

M&T ACH Origination Services



Direct Transmission Reference Guide

Direct Transmission Table of Contents

For users originating ACH Payments
via Direct Transmission.

3	ACH Network Participants
5	Submitting ACH Files
7	Submitting Control Totals
7	Identifying Payment Types
8	Direct Transmission File Preparation
10	ACH Exceptions and Corrections
15	Appendix A - Common ACH SEC Codes
16	Appendix B - ACH Reversal/ Deletion Request Form
19	Appendix C - Sample Authorization Agreement for Direct Deposits
21	Appendix D - ACH File Layout
27	Appendix E - File Record Sequence
28	Appendix F - Common Notifications of Change Codes
29	Appendix G - Common NACHA Return Codes

ACH Network Participants

Identified below are the five participants involved in an ACH transaction. The terminology described will assist you in understanding the workings of the ACH network and the roles of each participant.

Originator

The Originator is the entity or company that agrees to initiate ACH entries into the payment system according to an arrangement with a Receiver.

Originating Depository Financial Institution (ODFI)

The ODFI is the institution that receives the payment instructions from Originators and forwards the entries to the ACH Operator.

Automated Clearing House Operator

An ACH Operator is the central clearing facility operated by the Electronic Payments Network (EPN) or the Federal Reserve Bank to process and distribute ACH entries.

Receiving Depository Financial Institution (RDFI)

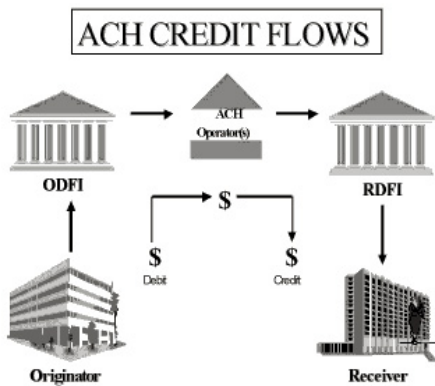
The RDFI is the Depository Financial Institution that receives ACH entries from the ACH Operator and posts the entries to the accounts of its depositors (Receivers).

Receiver

A receiver is a consumer, corporate or government entity that has authorized an Originator to initiate an ACH entry to the Receiver's account with the RDFI.

ACH Credit Payment - Funds Flow

The following illustration shows a credit as it flows from your M&T account to the receiver's account at their financial institution:

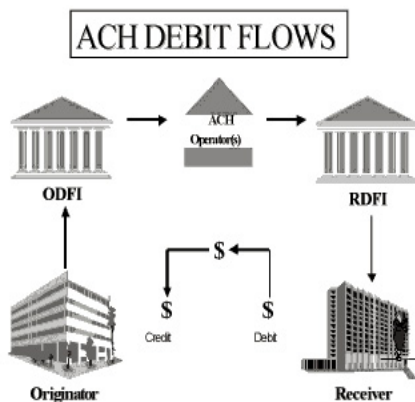


Common credit payments include:

- Payroll
- Corporate-to-Corporate Payments
- Consumer Initiated Payments (i.e. phone bill payments)
- Dividend and Interest Payments
- Social Security Payments
- Tax Payments

ACH Debit Payment - Funds Flow

The following illustration shows a debit as it flows from your M&T account to the receiver's account at their financial institution:



Common debit payments include:

- Prearranged Mortgage Payments
- Cash Concentration
- Association or Club Dues
- Distributor/Dealer Payments
- Insurance Payments
- Tax Payments
- Utility Payments

Source: NACHA Rules Book

When Should I Submit My Files?

M&T has guidelines that you should follow to ensure your ACH files are processed as expected. These guidelines vary by the specific ACH origination service used. Once customer files are transmitted and received by M&T, those files are prepared for transmission to the ACH network for final distribution to the Receiving Depository Financial Institution (RDFI).

With the exception of transfers between M&T accounts, files should never be submitted on their effective date. Your ACH origination files should be submitted with a lead time that is sufficient to ensure that your payments are received and posted to your recipients' accounts on their effective date.

In order to ensure that an issue with your origination file does not cause your payments to be received after their designated effective date, the following guidelines should be followed:

- **Credit files should be submitted at least 2 banking days prior to the effective date**
- **Debit files should be submitted at least 1 banking day prior to the effective date**

ACH Processing Times

All ACH payment files must be submitted to the bank at least one hour prior to M&T's processing time. Any payment file submitted less than one hour prior to M&T's processing time may be processed during the next available time.

M&T Processing Times
5am ET
11am ET
2pm ET
5pm ET
7pm ET

Tips for Timely Delivery of ACH Files

- Recommended lead time for ACH file delivery is two banking days for credit files and one banking day for debit files
- Always ensure you have sufficient lead time for your ACH file processing. An additional day for file delivery lead time should be added when a banking holiday falls between the file send date and the effective date
- Never select an effective date for your ACH file that falls on a weekend or holiday listed in the next section. If your file has a non processing day in the effective date field, payments will be processed on the next available banking day

ACH Holiday Schedule

M&T Bank follows the Federal Reserve Bank holiday schedule. Please keep these dates in mind when submitting ACH files. In the event that a file's effective date falls on a holiday or weekend, payments will be processed the next available banking day without notification to the client.

M&T Bank Holiday Schedule	2015
Thursday, January 1	New Year's Day
Monday, January 19	Birthday of Martin Luther King, Jr.
Monday, February 16	President's Day
Monday, May 25	Memorial Day
Friday, July 3*	Independence Day observed
Monday, September 7	Labor Day
Monday, October 12	Columbus Day
Wednesday, November 11	Veterans' Day
Thursday, November 26	Thanksgiving
Friday, December 25	Christmas Day

M&T Bank Holiday Schedule	2016
Friday, January 1	New Year's Day
Monday, January 18	Birthday of Martin Luther King, Jr.
Monday, February 15	President's Day
Monday, May 30	Memorial Day
Monday, July 4	Independence Day
Monday, September 5	Labor Day
Monday, October 10	Columbus Day
Friday, November 11	Veterans' Day
Thursday, November 24	Thanksgiving
Monday, December 26*	Christmas Day observed

M&T Bank Holiday Schedule	2017
Monday, January 2*	New Year's Day observed
Monday, January 16	Birthday of Martin Luther King, Jr.
Monday, February 20	President's Day
Monday, May 29	Memorial Day
Tuesday, July 4	Independence Day
Monday, September 4	Labor Day
Monday, October 9	Columbus Day
Friday, November 10*	Veterans' Day observed
Thursday, November 23	Thanksgiving
Monday, December 25	Christmas Day

*Holiday's that fall on Sunday are observed the following Monday.

