



## SEC CODE REFERENCE GUIDE

# CCD Corporate Credit or Debit

### Definition

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CCD – An entry originated by an Organization to or from the accounts of the Organization or another Organization

### Type of Entry

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Single OR Recurring Entry  
Credit OR Debit Entry

### Market Type

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Ecommerce  
Mail Order  
Phone Order (CCD for orders paid from a corporate account)  
Retail

### Agreements

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- The Receiver has an agreement with the Originator under which the Receiver has agreed to be bound by the ACH Rules
- This agreement is sometimes referred to as a Trading Partner Agreement
  - Both parties/Originator and Receiver should retain a copy of this Agreement
- An ODFI may request a copy of this agreement from the Originator

### Special Rules

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- CCD entries are contractually bound between two entities for transfer of funds to or from an account that is not primarily used for personal, family or household purposes
- Return timeframes for unauthorized CCD entries are different than unauthorized consumer entry returns
- Return timeframe for ALL CCD entries is 24 hours (2 banking days<sup>1</sup>):  
*Each Return Entry must be made available to the ODFI no later than the opening of business on the second banking day following the Settlement Date of the original entry.*
- Exceptions to Return times frames for CCD entries:

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<sup>1</sup> For Forte Merchants it takes 3 banking days.



## SEC CODE REFERENCE GUIDE

RDFI contacts ODFI, request and receives Explicit Permission BEFORE returning outside the 24-hour return timeframe (see Return Reasons Codes below).

Note:

- CCD for Corporate should be used if the order form includes the customer's authorization for the debit entry to their account and no check is enclosed.
- Proof of Authorization for transactions ran on the web using CCD will adhere to the same requirements as a web transaction.

## Addenda Records

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Addenda Records are OPTIONAL for CCD entries:

- Maximum number of Addenda records is one

Addenda Records for CCD:

- Are used by Originator to supply additional information about the entry detail record
  - Commonly used for invoice info from company to company
- Must contain payment-related information only- any other use is prohibited
- ONLY- ANDI ASC X12 data segments or NACHA endorsed banking conventions (i.e. tax payment/child support)

Upon request of the Receiver, an RDFI MUST provide to its Receiver all Payment Related Information contained within the Addenda record(s)

- Payment- Related Information Must be provided within 2 banking days

## Specific Return Reason Codes

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- R08- Payment Stopped
  - 24 hours
- R29- Corporate Customer Advises Not Authorized
  - 24 hours – NO WSUD needed
- R31- Permissible Return Entry (CCD only)
  - No time limit- Determined by the ODFI and RDFI
  - RDFI MUST request and receive explicit permission from ODFI BEFORE returning

## Exception Return Reason Codes

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- R05- Unauthorized Debit to Consumer Account Using Corporate SEC Code
  - 60 calendar days<sup>2</sup> - NEED WSUD from receiver/account holder of consumer account

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<sup>2</sup> Transactions can be disputed, no questions asked within 60 days with a WSUD. From day 61-2 years, a WSUD is required and POA to be requested by RDFI.



## SEC CODE REFERENCE GUIDE

Please Note: Consumer account as defined by Regulation E

### PPD Prearranged Payment and Deposit Entry

#### Definition

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An entry initiated by an Originator to a consumer account of the Receiver based on a standing or Single-Entry authorization from a Receiver

#### Type of Entry

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Single OR Recurring Entry  
Credit OR Debit Entry

#### Market Type

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Retail  
Mail Order<sup>3</sup>

#### Authorization Requirements

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Authorizations must be readily identified as an authorization and:

- have clear and readily understandable terms
- Provide that the Receiver may revoke the authorization only by notifying the Originator in the time and manner stated in the authorization

Credit entries to Consumer accounts:

- Authorization is not required to be in writing

Debit entries to Consumer accounts:

- Authorization must be in writing and signed or similarly authenticated

Similarly authenticated:

- The standard permits signed, written authorizations to be provided electronically
- To satisfy requirements of Reg E and NACHA operating Rules, the authentication process must evidence both the consumer's identity and the assent to the authorization

Electronic authorizations:

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<sup>3</sup> Signature or contract required.



