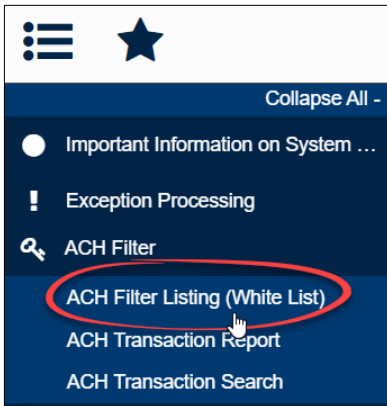# F1RST FINANCIAL BANK

PAYMENT MANAGER: ACH AUTHORIZATION RULE USER GUIDE

ACH Filter is a fraud prevention tool that allows you to setup criteria around what can and cannot clear against accounts setup in the Payment Manager system. If a transaction comes through that does not meet rules defined in the system, an exception is generated. You then have until 2PM CST to decision your exception(s) as Pay, allowing the transaction through. By default, the Bank will return any exceptions that have not been decisioned.

This guide will give a brief tutorial on First Financial's best practices and tips with regards to managing your ACH Filter Rule List.

ACH FILTER LISTING (WHITE LIST)

Let's begin by looking at each field on the ACH Authorization Rules Setup list. Access your list by using the menu on the left-hand side of the screen and selecting *ACH Filter Listing (White List).*

ACH Authorization Rules Setup						
Client ID	Description	Company ID	Standard Entry Class Code	Debits or Credits	Maximum Allowable Amount	

CLIENT ID: This is how accounts are labeled in this system. Account(s) setup on ACH Filter can be selected in this field.

DESCRIPTION: An optional field wherein the Company Name or a label for a transaction can be input. (i.e., payroll, annual taxes, dues)

COMPANY ID: Electronic transactions that hit your account have a unique identifier known as a Company ID. That identifier must be input in this field exactly as shown on your statement for the system to recognize the transaction as permissible. **The ACH Transaction Report**, located directly beneath the ACH Filter Listing (White List) menu option, will list all transactions and their corresponding Company IDs as they post to your account. You can utilize this report to ensure that Company IDs on your Filter Rule List are added correctly.

STANDARD ENTRY CLASS CODE: Electronic transactions can come in various forms. They may be PPD, CCD, or Tax transactions, just to name a few. It's always safest to have, "ALL – All Standard Entry Class Codes," selected for any Company IDs that are added to your Filter Rule List. This ensures that no matter how the electronic transaction is coded, it will be covered and allowed through.
For example, you may process a credit card payment over the phone one month, which is a WEB payment, but call in to make your payment the next month. Calling in would make this form of payment a TEL (telephone) transaction. If you've only added a filter for WEB payments for that particular Company ID, the payment made over the telephone (TEL) will cause an Exception.

DEBITS OR CREDITS: Transaction type, debits or credits, is defined in this field. If "Credits Only" is selected, you can only receive deposits for that Company ID. Adding a "Credits Only" filter without specifying a Company ID will allow all credits through for all Company IDs presented against this account. If "both DR and CR" is selected both deposits and debits are allowed through, as shown below.

Client ID	Description	Company ID	Standard Entry Class Code	Debits or Credits	Maximum Allowable Amount	
ABC_TEST_COx9456	Payroll Fees	912345689	ALL - All Standard Entry Class Codes	Both DR and CR		Edit

For more information, questions, or further training on Payment Manager ACH Filter, please call Treasury Management Client Support at 1-877-627-7201.

MAXIMUM ALLOWABLE AMOUNT: Allowing a transaction through, up to a certain amount, can be defined in this field. Adding a Company ID without a maximum amount to your Filter Rule List implies that this company should be allowed through, for any amount. However, if you need to utilize this field, it is best practice to add only <u>one</u> maximum allowable amount per Company ID.