Submitting Your Control Totals via ACH Monitor

All ACH direct transmission originators are required to report their control totals prior to submitting ACH files to M&T. M&T's ACH Monitor is an Internet service that allows you to provide your necessary control totals without having to call the bank. In addition, when you subscribe to the ACH Monitor Direct Transmission Package, you also receive the following services:

- **Payment Scheduler:** Set up a schedule of your expected ACH activity and ACH Monitor will generate e-mail notifications when a payment is scheduled but not received or vice versa
- **Payment and File History:** Research ACH files, batches or payments based on the level of detail your organization requires
- **File Monitoring:** Receive e-mail notifications on payment activities including file submitted, processed and/or file rejected. Each e-mail contains the details of the corresponding action

As part of the ACH Monitor setup process a separate training and materials will be provided. Your designated ACH Monitor System Administrator will be contacted by M&T to set up your training on how to use the ACH Monitor service.

Identifying the Appropriate Payment Type for Your Transactions

The ACH network supports a number of different corporate and consumer payment types. As an Originator, you will be initiating debit and/or credit entries into the ACH network and will need to code the entries to indicate the type of payment. A specific three letter Standard Entry Class (SEC) code that appears in the ACH record format identifies each ACH payment type.

The most common transactions are Cash Concentration or Disbursement (CCD) and Prearranged Payments and Deposits (PPD). A CCD is a debit or credit that is originated to a corporate account, and is typically used for funds concentration and vendor payments. A PPD is a debit or credit that is originated to a consumer account, and is typically used by companies to collect bill payments (mortgage, insurance, health club dues) or to make payment to an employee (travel reimbursement, direct deposit of payroll).

Refer to **Appendix A** for additional common ACH payment types.

Direct Transmission File Preparation

Required File Testing

If you are transmitting ACH files directly to M&T from your internal company systems, M&T will require file testing. The test file should contain properly formatted “dummy entries” that contain valid routing/transit numbers. File testing is required to allow us to determine if there are any format errors before your organization’s live transactions are sent.

Account Information & Authorization

Many of the ACH payment types require you as the originator to obtain a signed authorization from the receiver. This authorization is a contract between the originator (your organization) and receiver. M&T does not require a copy of these authorizations. As an originator, you should validate if you need a signed authorization for the SEC code that you will be originating.

If your payments require a written authorization, a sample Debit and Credit Authorization form is enclosed in **Appendix C** for your use. Your legal department should review this form prior to use. On the form, the receiver provides information concerning the bank name, account number, and routing/transit number where the funds will be debited or credited. In addition to completing the authorization form, each receiver should be asked to provide a voided check to confirm their bank account information. Please note that deposit tickets are typically not a valid source for obtaining the bank account data for ACH origination.

ACH Prenotification Process

Although prenotifications are optional under NACHA rules, M&T recommends their use to ensure accurate banking data is utilized when setting up new ACH receivers. Prenotes are especially recommended for credit transactions such as direct deposit of payroll.

A prenote is a zero dollar transaction that tests the accuracy of the account data at each receiving bank before live dollar transactions are sent. If prenotes are used, NACHA rules require a six-business day lead-time following the settlement date of the prenote entry. M&T recommends that prenotification entries be sent at least twenty calendar days prior to the first actual payment date. This lead-time will allow you to make entry corrections without impact on your target implementation date. Following your organization’s implementation, any future prenote transactions can be included in your input file with other live dollar entries.

File Preparation Guidelines

M&T requires all ACH origination files to be formatted in the standard NACHA layout. Identified below are the key layout requirements:

- Record Length – 94 characters
- Block Size – 10 records (940 characters). If less than 10 records exist in the last block, remaining bytes must be filled with 9's
- Block Count – Number of records divided by 10 (always round up to the next even multiple of ten)
- EBCDIC or ASCII formats are acceptable
- No maximum number of entries per batch
- No maximum number of batches per file
- Prenotes do not have to be batched separately from monetary entries
- Entries must be batched according to the settlement date
- Unless otherwise noted, numeric fields are right justified and zero filled, and alphanumeric fields are left justified and blank filled
- Do not place offsetting (Settlement) entry in the file. The Bank will auto-settle the file to your designated settlement account

The complete NACHA record format is shown in **Appendix D**.

Common Reasons Why Your File Might Not Process as Expected

Your file or records may suspend for the following common reasons:

- File or batch totals are out of balance – dollar totals, item totals or hash totals
- Record out of sequence (i.e. type 9 record appearing before type 5 record)
- Key fields missing or incorrect in a control record
- Non-readable file, incorrect format, incomplete batches
- Amount with positive/negative sign or decimal
- No control totals reported or reported incorrectly
- No available funds for settlement offset
- File exceeds the Bank's risk exposure limit
- Non-Numeric characters in a numeric field
- Invalid destination – incorrect routing/transit # or non-ACH participant
- Addenda record indicator in error

M&T will notify your ACH technical contact if a file remake is required.

ACH Exceptions and Corrections

Common Reasons for a Correction

- The item is a duplicate of a previously initiate entry
- The item was sent to a receiver for whom it is not intended
- The dollar amount of the item is different than what was intended

Determining the Appropriate Type of Correction

There are three different processes that your organization can take correct a payment that has already been initiated. The appropriate process will be dependent upon the time the error is discovered and where the originated transaction is in the ACH payment cycle.

- **ACH Deletion:** A deletion is a request to delete the payment from the origination file prior to M&T releasing it to the ACH Network for processing
- **ACH Reversal:** A reversal is a request to reverse the transaction when the transaction has already been released to the ACH Network for processing and less than five banking days has elapsed since the settlement date of the original item
- **ACH Reclamation:** A reclamation is a request to reclaim the payment from the receiver due to death

If the request is denied by the RDFI, you must work outside the ACH network to directly recoup the funds from the ACH receiver.

