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PaymentSpring Direct
Release Notes for July, 2020

Environment: Environment: User Acceptance Testing (UAT)

Effective July 13, 2020, PaymentSpring Direct will implement enhancements for:

- Nacha Mandate: Return Reason Code R11

Client Action

Client action is not required for these enhancements.

Review this information to determine potential impacts to your business processes, policies, and systems to support these enhancements.

Clients that choose to utilize these features are strongly encouraged to complete testing prior to implementing in their production environment.

The PaymentSpring Direct User Acceptance Test (UAT) environment is available for clients to test new functionality and for regression testing.

If you have any questions, contact PaymentSpring Client Services at ClientServices@PaymentSpring.com or 1.866.431.4637.

Nacha Mandate: Return Reason Code R11

PaymentSpring Direct is implementing "Differentiating Unauthorized Return Reasons," which is a Nacha rule change. This rule better differentiates among types of unauthorized return reasons for consumer debits. The rule repurposes an existing, rarely used return reason code (R11) that will be used when a receiving customer claims that there was an error with an otherwise authorized payment. Prior to the rule change, return reason code R10 was used as a catch-all for various types of underlying unauthorized return reasons, including some for which a valid authorization exists, such as a debit on the wrong date or for the wrong amount. The use of a distinct return reason code (R11) enables a return that conveys this new meaning of "error" rather than "no authorization."

PaymentSpring Direct changes include:

- R10 updated description to: Customer advises originator is not known to receiver and/or originator is not authorized by receiver to debit receiver's account.
- R11 updated description to: Customer advises entry not in accordance with the terms of the authorization.
- R11 ACH returns will now be included in the following reports:
  - ACH Return Rates Summary Report (consolidated view)
  - ACH Return Rates Summary Report for All Merchants (merchant summary totals)

Keep in mind, R11 ACH returns will continue to be included in the PaymentSpring Direct ACH Return File and in the failed charges and failed refund columns of the ACH Reconciled Summary Report for All Merchants.

Note: Report samples are provided below in this section, and include notes describing where R11 totals are reflected on each report. All three of the reports provided in this document are found in the Admin Portal. In addition, the ACH Reconciled Summary Report for All Merchants is also available on the Merchant Portal. Your user access role determines which portal, menu items, and reports you have access to.

ACH Return Rates Summary Report	R11 Notes
ACH Return Rates Summary Report between 2/15/2020 and 3/15/2020 Category / Value Administrative Merchant Returns 4 Administrative Payer Returns 6 Administrative Return Rate Current 0 Administrative Return Rate Threshold 0.03 Originated Merchant Debits 48 Originated Payer Debits 231,390 Overall Merchant Returns 6 Overall Payer Returns 17 Overall Return Rate Current 0.0001 Overall Return Rate Threshold 0.15 Unauthorized Merchant Returns 0 Unauthorized Payer Returns 9 Unauthorized Return Rate Current 0.00 Unauthorized Return Rate Threshold 0.005	R11 will be included in these totals: - Unauthorized Merchant Returns (count) - Unauthorized Payer Returns (count) - Unauthorized Return Rate Current - Unauthorized Return Rate Threshold

ACH Return Rates Summary Report for All Merchants	R11 Notes
	R11 will be included in these totals: • ACH Unauthd Returns for Period (dollar amount) • Unauthorized Return Count • Unauthorized Return Rate Current

ACH Return Rates Summary Report for All Merchants between 2/15/2020 and 3/15/2020

Merchant Customer ID	Merchant Name	Total Debits	Exceeds Any Threshold	ACH Volume for Period	ACH Return Volume for Period	Overall Return Count	Overall Return Rate Threshold	Overall Return Rate Current	Exceeds Overall Return Rate Threshold	ACH Admin Returns for Period	Adminsitrative Return Count	Administrative Return Rate Threshold	Administrative Return Rate Current	Exceeds Administrative Return Rate Threshold	ACH Unauthd Returns for Period	Unauthorized Return Count	Unauthorized Return Rate Threshold	Unauthorized Return Rate Current	Exceeds Unauthorized Return Rate Threshold
23507	Oceanside Pier	13	TRUE	$591.00	$90.00	3	0.15	0.23077	TRUE	$0.00	0	0.03	0	FALSE	$90.00	3	0.005	0.23077	TRUE
169	SAMPLE	1	FALSE	$8.00	$0.00	0	0.15	0	FALSE	$0.00	0	0.03	0	FALSE	$0.00	0	0.005	0	FALSE
11316	QA_MERCH_1000	999	FALSE	$494,340.04	$0.00	0	0.15	0	FALSE	$0.00	0	0.03	0	FALSE	$0.00	0	0.005	0	FALSE
22250	QA_MERCH_2000	228302	FALSE	$12,095,037.78	$0.00	0	0.15	0	FALSE	$0.00	0	0.03	0	FALSE	$0.00	0	0.005	0	FALSE