Please note, setting a maximum allowable amount will cause exceptions for transactions that are over the allowable amount. This in turn, may cause you to have to setup duplicate rules for the same Company ID and corresponding Client ID (account), when processing exceptions. This can get confusing, which is why it is best practice to leave the Maximum Allowable Amount field blank.

ACH FILTER RULES

Now that we undestand what each field on your Authorization List means, let's look at the type of filters you will commonly see. Please note, depending on the services you utilize, there may be filters already added for you, by the First Financial Treasury team.

ACCEPT ALL CREDITS FILTER FOR <u>ALL</u> COMPANY IDs: This type of filter is mandatory and must be input for every *Client ID (account)* on ACH Filter. It is a blank filter that tells the system to *allow* all *credit* transactions to post to your account.

ACCEPT DEBITS ONLY FILTER FOR <u>SPECIFIC</u> COMPANY IDs: This is how most filters should be added for Company IDs that are allowed in your account. Setting up a Company ID with the criteria that all debits should be allowed through tells the "Credits Only" blank filter (described above), that in the event this Company ID is a debit transaction, allow it through.

Below is an example of how rules should look per our best practices.

Blank filter, per Client ID, to allow ALL credits through.

ACH Authorization Rules Setup

	Client ID	Description	Company ID	Standard Entry Class Code	Debits or Credits	Maximum Allowable Amount	
1	ABC_TEST_COx9456			ALL - All Standard Entry Class Codes	Credits Only		Edit
2	ABC_TEST_COx9456	Monthly Membership Fee	7315654565	ALL - All Standard Entry Class Codes	Debits Only		Edit
3	ABC_TEST_COx9456	OriginatorID for Payroll	9123456789	ALL - All Standard Entry Class Codes	Both DR and CR		Edit

Company ID to allow YOU to originate ACH payments from this client ID
We have to allow your originated transactions through too.

Filter to allow this Company ID to debit your Client ID

FILTERS ADDED IN QUICK EXCEPTION PROCESSING VIA ADD ACH RULE

You will receive an exception for any transaction that does not meet any of the criteria defined in your Authorization Rules. For transactions that should be allowed through, utilizing the *Add ACH Rule* option will allow you to add Company IDs that correspond to those exceptions. It's important that exceptions are not just paid, but added to your Rules List so that when they reoccur, the transaction will automatically be allowed through to your account.

EXCEPTION ITEMS (DECISIONING): Notice that the below screenshot shows an example of an exception for which the client has the ability to select *ADD ACH Rule*. It's important to do this prior to selecting the update button to submit decision(s).

	Client ID	Paid Date	Check #	Amount	Issued Payee	Exception Type	Pay	Return	Reason
1	ABC TEST CO		Add ACH Rule	702.67		UNAUTHORIZED ACH TRANSACTION (CCD/9954_____/DR) - RS/RP RTC MASSMUTUAL REG PCCD	☐	☐	\<Not Selected\> ▼

ADD ACH AUTHORIZATION RULE: Once, "Add ACH Rule," is selected a box will populate allowing you to add a rule at preset values. The following are best practices to follow for this process.

DESCRIPTION: This field is optional and our suggestion is to *add* a description so that you and others know what this transaction pertains to. (Payroll, Taxes, Club Fees, etc.)

SEC CODE: This will prefill as the SEC Code that the exception came through as. That said, if you select "All Standard Entry Class Codes" you're covered if this Company ID posts under a different SEC Code than the transaction you are decisioning.

Add ACH Authorization Rule

Description: _____ Optional

SEC Code: ○CCD ●All Standard Entry Class Codes
Company ID: 123456789
DR/CR: ●Debits Only ○Credits Only ○Both DR and CR
Max Amount: ____ Optional

[Add Rule]   [Cancel]

DR/CR: Keep this as defaulted in the system

MAX AMOUNT: This is, again, an optional field and best practice is to LEAVE THIS BLANK

Utilizing the practices in this guide will ensure that your Payment Manager System functions as designed, while ensuring that your account(s) remain secure.