Deletion or Reversal

Deletion Process: M&T can delete a transaction from the origination file only if the transaction is in the Bank's ACH system (PEP+) warehouse. Once the file is released from the M&T ACH system into the ACH network, deletions cannot be completed. Deletions require manual intervention and re-calculating of the file totals. To request a deletion, you must complete an ACH Recovery of Funds Request form, and fax to the M&T Commercial Service Team. Refer to **Appendix B** for a copy of the Recovery of Funds form.

Reversal Process: Once transactions are released to the ACH Network, the NACHA rules allow you, as the originator, to reverse erroneous entries within five banking days after the settlement date of the original entries. You may reverse an entire file, specific batches or individual entries.

As a direct transmission ACH origination customer, your organization has the ability to create a reversal file and submit it directly to the Bank. In this case, the word "REVERSAL" (left justified) must be placed in the Company Entry Description Field of each Company/Batch Header Record of an exact duplicate of the original transaction.

Manual Reversals: Manual reversal requests can also be processed by M&T for an additional fee. To request a manual Reversal, you must submit an ACH Recovery of Funds Request form and fax to the M&T Commercial Service Team. Refer to **Appendix B** for a Recovery of Funds Request form.

Reclamations

An ACH Reclamation is a request to reclaim the payment from a receiver only due to death.

Reclamations Process: Once transactions are released to the ACH Network, the NACHA rules allow you, as the originator to reclaim erroneous entries due to the death of a recipient. A reclamation entry must be sent within 5 banking days of the notification of that recipient's death.

You may submit a file of reclamation entries to M&T for processing. In this case, the word "RECLAIM" (left justified) must be placed in the Company Entry Description Field of each Company/Batch Header Record of an exact duplicate of the original transaction.

ACH Returned Items and Notifications of Change

As an ACH Originator, you will receive ACH Returns or Notifications of Change (NOCs) from time-to-time. As required by NACHA rules, your organization will need to take corrective action in response to these critical items.

Return: An ACH entry that has been returned by the RDFI or ACH Operator because it cannot be processed. Returns have dollars associated with them (as opposed to NOCs which are only informational). The reason for each return is included with the return in the form of a Return Reason Code. Refer to **Appendix G** for a listing of common Return Reason codes.

Notifications of Change (NOCs): Information sent by an RDFI to notify you that previously valid information for a Receiver has become outdated or that information contained in a Prenotification is erroneous. The Standard Entry Class (SEC) code of these notifications is "COR." Refer to **Appendix F** for a listing of common NOC Reason codes.

This critical information can be provided to you via transmission in lieu of the Customer Activity Report (CAR). Transmitted information is limited to ACH Returns and Notifications of Change (NOCs) only. Alternatively, M&T Bank can provide a complete Customer Activity Report (CAR) via Web InfoPLU\$, mail or fax.

Customer Activity Report (CAR)

The Customer Activity Report (CAR) provides your organization critical information regarding your ACH Returns, Notifications of Change (NOCs), Reversals and Settlement. It consists of five major sections.

Each category of information is reported in its own section on the statement. Any section that does not contain data will be generated and indicate “NO ACTIVITY.” Each report includes a section that lists the account number, settlement date, name and address of the account older, and the report title “ACH ACTIVITY SUMMARY.” This report details all activity that relates to ACH transaction that were originated on your behalf.

M&T BANK	ACCOUNT NUMBER: 1234567890
626 COMMERCE DR	SETTLEMENT DATE: 10/16/20XX
AMHERST NY 14228	PAGE 1
 CAR REPORT SAMPLE	 *****
ABC COMPANY	* M&T Bank *
123 ANY STREET	* Member FDIC *
YOUR CITY, STATE ZIPCODE	*****
YNNNN:XXXXXXXXXX	
 ACH ACTIVITY SUMMARY	
 THIS REPORT DETAILS ALL ACTIVITY THAT RELATES TO ACH	
TRANSACTIONS THAT WERE ORIGINATED ON YOUR BEHALF.	

SECTION I: Adjustment Activity Completed Today. This section provides details on any Reversals and Deletions that M&T Bank has completed on your organization’s behalf. These confirmations are that your requested Reversals and Deletions provided to M&T Bank that have been completed on your behalf.

I. ADJUSTMENT ACTIVITY COMPLETED TODAY-					
THIS SECTION CONFIRMS ALL ADJUSTMENTS COMPLETED TODAY ON YOUR BEHALF.					
FILE REFERENCE	COMPANY NAME	COMPANY ID	EFF. DATE	ENTRY DESC	BATCH #
20XX2850252	ABC COMPANY	0000000000	07-10-XX	PAYMENTS	001

DETAIL REVERSAL		DEBIT AMOUNT		CREDIT AMOUNT	
CUSTOMER SAMPLE 1	(5969346)				
055002707	10000000000		\$.00		\$20,000.00

TOTAL = 1			\$.00		\$20,000.00

SECTION II: Notifications of Change. A Notification of Change (NOC) is sent by an RDFI to notify you that it has made a change to an ACH transaction you sent in order to post it to the receiver's account. *The transaction has not been returned.* **This is your notice to correct the transaction on your company's database before sending another transaction to that receiver.** Refer to **Appendix F** for a list of common Notification of Change Reason codes and their definitions.

II. NOTIFICATION OF CHANGE -

THIS SECTION LISTS THE NOTIFICATIONS OF CHANGE RECEIVED FOR ACH ENTRIES ORIGINATED ON YOUR BEHALF. THE ORIGINAL ITEM INFORMATION IS FOLLOWED BY THE CORRECTED DATA. PLEASE MAKE THESE CHANGES TO YOUR RECORDS.

