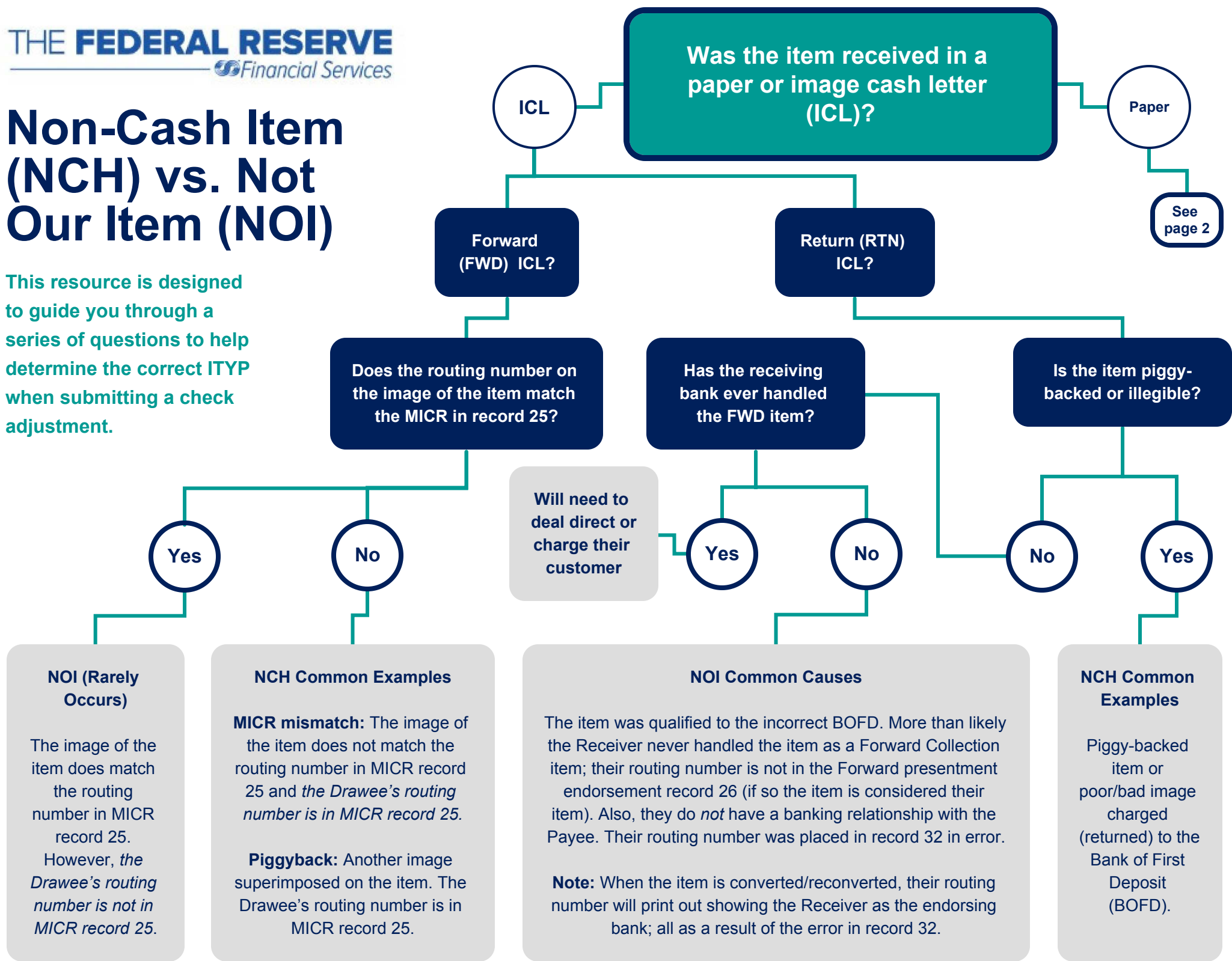


Non-Cash Item (NCH) vs. Not Our Item (NOI)

This resource is designed to guide you through a series of questions to help determine the correct ITYP when submitting a check adjustment.



NOI (Rarely Occurs)

The image of the item does match the routing number in MICR record 25. However, the Drawee's routing number is not in MICR record 25.

NCH Common Examples

MICR mismatch: The image of the item does not match the routing number in MICR record 25 and the Drawee's routing number is in MICR record 25.

Piggyback: Another image superimposed on the item. The Drawee's routing number is in MICR record 25.

