

# FedACH<sup>®</sup> Platform Modernization Webinar

Welcome!

October 26, 2020

## Disclaimer

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# Agenda

Purpose of the Webinar

What is the FedACH<sup>®</sup> Platform Modernization Project?

Why is the Federal Reserve Banks Modernizing the Platform?

What is Changing for Customers?

How to Stay Informed and Available Resources

Testing

What is **Not** Changing for Customers?

Did You Know?

Questions

## Purpose of the Webinar



The purpose of the FedACH<sup>®</sup> Platform Modernization webinar is to provide FedACH financial institutions and processors who send and receive files directly with the Federal Reserve Banks the answers and information you need during our Automated Clearing House (ACH) modernization effort.

## What is the FedACH Platform Modernization Project?

The Federal Reserve Banks are modernizing the platform we use to support ACH processing services by making a strategic investment in newer technology to ensure the continuing efficiency and business value of FedACH Services.



## Why is the Federal Reserve Banks Modernizing the Platform?

As the payments landscape continues to evolve toward faster and more secure processing, it is essential for us to take steps now to modernize our FedACH processing platform.



We are designing a more distributed processing infrastructure that will allow more flexibility and scalability.



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# What is Changing for Customers?

## Customer-facing changes include:

Originated Files -  
Status Messages

Pended Files -  
Duplicate  
Detection

Acknowledgements

End of Day  
(EOD)  
Extensions

File  
Delivery

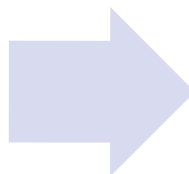
**Test  
Environment**

# What is Changing for Customers? continued

## Originated Files - Status Messages

### Current Platform

When a file is initially received by the Federal Reserve Banks for processing, customers **typically do not see a status** in FedLine® Information Services until processing is complete.



### Modernized Platform

Customers **may see an interim status of "In Process"** in FedLine Information Services until file processing is complete.



# What is Changing for Customers? continued

## Pended Files - Duplicate Detection

### Current Platform

When a file is initially received by the Federal Reserve Banks for processing, there are **five** duplicate detection criteria applied:

- ❑ Immediate origin
- ❑ File create date
- ❑ File create time
- ❑ File ID modifier
- ❑ Immediate destination

### Modernized Platform

The new platform is being enhanced to include **two additional** duplicate detection criteria and **remove one** detection. These two additions are expected to significantly reduce “false” duplicate detection of files.

- ❑ **Total debit amount (NEW)**
- ❑ **Total credit amount (NEW)**
- ❑ Immediate origin
- ❑ File create date
- ❑ File create time
- ❑ File ID modifier

**FedACH will no longer perform duplicate detection on immediate destination.**

**This criteria is checked for the current processing day plus the previous four business days.**

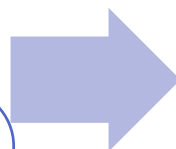
# What is Changing for Customers? continued

## Acknowledgements

### Current Platform

When a file pends and is manually released, FedACH generates **three** acknowledgements:

- ❑ File pend
- ❑ File released
- ❑ File accepted



### Modernized Platform

When a file pends and is manually released, FedACH generates only **two** acknowledgements:

- ❑ File pend
- ❑ File accepted

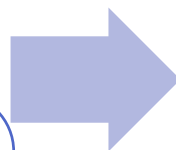
**FedACH will no longer generate a “released” status acknowledgement.**

# What is Changing for Customers? continued

## Acknowledgements

### Current Platform

When a batch or file is rejected at end of day (EOD), the acknowledgement shows the status message “rejected at EOD” only.



### Modernized Platform

The EOD reject acknowledgement has been enhanced to contain the original error(s) that caused the file to pend and ***will no longer show the status message “rejected at EOD”.***

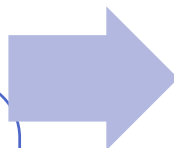
# What is Changing for Customers? continued

## Acknowledgements

### Current Platform

When a file pends due to multiple errors, **only the first error** is captured in FedLine Information Services and on acknowledgements.

Multiple errors are **not** currently displayed.



### Modernized Platform

When a file pends, **only the first error** will continue to be captured in FedLine Information Services.

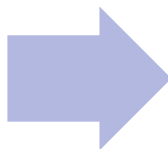
The acknowledgement has been enhanced to **display multiple errors**.