FILE REFERENCE	EFF DATE	COMPANY NAME	COMPANY ID	ENTRY DESCR.	
20XX1920463	07-10-XX	ABC COMPANY	0000000000	9990025	
TC	INDIVIDUAL NAME	INDIVIDUAL ID	TR	ACCT #	REF. #
23	SAMPLE 4	123456000	021307559	000000000	4549281
CHANGE TR TO: 021307559					
CHANGE ACCT NBR TO: 111111111					
TOTAL CORRECTIONS: 1					

SECTION III: Items Returned. This section provides any ACH transactions that your organization has originated that were returned to M&T Bank. Along with each returned transaction is the reason why that transaction has been returned using a "Return Reason Code." Refer to **Appendix G** for a list of common Return Reason codes and their definitions.

III. ITEMS RETURNED -

THIS REPORT LISTS THE RETURN ITEMS PROCESSED TODAY. THEY WILL REFLECTED ON TODAY'S SETTLEMENT.

FILE REFERENCE	EFF DATE	COMPANY NAME	COMPANY ID	ENTRY DSCP.	
20XX2840342	07-10-XX	M&T BANK	00-0000000	T3000 ACH	
RETURN	TRANSIT- ACCOUNT NUMBER/				
REASON	TC	AMOUNT	INDIVIDUAL NAME/ID	ROUTING	REFERENCE
RO3	22	\$2,064.00	CUSTOMER SAMPLE 2	031101143	2000000000
			1854040221		(5371486)
			R03 -NO ACCT/CANNOT LOCATE -		
			M&T BANK	T3000 ACH	
\$2,064.00			CREDITS	NUMBER OF CREDITS:	1
				NUMBER OF CREDIT PRENOTES:	0

SECTION IV: Adjustment Activity Affecting Settlement Today. This section reports when your requested Reversals and Deletions have affected the dollar amount of your organization's settlement offset.

IV. ADJUSTMENT ACTIVITY AFFECTING SETTLEMENT TODAY -

THIS SECTION LISTS ALL ADJUSTMENTS TO YOUR ORIGINATED ACH ENTRIES THAT AFFECT THE SETTLEMENT TO YOUR ACCOUNT TODAY.

FILE REF. #	EFF DATE	COMPANY NAME	COMPANY ID	ENTRY DESC	BATCH #
20XX2850252	7-10-XX	ABC COMPANY	0000000000	PAYMENTS	0001

DETAIL REVERSAL	REFERENCE	TC	TR	ACCOUNT NUMBER	AMOUNT
CUSTOMER SAMPLE 3	(5969346)	22	055002707	3000000000	\$20,000.00
06-16-XX - ACTIVITY DATE					

TOTAL CREDITS REVERSED= 1

ADJUSTMENT SUMMARY FOR FILE: 20072850252 (EXCLUDING REVERSALS)

	DEBITS	CREDITS
ADDS +	\$.00	\$.00
CHANGES +	\$.00	\$.00
CHANGES -	\$.00	\$.00
DELETES -	\$.00	\$.00
ADJUSTMENTS +	\$.00	\$.00

SECTION V: Settlement of Reconciliation for Today. This is the amount that you will see on your bank statement as an offset for all ACH origination activity.

V. SETTLEMENT RECONCILIATION FOR TODAY -

THIS SECTION LISTS THE SETTLEMENT CHARGES TO BE DEBITED/CREDITED TO YOUR ACCOUNT TODAY.

FILE REFERENCE	COMPANY NAME	APPLICATION		
20XX2890028	ABC COMPANY	INTERNAL		
			DEBIT AMOUNT	CREDIT AMOUNT
ORIGINAL FILE/BATCH AMOUNT:			\$11,367,790.15	\$.00
ADJUSTMENT ACTIVITY, DETAILED IN SECTION IV:			+ \$.00	+ \$.00
SETTLEMENT TO BE DEBITED/CREDITED TO YOUR ACCOUNT TODAY:			\$11,367,790.15	\$.00

For customers that elect to receive their activity information via transmission, ACH Returns and Notifications of Change (NOCs) can be transmitted in standard NACHA format.

Appendix A - Common ACH SEC Codes

SEC Code	Origination Field	Description
ARC	Accounts Receivable Entry	A one-time ACH debit entry to a consumer's account, initiated by an Originator for purchases or payments that are made by US Mail, courier or at a drop box.
BOC	Back Office Conversion	A check conversion entry that enables originators to convert an eligible check to a single entry ACH debit received at the point of purchase or manned bill payment location.
CCD	Cash Concentration or Disbursement	A credit or debit entry where funds are transferred between <u>unrelated corporate</u> entities, or transmitted as intra-company cash concentration and disbursement transactions.
CTX	Corporate Trade Exchange	A corporate-to-corporate transfer of debit or credit entries, either between trading partners or within an organization for cash management purposes. Contains addenda information in the ANSI ASC X12 format.
IAT	International ACH Transaction	ACH credit or debit entry that is part of a transaction that involves a financial agency's office that is outside the jurisdiction of the United States.
PPD	Prearranged Payment and Deposit Entry	A credit or debit entry initiated by an organization pursuant to a standing or single entry authorization to a <u>consumer</u> account.
RCK	Re-Presented Check Entry	A debit entry constituting a presentment notice of a paper check after the paper check has been returned for insufficient or uncollected funds.
TEL	Telephone-Initiated Entry	Used for the transmission of single-entry consumer account debits based on an oral authorization that is obtained from the Receiver by the telephone.
WEB	Internet-Initiated Entry	A debit entry initiated to a consumer account and authorized by the internet.

Appendix B – ACH Recovery of Funds Request Form

NOTICE: Per the NACHA Operating Rules, ACH Originators who transmit reversing entries to correct erroneous credit or debits are required to notify the Receiver that the reversal is being transmitted, including the reason for the reversal. Reversals are to be received by the Receiving Bank no later than 5 banking days after the settlement date of the initial entry. M&T can request a reversal from the Receiving Bank; however, the Receiving Bank is not obligated to honor the request.

For inquiries, please contact the Commercial Service Team at (800) 724-2240.
To request an ACH Reversal or Deletion, fax completed form to (877) 359-9853.