ACH Reconciled Summary Report for All Merchants	R11 Notes
	R11 will be included in these totals: • Failed Charge Count • Failed Charge Amount • Failed Refund Count • Failed Refund Amount

ACH Reconciled Summary Report for All Merchants between 2/15/2020 and 3/15/2020

ID	Merchant Name	Tax ID Number	Billing Category	Processed Date	Charge Count	Charge Amount	Failed Charge Count	Failed Charge Amount	Refund Count	Refund Amount	Failed Refund Count	Failed Refund Amount	Remittance Count	Remittance Amount	Adjustment Count	Adjustment Amount	Pending Charge Remittance Count	Pending Charge Remittance Amount	Pending Refund Remittance Count	Pending Refund Remittance Amount
131	Test 1	Unknown	None	02/21/2020	0	$0.00	0	$0.00	0	$0.00	0	$0.00	1	($205500.	1	($205500.	0	$0.00	0	$0.00
131	Test 1	Unknown	None	02/24/2020	0	$0.00	0	$0.00	0	$0.00	0	$0.00	1	($205500.	1	($205500.	0	$0.00	0	$0.00
23507	Oceanside Pier	12-3456789	None	02/25/2020	0	$0.00	2	($60.00)	0	$0.00	0	$0.00	1	$60.00	0	$0.00	0	$0.00	0	$0.00
23507	Oceanside Pier	12-3456789	None	02/27/2020	3	$7.00	1	($30.00)	2	($5.00)	0	$0.00	2	($2.00)	0	$0.00	0	$0.00	0	$0.00
23507	Oceanside Pier	12-3456789	None	02/28/2020	6	$139.00	0	$0.00	2	($61.00)	0	$0.00	2	($48.00)	0	$0.00	0	$0.00	0	$0.00
23507	Oceanside Pier	12-3456789	None	03/04/2020	0	$0.00	2	($146.00)	0	$0.00	2	$144.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
23507	Oceanside Pier	12-3456789	None	03/05/2020	0	$0.00	2	($143.00)	0	$0.00	2	$145.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
23507	Oceanside Pier	12-3456789	None	03/08/2020	0	$0.00	0	$0.00	0	$0.00	1	$73.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
23507	Oceanside Pier	12-3456789	None	03/10/2020	0	$0.00	0	$0.00	0	$0.00	3	($73.00)	0	$0.00	0	$0.00	0	$0.00	0	$0.00
23509	Test 2	98-7654321	None	03/10/2020	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	1	$507.00	0	$0.00	0	$0.00

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Additional Reference Information

The following reason codes from the ***ACH Return Notification File Specification*** documentation is included in these release notes and intended as a general reference only.

Return Reason Codes—General

- R01 Insufficient funds in receiver's account (debit transactions only)
- R02 Receiver's account is closed
- R03 No account on file (RDFI is unable to locate account); not used for ARC, BOC, or POP item without individual name field
- R04 Invalid account number
- R05 Unauthorized debit to consumer account (SEC code CCD, CTX, IAT)
- R06 Returned at Wells Fargo's request
- R07 ACH authorization has been revoked by the receiver (adjustment entry)
- R08 Payment on this item has been stopped
- R09 Insufficient collected funds in the account being charged (uncollected)
- R10 Customer advises originator is not known to receiver and/or originator is not authorized by receiver to debit receiver's account
- R11 Customer advises entry not in accordance with the terms of the authorization
- R12 Account sold to another financial institution
- R14 Representative payee deceased or cannot continue in that capacity
- R15 Beneficiary or account holder other than representative payee deceased
- R16 Account funds have been frozen
- R17 Item returned because of invalid data; refer to addenda for information
- R20 Account does not allow ACH transactions or limit for transactions has been exceeded
- R21 Invalid company identification (SEC code CIE)
- R22 Invalid individual ID (SEC code CIE, MTE)
- R23 Credit entry refused by receiver
- R24 Duplicate entry
- R29 Corporate customer advises not authorized
- R31 Permissible return entry (SEC code CCD, CTX)
- R33 Return of item (SEC code XCK)
- R37 Source document presented for payment (SEC code ARC, BOC, POP)
- R38 Stop payment on source document (SEC code ARC, BOC)
- R39 Improper source document (SEC code ARC, BOC, POP)
- R40 Return of item by government agency (SEC code ENR)
- R41 Invalid transaction code (SEC code ENR)
- R42 Routing/transit number check digit error (SEC code of ENR)
- R43 Invalid account number (SEC code of ENR)
- R44 Invalid individual ID (SEC code ENR)
- R45 Invalid individual name or company name (SEC code ENR)
- R46 Invalid representative payee indicator code (SEC code ENR)
- R47 Duplicate enrollment (SEC code ENR)
- R50 State law affecting RCK acceptance (SEC code RCK)
- R51 Item is ineligible, notice not provided, signature not genuine, or original item altered for adjustment entry (SEC code RCK)
- R52 Stop payment on item (SEC code RCK)
- R53 Item and ACH entry presented for payment (SEC code RCK)
- R80 IAT entry coding error (SEC code IAT)
- R81 Non-participant in IAT program (SEC code IAT)
- R82 Invalid foreign RDFI identification (SEC code IAT)
- R83 Foreign RDFI unable to settle (SEC code IAT)

