleveland. The preferred method of handling the Not Our Item (NOI) and Photo in Lieu (PIL) investigation types (ITYPs), which require the live item, is via a cash or return letter deposit. Please refer to the online *Check Adjustments Quick Reference Guide (QRG)* for information on each ITYP, including reporting and resolution timeframes and supporting documentation requirements. It is located at FRBservices.org/operations/checkadjustments/check_adjustment_error_types.html.

How much supporting documentation is too much or not enough? (December 15, 2009)

Supporting documentation, commonly referred to as documents-to-follow (DTFs), for adjustments requests varies depending on the investigation type (ITYP). DTFs fall into three categories: required, optional or not required. When DTFs are required, you should only provide what is required. For example, the Duplicate Substitute Check/Image Adjustments Certification Form is required when submitting a Photocopy and Original Paid (PAID) adjustments request that involves Check 21-related items (received in an X9.37 image cash/return letter or as a substitute check). When multiple items have paid or been returned in the same bundle total, a listing showing certain information about the items is also required. Copies of the items involved are not required and should not be provided. Failure to provide required DTFs will result in the request being returned to the requester and will delay the resolution of the request. Please refer to the online *Check Adjustments Quick Reference Guide* for documentation requirements on all ITYPs and use it to determine what, if any, documentation is needed. It is located at FRBservices.org/operations/checkadjustments/check_adjustment_error_types.html.

Did you know there is a resource that will assist you in completing an adjustments request?

(January 15, 2010)

You can learn about completing an adjustments request by using the online *Check Adjustments Quick Reference Guide*. The online guide lists the required fields (information needed) for each investigation type (ITYP) along with the abbreviated name of the field; for example, cash letter or entry date (CLED). While the *Guide* tells you what information is needed, it's important that you provide accurate information. This information helps us determine which institution needs the offsetting entry (where applicable). Without complete and accurate information, we will be unable to determine the offsetting institution and may have to reverse the provisional entry provided to the Sender. Be sure to refer to the *Guide* before submitting your adjustments requests. It is located at FRBservices.org/operations/checkadjustments/check_adjustment_error_types.html.

Did you know there is a resource to assist you in submitting supporting documentation for your adjustments requests sent via the FedLine Web access solution? (February 15, 2010)

Many investigation types (ITYP) require supporting documentation, commonly referred to as Documents to Follow (DTFs). When you submit an adjustments request via the FedLine Web access solution, in most cases, the DTF can be received electronically by faxing it to the DTF Archive. We offer a Check Adjustments Webinar entitled “Documents to Follow Archiving” that details this process. This Webinar is intended for FedLine Web users and respondents that submit DTFs. During this session we’ll review, in detail, the process, procedures and guidelines for fax submission of DTFs. You can register online for the “Documents to Follow Archiving” Webinar at https://events.FRBservices.org/ep_web/DSP_eventlist.cfm. The *DTF Archive Reference Guide* explains the archiving process and includes information on how to verify your DTFs are received. It is located at FRBservices.org/operations/checkadjustments/documents_to_follow.html. Information on DTF requirements for each ITYP (what to send) is available in the *Check Adjustments Quick Reference Guide* at FRBservices.org/operations/checkadjustments/check_adjustment_error_types.html.

Determining the differences between Duplicate Entry (DUP) and Photocopy/Original Paid (PAID) investigation types (ITYPs) (March 15, 2010)

The differences between DUP and PAID ITYPs are the usage and reporting time frames. The DUP ITYP is used when requesting reversal or investigation of an accounting entry that appears to have been previously made. An example of this is receiving entry for the same Listing Error more than once. If the request is submitted **within 20 business days of the most recent entry date** and other requirements are met, a provisional entry is made the same day the request is received.

The PAID ITYP is used when requesting credit for an item that is being refused either because it is the original (or the legal equivalent, i.e. a substitute check or image received in an ANSI X9.37 cash/return letter) or a photocopy, and the other item is already paid. If the request is submitted **within three calendar months of the most recent cash/return letter entry date** and other requirements are met, a provisional entry is made the same day the request is received.

Did you know we offer a Check Adjustments Webinar that explains the proper usage of all ITYPs entitled “Check Adjustments Insights into Investigation Types”? We also offer a free, one-hour event entitled “What is a Webinar?” where you can find out what we cover in each of our Check Adjustments Webinars. For more information and to register, please visit https://events.frbservices.org/ep_web/Dsp_eventlist.cfm.

You can also refer to the online *Check Adjustments Quick Reference Guide* for more information on all ITYPs, including required fields (information needed on the adjustments request) and supporting documentation requirements. It is located at FRBservices.org/operations/checkadjustments/check_adjustment_error_types.html.

What are the differences between the Non-Cash Item (NCH) and the Not Our Item (NOI) investigation types (ITYPs)? (April 15, 2010)

The differences between the NCH and the NOI ITYPs are in the usage and method in which the error can be reported. The NCH ITYP is used to request entry for a non-valid (zero-value) item or an item that was included in the cash/return letter total received from a Reserve Bank that does not meet legal equivalence for Check 21. For example, a control document, magnetic ink character recognition (MICR) mismatched item, or a non-conforming item. The NCH ITYP should not be used to report fraudulent or forged items as these situations are not handled through the check adjustments channels.