SECTION 1: COMPANY INFORMATION

Date _____

Company Name _____

Contact Name _____

Phone Number _____ Fax Number _____

Authorized Signature _____

Please complete SECTION 2 OR SECTION 3 based on the reversal/deletion transaction type:

SECTION 2: SINGLE TRANSACTION/ITEM

Individual Name
Individual ID #
Account #
Amount \$
Transit Routing #
Effective Date

INSTRUCTIONS FOR SECTIONS 1-3

Company Name: Enter the originating company name
Contact Name: Enter the contact name at the company
Phone Number: Enter the company contact's phone #
Fax Number: Enter the company contact's fax #
Authorized Signature: Complete with auth. signature
Individual Name: Enter account holder's name
Individual ID#: Enter the individual id used on the trans.
Account #: Enter the receiving account number
Amount \$: Enter the transaction amount
Transit Routing #: Enter the transit routing number
Effective Date: Enter the effective date of the transaction
File/Batch Amount \$: Enter the total file or batch amount
File/Batch Eff. Date: Enter the effective date of the file/batch
Process Date: Enter the date the file/batch was processed

SECTION 3: FILE/BATCH

File/Batch Amount \$
File/Batch Effective Date
Process Date

SECTION 4: ADDITIONAL INFORMATION

Reason for Request/Special Instructions:

INSTRUCTIONS FOR COMPLETING ACH RECOVERY OF FUNDS REQUEST FORM

The ACH Recovery of Funds form is designed to assist you with a request for special handling of previously originated erroneous entries or files that have been submitted to M&T for processing. The ACH Department will delete the payments if they have not been released into the ACH Network. If the payments have already been released, M&T will create a REVERSAL transaction (e.g., the opposite of your original entry) on your behalf to recover/dispurse funds. Based on NACHA guidelines, reversals should be available to the Receiving Bank no later than five (5) banking days after the Settlement Date of the initial payment. Requests received after 4pm ET may be considered next banking day's business. It should be noted that these entries are done a best effort basis and are provisional. The receiving banks may not process all of the reversal transactions and some reversal transactions might be returned.

Please note: M&T can request a reversal from the Receiving Bank; however, the Receiving Bank is not obligated to honor the request.

For inquiries, please contact the Commercial Service Team at (800) 724-2240

Return/Deletion Request Form Instructions

The ACH Recovery of Funds Request Form should be used to request the Deletion or Reversal of an ACH entry, batch or file that has already been submitted to M&T for processing. The ACH Operations Department will delete the transactions if they have not already been released into the ACH network. If the items have already been released, M&T will create a Reversal transaction (e.g., the opposite of your original entry) on your behalf to recover/disburse funds.

Reversals should be requested no later than five (5) banking days after settlement date of the original entry. It should be noted that these entries are done on a best effort basis and are provisional. The receiving banks may not process all of the reversal transactions and only some reversal transactions might be returned. *The Receiving Bank is not obligated to honor M&T's request.*

Section 1: Company Information

All fields in this section must be completed. You may choose to take the form and type in the information (except for the signature) and make copies so that you do not have to complete this part of the form every time it is used.

COMPLETE SECTION 2, 3 or 4 based on the Reversal or Deletion Type:

Section 2: Item Reversal/Deletion

Individual Name:	Name of the employee or client for which the reversal or deletion is requested.
Individual ID#:	ID number used to identify the individual listed on the request
Account #:	The account number for the individual listed on the request
Amount:	The amount of the transaction as it appears in the file sent to M&T
Transit Routing #:	The bank routing number of the receiving bank as listed in the files sent to M&T
Effective Date:	Date the transaction will post as indicated in the batch header record

Section 3: Batch Reversal/Deletion

Batch Amount:	Dollar amount of the batch to be reversed or deleted
Batch Effective Date:	Effective date assigned to the transactions in the batch
Process Date:	Date the file containing the batch to be reversed or deleted was sent to M&T for processing

Section 4: File Reversal/Deletion

File Amount: Dollar amount of the file to be reversed or deleted
File Effective Date: Effective date of the transactions included in the file to be reversed or deleted
Process Date: The date the file was sent to M&T for processing

Section 5: For Bank Use Only

This section is for ACH Operations use only.

Once the request form is completed, please fax it to the Commercial Service Team at 1-877-359-9853. Attn.: Commercial Service Team, Buffalo, NY.

Appendix C - Sample Authorization Agreement for Direct Deposits (ACH Credits)

Company Name: _____ Company ID Number: _____

I (we) hereby authorize _____, hereinafter called COMPANY, to initiate credit entries to my (our) Checking Account/Savings Account (select one) indicated below at the depository financial institution named below, hereinafter called DEPOSITORY, and to credit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository Name: _____ Branch: _____
City: _____ State: _____ Zip: _____
Routing Number: _____ Account Number: _____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s): _____ ID Number: _____
(Please Print)

Date: _____ Signature: _____

Note: Written credit authorizations must provide that the receiver may revoke the authorization only by notifying the originator in the manner specified in the authorization.

Appendix C Cont. - Sample Authorization Agreement for Direct Deposits (ACH Debits)

Company Name: _____ Company ID Number: _____

I (we) hereby authorized _____, hereinafter called COMPANY, to initiate debit entries to my (our) Checking Account/Savings Account (select one) indicated below at the depository financial institution named below, hereinafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository Name: _____ Branch: _____
City: _____ State: _____ Zip: _____
Routing Number: _____ Account Number: _____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s): _____ ID Number: _____
(Please Print)

Date: _____ Signature: _____

Note: Debit authorizations must provide that the receiver may revoke the authorization only by notifying the originator in the manner specified in the authorization.