- R84 IAT entry not processed by gateway operator (SEC code IAT)
- R94 Administrative return item was processed and resubmitted as a photocopy
- R95 Administrative return item was processed as MICR-Split and resubmitted as a PAC (pre-authorized check)
- R97 Administrative return item was processed and resubmitted with corrected dollar amount
- R98 Indicates a returned PAC (pre-authorized check); RDFI provided a text reason and indicated a new account number on the PAC itself
- R99 Indicates a returned PAC (pre-authorized check); RDFI provided a text reason on the PAC itself for which there is no equivalent ACH return reason code

Dishonored Return Reason Codes

Note: Dishonored return reason codes may be used by an originating depository financial institution, but your company won't use them when creating ACH return files. They are included here for reference.

- R61 Misrouted return—RDFI for original entry has placed incorrect routing/transit number in RDFI identification field
- R67 Duplicate return—Wells Fargo received more than one return for an entry
- R68 Untimely return—return was not sent within established timeframe
- R69 Field errors. One or more of the following codes is included in the addenda information field to indicate the type of incorrect information in the return; for multiple errors, codes are separated by an asterisk (01*03, for example)
    - 01 Incorrect RDFI account—account number for return is different than original entry
    - 02 Incorrect trace—trace number for return is different than original entry
    - 03 Incorrect amount—amount for return is different than original entry
    - 04 Incorrect individual ID—individual ID for return is different than original entry
    - 05 Incorrect transaction code—transaction code for return is different
    - 06 Incorrect company ID—company ID for return is different than original entry
    - 07 Incorrect effective date—effective date in return is different than original entry
- R70 Permissible return entry not accepted / not requested by ODFI
- C96 Administrative return dishonor (dollar amount will be zero)

Contested/Corrected Dishonored Return Reason Codes

Note: Your company won't use contested/corrected dishonored return reason codes when creating ACH return files. They are included here for reference.

- R71 Misrouted dishonored return—Wells Fargo placed incorrect routing/transit number in the RDFI identification field
- R72 Untimely return—dishonored return not sent within established timeframe
- R73 Timely original return—RDFI certifies that original return entry was sent within established timeframe for original returns
- R74 Corrected return—RDFI is correcting a previous return entry that was dishonored because it contained incomplete or incorrect information
- R75 Original return not a duplicate
- R76 No errors found

Notification of Change (NOC) Reason Codes

- C01 Incorrect account number
- C02 Incorrect routing/transit number
- C03 Incorrect routing/transit number and incorrect account number
- C04 Incorrect account name
- C05 Incorrect transaction code
- C06 Incorrect account number and incorrect transaction code
- C07 Incorrect routing/transit number, account number, and transaction code
- C08 Incorrect foreign RDFI identification (SEC code IAT)
- C09 Incorrect individual ID
- C13 Addenda format error
- C99 Converted to MICR draft (check conversion items)

Refused NOC Reason Codes

- C61 Misrouted NOC
- C62 Incorrect trace number
- C63 Incorrect company ID
- C64 Incorrect individual ID
- C65 Incorrectly formatted corrected data
- C66 Incorrect discretionary data
- C67 Routing/transit number not from original entry
- C68 Account number not from original entry
- C69 Incorrect transaction code