# What is Changing for Customers? continued

## Acknowledgements

### Current Platform

Current acknowledgements contain **60** lines per page.



### Modernized Platform

New acknowledgements will contain **52** lines per page.

**Important:** If your institution is “processing” the ‘FAHK’ acknowledgements or data mining the data in the file to create printer friendly reports, etc., you will need to make adjustments accordingly. Additionally, if your institution has an automated process that is hard coded for 60 lines, **your institution will need to make adjustments in advance of the migration.**

Sample FAHK files can be found in the [FedACH® Platform Modernization Resource Center](#).

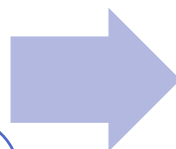
# What is Changing for Customers? continued

## EOD Extensions

### Current Platform

When extensions are activated, all files are held while files bearing the sending point routing transit number (RTN) that extended are **manually** released into the desired business day.

This allows the institution requesting the extension to amend or confirm the RTN in need of an extension after the extension begins.



### Modernized Platform

When extensions are activated, incoming files will no longer be held up. Files will **immediately and automatically** flow into the next business day for processing **unless they bear the sending point RTN supplied by the customer requesting the extension.**

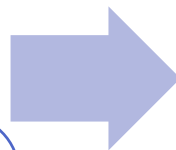
- ❑ **We will not be able to distinguish between files.**
- ❑ **Any file not intended to be included in the extension should not be sent until the extension expires.**

# What is Changing for Customers? continued

## File Delivery

### Current Platform

Customers **are able to request On-Demand files** through FedLine Information Services.  
Currently, these files display as “On-Demand” in FedLine.



### Modernized Platform

Customers will **no longer have access to request** On-Demand files through FedLine Information Services.  
**The new platform has been enhanced, allowing customers the ability to schedule (via ACH agreement) additional recurring daily file deliveries based on processing needs.**  
**On-Demand files can still be requested by contacting the FedACH and Check Services Customer Support; (877) 372 2457.**  
**All files will display a status of “Ready” in FedLine. “On-Demand” status will no longer be displayed.**

# What is Changing for Customers? continued

## Test Environment

### Modernized Platform

All incoming and outgoing test files are being processed in the new Modernized Platform.



## How to Stay Informed and Available Resources

The implementation date for the new processing system will be announced a minimum of 30 days in advance of the implementation.

Project updates will be posted on the [Communications](#) page and the [FedACH Platform Modernization Resource Center](#).

The answers to many of our customers' most frequently asked questions (FAQs) can be found in the FAQs.

If your question is not answered by the information provided on the site, please check back periodically as we will continue to update this page throughout the modernization effort.

Also, the [Contact](#) page provides a comprehensive list of service and support contacts that can assist you.



Sign-up for  
future  
communications  
[here.](#)

## What is **Not** Changing for Customers?

No changes are being made to:\*

- ❑ Products and Services
- ❑ Fees and Deadlines
- ❑ Connectivity Channels: FedLine Advantage, FedLine Command and FedLine Direct
- ❑ URLs and processes for sending/receiving files
- ❑ Navigation Screens such as: Settlement Summaries, Search for File, Processing Summary, Search for Batch and Search for Item
- ❑ File Formats - Nacha standards apply
- ❑ Validation and edits on originated files
- ❑ Customer Support Contacts

**\* No additional changes outside of what was previously discussed.**

## Did You Know?

### FedACH<sup>®</sup> Exception Resolution Service has been enhanced to:

- ❑ Integrate with other applications you may be using today by uploading and downloading ACH exception case messages (with supporting documentation) via a JavaScript Object Notation (JSON) formatted file directly through your FedLine Advantage<sup>®</sup> or FedLine Web<sup>®</sup> Solution.
- ❑ Easily export messages from your Exception Resolution Service Inbox, Outbox and Archive to a Microsoft<sup>®</sup> Excel<sup>®</sup> spreadsheet.

## Did You Know? continued

### FedACH<sup>®</sup> Exception Fax Forms have been updated and they have instructions:

- ❑ The Exception Fax Forms have been updated and they have instructions to assist you in completely and accurately using the forms to avoid delays.
  - Designed to provide guidance in completing the forms; they do not supersede the NACHA Rules.
  - Refer to and follow the NACHA Rules.

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Please contact FedACH and Check Services Customer Support should you have any questions.

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Thank You!



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