Appendix D - ACH File Layout

NACHA ACH Record Layout

File Header Record Format ("1" Record)

Field	Position	Length	Format	Field Name	Content Comments
1	01-01	1	Numeric	Record Type Code	Constant "1"
2	02-03	2	Numeric	Priority Code	Constant "01"
3	04-04	1	Blank	Unused	Always leave blank.
3a	05-13	9	Numeric	Immediate Destination	M&T Transit/Routing number: "022000046" for NY, "031302955" for PA or "052000113" for Mid-Atlantic.
4	14-14	1	Numeric	I.D. Code	Constant "1"
4a	15-23	9	Numeric	Immediate Origin #	Originator's identification number, which will be used by M&T Bank to identify the company. The company's IRS employer identification number should be used here.
5	24-29	6	Numeric	File Creation Date	Format of the date is: YYMMDD
6	30-33	4	Numeric	File Creation Time	Format of the time is: HHMM
7	34-34	1	Alphanumeric	File I.D. Modifier	The File I.D. Modifier is provided to permit multiple files created on the same date and between the same participants to be distinguished. For a single file from a company, this field should contain "A." If the company has an additional file sent that same day with the same date, the modifier would be "B" (case sensitive).
8	35-37	3	Numeric	Record Size	Constant "094"
9	38-39	2	Numeric	Blocking Factor	Constant "10"
10	40-40	1	Numeric	Format Code	Constant "1"
11	41-63	23	Alphanumeric	Destination Name	The Bank's name should be displayed as follows: "M&T BANK BUFFALO NY" (left justified).
12	64-86	23	Alphanumeric	Origin Name	The name of the originating company or organization (left justified).
13	87-94	8	Blank	Reference Code	Always leave blank.

Batch Header Record Format (“5” Record)

“5” Record

Field	Position	Length	Format	Field Name	Content Comments
1	01-01	1	Numeric	Record Type Code	Constant “5”
2	02-04	3	Numeric	Service Class Code	“200” – Batch includes both debits and credits “220” – Batch includes only credits “225” – Batch includes only debits
3	05-20	16	Alphanumeric	Company Name	The value of this field is established by the company for purposes of identifying the source of the entry, and descriptive purposes to the individual. The company name must be recognizable to the receiver, per NACHA rules.
4	21-40	20	Alphanumeric	Company Discretionary Data	Any additional information needed by the company.
5	41-41	1	Numeric	Company I.D. Code	Assigned by Transmission Support, usually a “1”, unless there are multiple settlement account numbers.
5a	42-50	9	Numeric	Company Identification	The company’s IRS employer I.D. should be used here.
6	51-53	3	Alphanumeric	Standard Entry Class (SEC)	This field is used to identify the SEC used. For example: “PPD” for payroll, “CCD” for vendor payment with no addenda. See NACHA rules book for a complete listing of Standard Entry Class codes and their definition. (Field is case sensitive)
7	54-63	10	Alphanumeric	Company Entry Description	The company establishes the value of this field to provide a description of the entry which will be displayed on the recipients’ bank statement. For example: “Payroll” “Bill Pay” “Loan Payment”
8	64-69	6	Alphanumeric	Company Descriptive Date	The company establishes this field as a date for descriptive purposes.
9	70-75	6	Numeric	Effective Entry Date	The date the transaction should be applied to the receiver’s account. This date cannot be set for same day or a date in the past. In addition, this date cannot be more than 10 calendar days in the future. Format: YYMMDD
10	76-78	3	Blank	Unused	Always leave blank.
11	79-79	1	Alphanumeric	Originator Status Code	For originating companies, this field should contain a “1”
12	80-87	8	Numeric	ODFI I.D.	Partial M&T Transit/Routing Number: “02200004” for NY, “03130295” for PA, or “05200011” for Mid-Atlantic.
13	88-94	7	Numeric	Batch Number	The company assigns this number in ascending sequence by batch in a given file of entries. (Ascending number assigned by batch, not by record)

Entry Detail Record Format (“6” Record)

Field	Position	Length	Format	Field Name	Content Comments																																				
1	01-01	1	Numeric	Record Type Code	Constant “6”																																				
2	02-03	2	Numeric	Transaction Code	<p>The value of this field should be determined from the following list. Please Note: M&T can only receive payments into DDA or savings accounts.</p> <table><tr><td>ACCOUNT</td><td>DR/CR</td><td>TRAN</td><td>PRENOTE</td></tr><tr><td>DDA</td><td>Credit</td><td>22</td><td>23</td></tr><tr><td>DDA</td><td>Debit</td><td>27</td><td>28</td></tr><tr><td>Savings</td><td>Credit</td><td>32</td><td>33</td></tr><tr><td>Savings</td><td>Debit</td><td>37</td><td>38</td></tr><tr><td>Loan</td><td>Credit</td><td>52</td><td>53</td></tr><tr><td>Loan</td><td>Debit</td><td>55</td><td>56</td></tr><tr><td>G/L</td><td>Credit</td><td>42</td><td>43</td></tr><tr><td>G/L</td><td>Debit</td><td>47</td><td>48</td></tr></table>	ACCOUNT	DR/CR	TRAN	PRENOTE	DDA	Credit	22	23	DDA	Debit	27	28	Savings	Credit	32	33	Savings	Debit	37	38	Loan	Credit	52	53	Loan	Debit	55	56	G/L	Credit	42	43	G/L	Debit	47	48
ACCOUNT	DR/CR	TRAN	PRENOTE																																						
DDA	Credit	22	23																																						
DDA	Debit	27	28																																						
Savings	Credit	32	33																																						
Savings	Debit	37	38																																						
Loan	Credit	52	53																																						
Loan	Debit	55	56																																						
G/L	Credit	42	43																																						
G/L	Debit	47	48																																						
3	04-11	8	Numeric	RDF1 Transit/Routing Number	The standard Transit/Routing (ABA) number is used to identify the financial institution at which the receiver’s account is held. The ninth (check) digit is contained in the next field.																																				
3a	12-12	1	Numeric	Transit/Routing Check Digit	The modular ten-check digit associated with the above ABA number.																																				
4	13-29	17	Alphanumeric	Bank Account Number	The individual’s account number at the institution identified above. This field should be <u>left justified</u> and <u>blank-filled</u> .																																				
5	30-39	10	Numeric	Amount	The receiving institution posts this amount to the appropriate account authorized by the receiver. A zero amount is acceptable with a prenote transaction code only; a specific amount must be present for all live transaction codes.																																				
6	40-54	15	Alphanumeric	Individual ID #	This field can contain the accounting number by which the individual is known to the company. For example Employee Number (Required for Payroll Card transactions).																																				
7	55-76	22	Alphanumeric	Individual Name	This field is entered by the company and provides additional identification for the receiver and may be helpful in identifying returned items.																																				
8	77-78	2	Blank	Discretionary Data	Required “S” or “R” by WEB transactions; left-justified. Otherwise not used (should be blank filled).																																				
9	79-79	1	Numeric	Addenda Record Indicator	Will contain “0” if no addenda record is present for this entry or a “1” if an addenda record is present for this entry.																																				
10	80-87	8	Numeric	ODFI I.D.	Same value as used on the Batch Header (5) record, positions 80-87; “02200004” for NY, “03130295” for PA, “05200011” for Mid-Atlantic.																																				
11	88-94	7	Numeric	Detail Entry Count	A sequential number assigned to each transaction within the file (Trace #).																																				