The NOI ITYP is used when an item was charged in a cash/return letter erroneously; the item does not bear the requesting institution's routing number in the MICR line (forward collection) or endorsement area (return collection). If the item bears the routing number of the receiving institution, it is deemed to be their item. Forward NOIs do not commonly occur in X9.37 image cash letters.

You can report a NOI using the NOI cash/return letter deposit (**preferred method** of handling NOIs) or using check adjustments channels. There is no fee for an NOI deposit and there is no item count or dollar limit. However, the NCH error can only be reported using check adjustments channels. The NOI and NCH check adjustments request must be \$25.01 or greater.

Did you know that we offer a Check Adjustments Webinar that explains the proper usage of all ITYPs, entitled "Check Adjustments Insights into Investigation Types" and a free, one-hour event entitled "What is a Webinar?" where you can find out what we cover in each of our Check Adjustments Webinars. For more information and to register, please visit https://events.frb services.org/ep_web/Dsp_eventlist.cfm.

You can also refer to the online *Check Adjustments Quick Reference Guide* for more information on all ITYPs, including required fields (information needed on the check adjustments request) and supporting documentation requirements. It is located at FRBservices.org/operations/checkadjustments/check_adjustment_error_types.html.

Check Adjustments Tip: What are the differences between the Encoding Error (ENC) and the Listing Error (LST) investigation types (ITYPs)? (May 15, 2010)

The differences between the ENC and the LST ITYP are in the usage and reporting time frames.

The ENC ITYP is used when an item was encoded for an amount different than the written (legal) amount or the written amount differs from the stated amount in the ANSI X9.37 image cash/return letter. If the request is submitted **within six calendar months of the cash/return letter entry date** and other requirements are met, a provisional entry is made the same day the request is received.

The LST ITYP is used when an item was listed and included in the (paper) cash/return letter total for an amount different than the encoded amount. Listing error conditions do not occur on items processed in an X9.37 image cash/return letter, while an encoding error may occur in both paper cash/return letters and X9.37 image cash/return letters. If the LST request is submitted **within twenty business days of the cash/return letter entry date** and other requirements are met, a provisional entry is made the same day the request is received.

Did you know we offer a Check Adjustments Webinar that explains the proper usage of all ITYPs entitled “Check Adjustments Insights into Investigation Types” and a free, one-hour event entitled “What is a Webinar?” where you can find out what we cover in each of our Check Adjustments Webinars. For more information and to register, please visit https://events.frb services.org/ep_web/Dsp_eventlist.cfm.

You can also refer to the online *Check Adjustments Quick Reference Guide* for more information on all ITYPs, including required fields (information needed on the adjustments request) and supporting documentation requirements. It is located at [FRB services.org/operations/checkadjustments/check_adjustment_error_types.html](https://frb services.org/operations/checkadjustments/check_adjustment_error_types.html).

Check Adjustments Tip: What is the difference between the Original and Sufficient Copy Request (OSCR) and the Photocopy Request (PREQ) investigation types (ITYPs)? (June 15, 2010)

The difference between the OSCR and the PREQ ITYPs is in the usage.

The OSCR ITYP should only be used to request an original item or a sufficient copy of an item you received from a Federal Reserve Bank in an X9.37 image cash/return letter or as a substitute check. The PREQ ITYP is used to request a photocopy of any item received from a Federal Reserve Bank or to request a copy of a cash/return letter recap or detail listing.

We offer a Check Adjustments Webinar that explains the proper usage of all ITYPs entitled “Check Adjustments Insights into Investigation Types” and a free, one-hour event entitled “What is a Webinar?” where you can find out what we cover in each of our Check Adjustments Webinars. For more information and to register for an event, please visit https://events.frb services.org/ep_web/Dsp_eventlist.cfm.

You can also refer to the online *Check Adjustments Quick Reference Guide* for more information on all ITYPs, including required fields (information needed on the adjustments request) and supporting documentation requirements. It is located at [FRB services.org/operations/checkadjustments/check_adjustment_error_types.html](https://frb services.org/operations/checkadjustments/check_adjustment_error_types.html).

Check Adjustments Tip: Did you know that a daily Check Adjustments Automated Status Report is available to electronic Check Adjustments Service Subscribers? (July 15, 2010)

The Check Adjustments Automated Status Report, available to electronic Check Adjustments Service Subscribers, provides an up-to-date status of adjustments cases submitted to the Federal Reserve Banks that are outstanding from the perspective of the requester. The report is generated at the close of business each day and reflects adjustments cases that are pending (awaiting supporting documentation or a response from another institution) or in process of being researched (for which provisional entry or the requested information has not yet been provided to the requester).

The report is available to Subscribers of Electronic Check Adjustments via the FedLine Web access solution as a menu option under the Import/Export feature (Daily Status Reports). Accessing this information on a daily basis will provide you the information needed to help you to manage your adjustments effectively.

For more information, please visit

FRBservices.org/serviceofferings/check/check_adjustment_services.html.