

**PART IV
ACH PARTICIPANT SURVEY**

**REQUEST FOR COMMENT
RULES WORK GROUP #52
OPERATIONAL EFFECIENCY ISSUES**

Completed ACH Participant Surveys should be sent to Maribel Bondoc, Manager of Network Rules, NACHA, 13665 Dulles Technology Drive, Suite 300, Herndon, VA 20171; fax: (703) 787-0996; e-mail: mbondoc@nacha.org. Questions should be directed to Deborah Shaw, Cari Conahan or Debbie Barr at (703) 561-1100. *Completed surveys must be received at NACHA no later than Wednesday, June 22, 2005. Please review the Request For Comment prior to answering the survey questions. You may also attach additional comments to the end of the survey.*

Please circle the type(s) of organization(s) that you represent:

ODFI RDFI ACH Operator Originator Receiver
Regional Payments Association Government Third-Party Service Provider
Software Vendor Other Trade Association Other:_____

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IDENTIFYING COMPANIES

1. Company Identification Field

- a. Does your organization support restricting the field contents of the Company Identification Field to be either the Originator's IRS Taxpayer Identification Number (TIN) for U.S. companies or, for non-U.S. companies, an identifier as outlined in 31 CFR Part 103 which implements section 326 of the USA PATRIOT Act so the Originator can be identified distinctly at a national level? This change would more clearly identify the company but would eliminate the use of this Field for user assigned numbers.

Yes _____ No _____

Specify why: _____

- b. Does your organization have any concerns or foresee any negative effects/risks related to this proposal?

- c. What benefits does your organization believe would be derived from this proposal?

- d. Would there be a substantial operational impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

- e. Would there be a financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please quantify how costly would the financial impact be?

_____ high _____ moderate _____ minimal

Provide an estimate of the costs involved: _____

f. Will this proposal require your organization to make changes to its ACH software?

Yes _____ No _____

If yes, how extensive would the required software change be?

_____ high _____ moderate _____ minimal

2. Company Name Field for ARC Entries

a. Does your organization support modifying the definition for the Company Name Field for ARC entries to eliminate the specific requirement that the Field reflect the payee name as it appears on the face of the check? The Field would contain the name of the Originator, which is the payee of the source document, and could contain the payee name as shown on the consumer's statement or invoice.

Yes _____ No _____

Specify why: _____

b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

c. What benefits does your organization believe would be derived from this proposal?

d. Would there be a substantial operational impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

e. Would there be a financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify how costly the financial impact would be:

_____ high _____ moderate _____ minimal

Provide an estimate of the costs involved: _____

f. Would this proposal require your organization to make changes to its ACH software?

Yes _____ No _____

If yes, how extensive would the required software change be?

_____ high _____ moderate _____ minimal

UNSECURED ELECTRONIC NETWORK

3. Third-Party Senders in Article Two and Appendix Eight

a. Does your organization support the proposal to include Third-Party Senders in Article Two, Section 2.2.1.7, Verification of Identity of Originator, and Appendix Eight, Section 8.3(I), the related audit requirement?

Yes _____ No _____

Specify why: _____

b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

c. What benefits does your organization believe would be derived from this proposal?

d. Would there be a substantial operational impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

e. Would there be a financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please quantify how costly the financial impact would be:

_____ high _____ moderate _____ minimal

Provide an estimate of the costs involved: _____

f. Would this proposal require your organization to make changes to its ACH software?

Yes _____ No _____

If yes, how extensive would the required software change be?

_____ high _____ moderate _____ minimal

4. Originator Obligation: Security of Internet Session for WEB Entries

a. Does your organization support the proposal to remove Article Three, Section 3.9.4., which contains the Originator obligation related to security of the Internet session for WEB Entries, as it is covered more broadly under Article Three, Section 3.3, Transmission of ACH Information via Unsecured Electronic Networks?

Yes _____ No _____

Specify why: _____

- b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

- c. What benefits does your organization believe would be derived from this proposal?

- d. Would there be a substantial operational or financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

TEL LIABILITY

5. Liability for Breach of Warranty for TEL Entries

- a. Does your organization support the proposal to include a specific section in the *Rules* to address the liability for breach of warranty for TEL Entries for consistency with other sections of Article Two?

Yes _____ No _____

Specify why: _____

- b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

c. What benefits does your organization believe would be derived from this proposal?

d. Would there be a substantial operational or financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please quantify: _____

RETURN CODE ISSUES

6. Audit Requirements Related to Return Reason Code R05 (Unauthorized Debit to Consumer Account Using Corporate SEC Code)

a. Does your organization support the proposal to include Return Reason Code R05 within the audit requirements for RDFIs in the *Rules* to verify during an audit that WSUPPs are obtained for returns using this return reason code?

Yes _____ No _____

Specify why: _____

b. Does your organization support the proposal to include Return Reason Code R05 within the audit requirements for ODFIs in the *Rules* to verify during an audit that authorization and correct information is obtained before reinitiating entries returned using this return reason code?

Yes _____ No _____

Specify why: _____

- c. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

- d. What benefits does your organization believe would be derived from this proposal?

- e. Would there be a substantial operational or financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please quantify: _____

7. Definition of Return Reason Code R16 (Account Frozen)

- a. Does your organization support the proposal to modify the definition of Return Reason Code R16 (Account Frozen) to clarify that this return reason code may be used for both credit and debit entries?