Entry Detail Addenda Record Format (“7” Record)

Field	Position	Length	Format	Field Name	Content Comments
1	01-01	1	Numeric	Record Type Code	Constant “7”
2	02-03	2	Numeric	Addenda Type Code	Constant “05” for payment related information
3	04-83	80	Alphanumeric	Payment Related Information	Addenda record formats vary depending on the SEC identified in the Batch Header record. Refer to the NACHA Rules Book for detailed information.
4	84-87	4	Numeric	Addenda Sequence	This number is consecutively assigned to each Addenda Record following an Entry Detail Record.
5	88-94	7	Numeric	Detail Sequence Number	This field contains the ascending sequence number section of the Entry Detail Record’s trace number. Same value as used in the Detail (6) record, positions 88-94.

Batch Control Record Format (“8” Record)

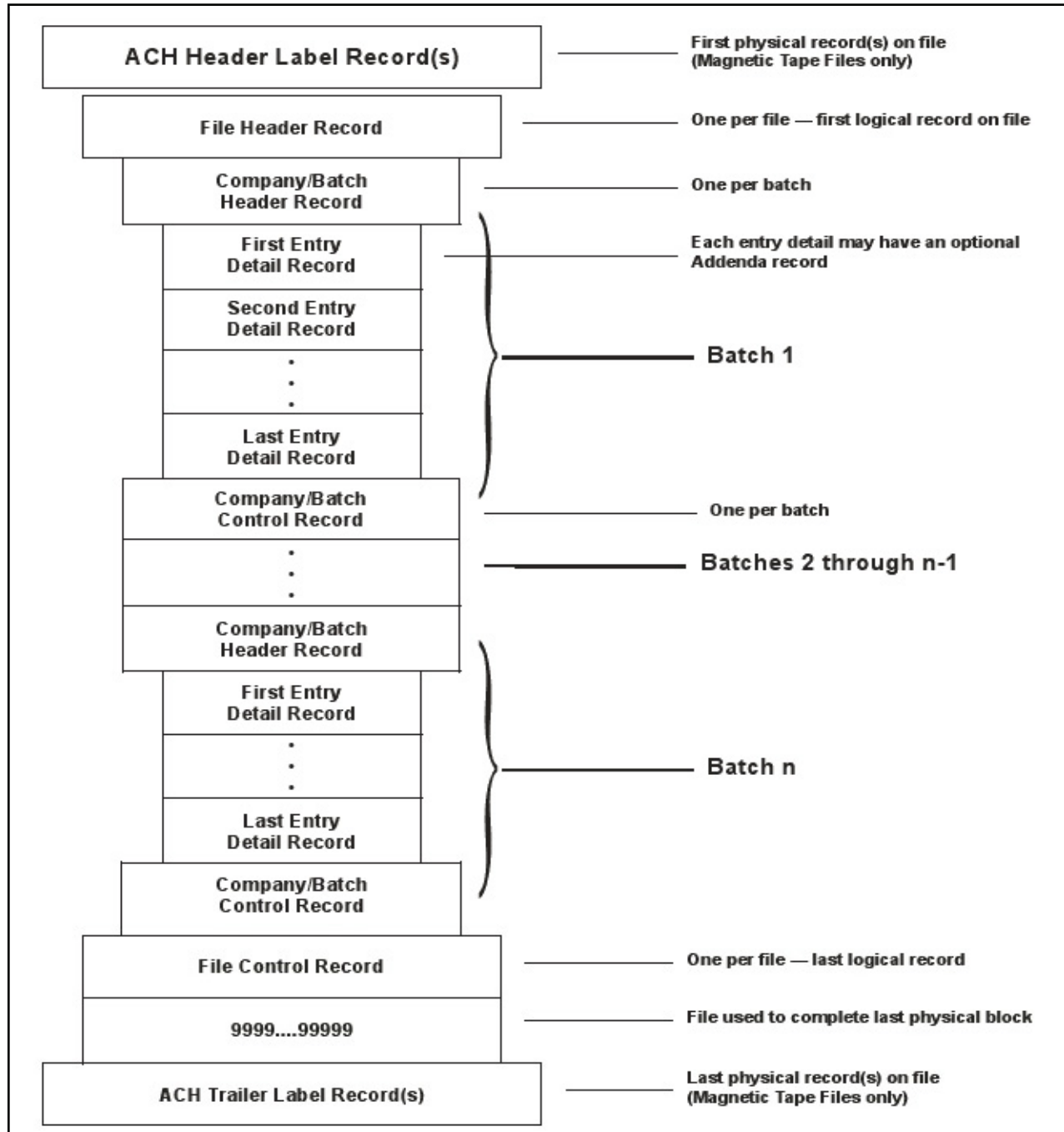
Field	Position	Length	Format	Field Name	Content Comments
1	01-01	1	Numeric	Record Type Code	Constant “8”
2	02-04	3	Numeric	Service Class Code	“200” – Batch includes both debits and credits “220” – Batch includes only credits “225” – Batch includes only debits
3	05-10	6	Numeric	Entry and Addenda Count	This count is a tally of each entry detail (6) record and addenda (7) record processed within the batch.
4	11-20	10	Numeric	Entry Hash	The critical Transit/Routing (ABA) number in each detail record is hashed to provide a check against inadvertent alteration of data contents due to hardware failure or program error. The entry detail transit routing is located in positions 04 - 11 of the type 6 record. (Note: Ignore any overflow beyond the ten-character field size).
5	21-32	12	Numeric	Total Debit Entry Dollar Amount	This field contains the accumulated entry detail debit totals (Tran codes 27 or 37) within a given batch. The amount field is located in positions 30–39 of the type 6 record.
6	33-44	12	Numeric	Total Credit Entry Dollar Amount	This field contains the accumulated entry detail credit totals (Tran codes 22 or 32) within a given batch. The amount field is located in positions 30-39 of the type 6 record.
7	45-45	1	Numeric	Company ID Code	Constant “1”
7a	46-54	9	Numeric	Company ID	Same value that was used on the Batch Header (5) record, positions 42-50.
8	55-79	25	Blanks	Reserved	Always fill with blanks.
9	80-87	8	Numeric	ODFI ID Number	Same value that was used on the Batch Header (5) record, positions 80-87; “02200004” for NY, “03130295” for PA or “05200011” for Mid-Atlantic.
10	88-94	7	Numeric	Batch Number	Same value that was used on the Batch Header (5) record, positions 88-94.