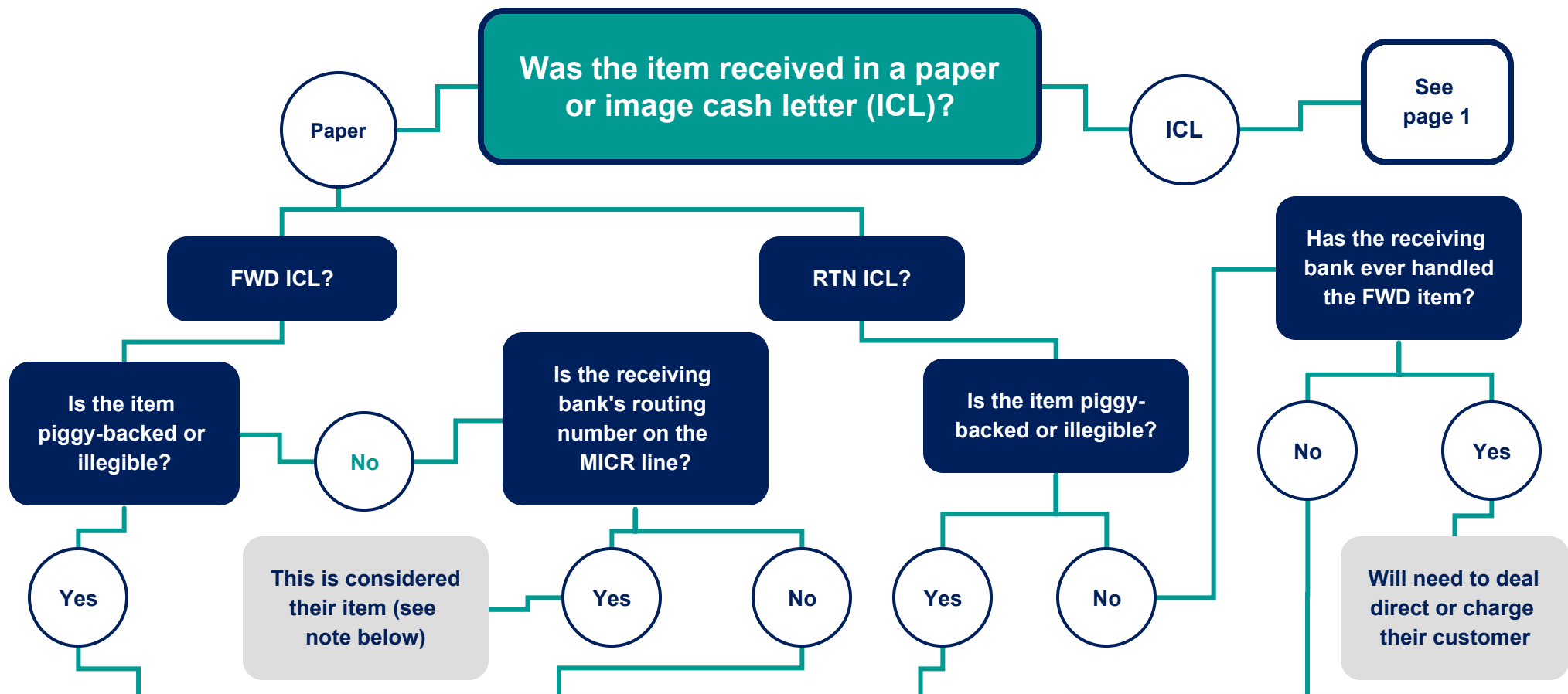
NOI Common Causes

The item was qualified to the incorrect BOFD. More than likely the Receiver never handled the item as a Forward Collection item; their routing number is not in the Forward presentment endorsement record 26 (if so the item is considered their item). Also, they do not have a banking relationship with the Payee. Their routing number was placed in record 32 in error.

Note: When the item is converted/reconverted, their routing number will print out showing the Receiver as the endorsing bank; all as a result of the error in record 32.

NCH Common Examples

Piggy-backed item or poor/bad image charged (returned) to the Bank of First Deposit (BOFD).



NCH Common Examples

Empty Carrier: Photo in Lieu (PIL) or partially mutilated item is processed in a document carrier but becomes separated from the carrier. The Drawee is charged but only receives the carrier.

The Drawee is charged with a control ticket or other item of zero-value.

NOI Common Example

The Drawee is charged with an item that does not have their routing number in the MICR line. Commonly charged as a result of the item having a strip on the bottom or being placed in a document carrier and the strip/carrier is MICR encoded with their routing number in error.

Note: If their routing number is on the MICR of the item, then it is considered their item. They may have a fraudulent item and it should be handled through return or legal channels.

NCH Common Examples

A piggy-backed item on a substitute check or poor/bad image of a substitute check is charged (returned) to the BOFD.

NOI Common Causes

The item was qualified to the incorrect BOFD. More than likely the Receiver never handled the item as a Forward Collection item; their routing number is not in the endorsement section of the item (if so the item is considered their item). Also, they do not have a banking relationship with the Payee. Their routing number was placed on a strip/carrier in error.

Note: If they handled the item during Forward Collection but didn't endorse the item, i.e., processor, then it is considered their item (they are the Fed's source).