Yes _____ No _____

Specify why: _____

- b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

c. What benefits does your organization believe would be derived from this proposal?

d. Would there be a substantial operational impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

e. Would there be a financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please quantify how costly the financial impact would be:

_____ high _____ moderate _____ minimal

Provide an estimate of the costs involved: _____

f. Would this proposal require your organization to make changes to its ACH software?

Yes _____ No _____

If yes, how extensive would the required software change be?

_____ high _____ moderate _____ minimal

DEFINITIONS

8. Definition of Automated Accounting Advice (ADV)

a. Does your organization support the proposal to add the proposed definition for the Automated Accounting Advice (ADV) Standard Entry Class Code to Article Fourteen in the *Rules*?

Yes _____ No _____

Specify why: _____

- b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

- c. What benefits does your organization believe would be derived from this proposal?

- d. Would there be a substantial operational or financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

9. Definition of Notification of Change

- a. Does your organization support the proposal to add the definition for Notification of Change and the Standard Entry Class Code COR to Article Fourteen in the *Rules*?

Yes _____ No _____

Specify why: _____

- b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

c. What benefits does your organization believe would be derived from this proposal?

d. Would there be a substantial operational or financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

ACH OPERATOR ISSUES

10. ACH Operator Monthly Return Information

a. Does your organization support the proposal to clarify in the *Rules* with whom NACHA can share information contained in the monthly ACH Operator return reports ?

Yes _____ No _____

Specify why: _____

b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

c. What benefits does your organization believe would be derived from this proposal?

d. Would there be a substantial operational or financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

11. Return Reason Code R27 (Trace Number Error)

a. Does your organization support the proposal to modify ACH Operator Return Reason Code R27 to include Notification of Change entries?

Yes _____ No _____

Specify why: _____

b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

c. What benefits does your organization believe would be derived from this proposal?

d. Would there be a substantial operational or financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

e. Would this proposal require your organization to make changes to its ACH software?

Yes _____ No _____

If yes, how extensive would the required software change be?

_____ high _____ moderate _____ minimal

12. Return Reason Code R36 (Return of Improper Credit Entry)

a. Does your organization support the proposal to modify ACH Operator Return Reason Code R36 to include XCK entries?

Yes _____ No _____

Specify why: _____

b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

c. What benefits does your organization believe would be derived from this proposal?

d. Would there be a substantial operational or financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

e. Would this proposal require your organization to make changes to its ACH software?

Yes _____ No _____

If yes, how extensive would the required software change be?

_____ high _____ moderate _____ minimal

13. Case Definition for Certain Fields and Descriptions

a. Does your organization support the proposal to clarify within the *Rules* that certain alphanumeric fields and descriptions must be uppercase only? These fields include SEC codes, the R in the return reason code, and the C in the change code. The descriptions in the Company Entry Description field include REVERSAL, RECLAIM, NONSETTLED, AUTOENROLL (for ENR entries), REDEPCHECK (for RCK entries), and NO CHECK (for XCK entries) and the descriptor of CHECK DESTROYED in the Company Name field for XCK entries.

Yes _____ No _____

Specify why: _____

b. Does your organization have any concerns about or foresee any negative effects/risks related to this proposal?

c. What benefits does your organization believe would be derived from this proposal?

d. Would there be a substantial operational impact to your organization associated with this proposal?

Yes _____ No _____

If yes, please specify: _____

e. Would there be a financial impact to your organization associated with this proposal?

Yes _____ No _____

If yes, how costly would the financial impact be?

_____ high _____ moderate _____ minimal

Provide an estimate of the costs involved: _____

f. Would this proposal require your organization to make changes to its ACH software?

Yes _____ No _____

If yes, how extensive would the required software change be?

_____ high _____ moderate _____ minimal

Proposed Implementation Dates

Amendments to the NACHA Operating Rules may be implemented up to four times each year in March, June, September, and December. Amendments with software changes may be implemented in March and September. Please indicate if your organization agrees with the proposed implementation dates:

Indicate whether you agree or disagree with the proposed implementation date of **December 16, 2005** for the following rule amendments?

Company Name Field for ARC entries _____ Yes _____ No

Third-Party Senders in Article Two and Appendix Eight _____ Yes _____ No

Originator Obligation: Security of Internet Session for WEB Entries _____ Yes _____ No

Liability for Breach of Warranty for TEL Entries _____ Yes _____ No

Audit Requirements Related to Return Reason Code R05 _____ Yes _____ No

Definition of Return Reason Code R16 (Account Frozen) _____ Yes _____ No

Definition of Automated Accounting Advice (ADV) _____ Yes _____ No
Definition of Notification of Change _____ Yes _____ No
ACH Operator Monthly Return Information _____ Yes _____ No

Indicate whether you agree with the proposed implementation date of **March 17, 2006** for the following rule amendments?

Company Identification Field: _____ Yes _____ No
Return Reason Code R27 (Trace Number Error) _____ Yes _____ No
Return Reason Code 36 (Return of Improper Credit Entry) _____ Yes _____ No
Case Definition for Certain Fields and Descriptions _____ Yes _____ No

If your organization does not agree with of the proposed dates, please indicate the issue and preferred implementation date below. Other upcoming implementation dates are: September 16, 2005; June 16, 2006; September 15, 2006 and December 15, 2006.

General Questions

1. Are there any specific issues in this proposal that your organization believes should be balloted separately? _____

2. Does your organization believe there are any other areas of the *NACHA Operating Rules* that this Rules Work Group should review? _____

Name: _____
Title: _____
Organization: _____

Street Address: _____
City/State/Zip: _____
Phone: _____ Fax: _____
E-mail: _____