File Control Record Format (“9” Record)

Field	Position	Length	Format	Field Name	Content Comments
1	01-01	1	Numeric	Record Type Code	Constant “9”
2	02-07	6	Numeric	Batch Count	This value must be equal to the number of Batch Header (5) records in the file.
3	08-13	6	Numeric	Block Count	The block count contains the number of physical blocks in the file, including both file header and file control records.
4	14-21	8	Numeric	Entry and Addenda Count	This count is a tally of each Entry Detail (6) and Addenda (7) records within the file.
5	22-31	10	Numeric	Entry Hash	Same criteria as used to develop the batch control hash total except this data element pertains to the entire file.
6	32-43	12	Numeric	Total Debit Entry Dollar Amount	Same criteria as used to develop the similar element contained on the batch control record except this element pertains to the entire file. Format: \$\$\$\$\$\$\$\$\$\$CC
7	44-55	12	Numeric	Total Credit Entry Dollar Amount	Same criteria as used to develop the similar element contained on the batch control record except this element pertains to the entire file. Format: \$\$\$\$\$\$\$\$\$\$CC
8	56-94	39	Blanks	Reserved	Always fill with blanks.

Appendix E - File Record Sequence

Diagram of Sequence of Records for ACK, ARC, ATX, BOC, CCD, COR, CIE, DNE, MTE, POP, POS, PPD, RCK, SHR, TEL, and WEB Entries



Appendix F - Frequently Used Notifications of Change Codes

ACH Notification of Change Codes (NOC)		
Change Code	Change Title	Description
C01	ACCOUNT NUMBER	Account number is incorrect or is formatted incorrectly.
C02	TRANSIT/ROUTING NUMBER	Due to a merger or consolidation, a once valid transit/routing number must be changed.
C03	TRANSIT/ROUTING NUMBER AND ACCOUNT NUMBER	Due to a merger or consolidation, a once valid transit/routing number must be changed and the account number structure is no longer valid.
C04	ACCOUNT NAME	Customer has changed name.
C05	TRANSACTION CODE	Transaction code is incorrect and this is causing the ACH entry to be routed to the wrong application (demand or savings).
C06	ACCOUNT NUMBER AND TRANSACTION CODE	Account number is incorrect or is formatted incorrectly and the transaction code is incorrect causing the ACH entry to be routed to the wrong application (demand or savings).
C07	TRANSIT/ROUTING NUMBER, ACCOUNT NUMBER AND TRANSACTION CODE	Due to a merger or consolidation, a once valid transit/routing number must be changed, the account number structure is incorrect or is formatted incorrectly and the transaction code is incorrect causing the ACH entry to be routed to the wrong application (demand or savings).

Appendix G - Frequently Used NACHA Return Codes

Return Code	Reason for Return	Description
R01	INSUFFICIENT FUNDS	Available balance is not sufficient to cover the value of the debit entry.
R02	ACCOUNT CLOSED	Previously active account is now closed.
R03	NO A/C UNABLE TO LOCATE	The account number structure is valid but the RDFI is unable to identify the individual.
R04	INVALID ACCOUNT	The account number structure is not valid.
R05	UNAUTHORIZED DEBIT TO CONSUMER A/C	A CCD, CTX, or CBR debit entry was transmitted to a consumer account of the receiver and was not authorized by the receiver.
R06	RETURNED PER ODFI REQUEST	M&T has asked the RDFI to return an entry.
R07	REVOKED AUTHORIZATION	Your customer, who previously authorized entries, has revoked authorization.
R08	PAYMENT STOPPED	Receiver stopped a single entry but does not intend to stop future activity.
R09	UNCOLLECTED FUNDS	A sufficient ledger balance exists but the value of the transactions in process of collection reduces the balance below the debit amount.
R10	ADVISES NOT AUTHORIZED	Consumer advises that entry is not authorized.
R12	BRANCH SOLD TO ANOTHER DFI	Account is now at a branch sold to another DFI.
R13	NONPARTICIPATING DFI	RDFI is not an ACH member, or routing number is invalid.
R14	DEPOSITOR DECEASED	The account holder is deceased. Beneficiary may be entitled to payments in another account.
R15	BENEFICIARY DECEASED	The beneficiary account holder is deceased. Stop future payments.
R16	ACCOUNT FROZEN	Funds are unavailable due to action taken by the RDFI or by legal action.
R17	FILE RECORD EDIT CRITERIA	RDFI cannot process due to field edit error. The field(s) causing the error should be identified in the addenda record.
R20	NONTRANSACTION ACCOUNT	Policies and/or regulations restrict activity on account indicated.
R24	DUPLICATE RETURN	RDFI has returned a duplicate entry.
R29	CORPORATE ENTRY UNAUTHORIZED	Corporate receiver has notified RDFI that corporate entry is not authorized.
R38	STOP PAYMENT ON SOURCE DOCUMENT	An ARC entry had a stop payment order placed on the consumer's source document.

*For other return codes, please refer to the ACH Rules, Corporate Edition guide.



Questions?

We are Here to Assist You.

For ACH Origination or other Treasury Management questions, please contact your Treasury Management Consultant or call the Commercial Service Team at:

1-800-724-2240

Monday - Friday 8am to 6pm ET