## SEC CODE REFERENCE GUIDE

- Must be visually displayed in a manner that enables consumer to read the communication
- Writing and signature requirements are satisfied by compliance with the E sign Act
- Electronic signatures include, but are not limited to digital signatures and security codes

## Special Rules

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### Notice of change in dollar amount:

- If the amount of a debit Entry to a consumer account differs from the amount of the immediately preceding debit Entry relating to the same authorization, or differs from a preauthorized amount, an originator must send the Receiver written notification of the amount of the Entry
- The Originator must send this notice at least 10 calendar days prior to the date on which the entry is scheduled to be initiated

### Notice of change in scheduled debiting date:

- If the Originator changes the schedule date on or after the entries are scheduled to be initiated to a Receiver's account, the Originator must send the Receiver written notification of the new date
- The Originator must send this notice at least 7 calendar days before the first entry is scheduled to be debited to the Receiver's account

Note: PPD for Consumer should be used if the order form includes the customer's authorization for the debit entry to their account and no check is enclosed.

## Addenda Records

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### Addenda Records are OPTIONAL for PPD entries:

- Maximum number of Addenda records is one
- Used by Originator to supply additional information about the entry detail record
- Must contain payment-related information only- any other use is prohibited
- ANDI ASC X12 data segments or NACHA endorsed banking conventions (i.e. tax payment/child support)

## Retention

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- Originator must retain the original or a copy of each authorization (signed, written or similarly authenticated) of a Receiver for 2 years from the termination or revocation of the authorization
- Upon receipt of an RDFI's written request- ODFI must provide a copy at no charge within 10 banking days

## Exception Return Reason Codes

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- R08- Payment Stopped
  - 24 hours



## SEC CODE REFERENCE GUIDE

- R10 – Customer Advises Not Authorized, Improper, or Ineligible
  - 60 calendar days – Need WSUD
- R07 – Authorization Revoked (single or recurring)
  - 60 calendar days – Need WSUD

## TEL Telephoned Initiated Entry

### Definition

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An entry initiated by an Originator to a consumer account of the Receiver based on an oral authorization obtained from the Receiver over the telephone

### Type of Entry

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Single OR Recurring Debit Entry

### Market Type

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Phone Order

### Authorization Requirements

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- The authorization must be readily identified as an authorization, have clear and readily understandable terms (amount and timing of debits). For a single entry scheduled in advance, any such revocation right shall afford the Originator a reasonable opportunity to act on the revocation prior to the debit entry.
- Single TEL Entries must include the following minimum information as part of the authorization:
  - Date on or after which the ACH debit to the Receiver's account will occur
  - Amount of the transaction; Receiver's name; account to be debited
  - Telephone number for Receiver inquiries that is answered during normal business hours
  - Date of oral authorization and a statement by the Originator that the authorization obtained is for a single-entry ACH debit
  - Method by which consumer can revoke the authorization.
- The Originator must either:
  - Tape record the oral authorization OR
  - Provide the Receiver with written notice confirming the oral authorization prior to the settlement date of the entry
- Recurring TEL Entries must include the following minimum information as part of the authorization:
  - Amount of the recurring transaction



## SEC CODE REFERENCE GUIDE

- The timing (including start date), number and/or frequency
  - Receiver's name and account to be debited
  - Telephone number for Receiver inquiries that is answered during normal business hours
  - Date of the oral authorization
  - Method by which consumer can revoke the authorization.
- The Originator must:
    - Tape record and send a copy of the authorization (in compliance with the requirements of Reg E for the authorization of preauthorized transfer) to the consumer<sup>4</sup>.

## Special Rules

A TEL entry may only be used when there is an Existing Relationship between the Originator and the Receiver, OR when there is not an Existing relationship between the Originator and the Receiver, when the Receiver initiates the telephone call

### Additional ODFI Warranties:

- Each Originator of TEL entries has established and implemented commercially reasonable procedures to verify the identity of the Receiver
- Each Originator of TEL entries has established and implemented a commercially reasonable procedures to verify that routing numbers are valid
- Field used to indicate whether TEL entry is a recurring or Single-entry payment
  - Field in Detail record "Payment type Code" (2 Positions)
  - The value must be "R" = Recurring; the value must be "S" or space filled = single

## Retention

- Single Entry- Originator must retain original or copy of the written notice or original or duplicate audio recording for 2 years from date of authorization
- Recurring Entry- Originator must retain original or duplicate audio recording and evidence that a copy of authorization was provided to the Receiver (in compliance with Reg E), for 2 years from termination or revocation of the authorization
- Upon receipt of the RDFI's written request – ODFI must provide a copy of authorization at no charge within 10 banking days

## Exception Return Reason Codes

- R08- Payment Stopped
  - 24 hours
- R10 – Customer Advises Not Authorized

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<sup>4</sup> Originators of recurring TEL entries are required to audio record the consumer's oral authorization and to provide a written copy of the authorization to the consumer.



## SEC CODE REFERENCE GUIDE

- 60 calendar days – Need WSUD
- R07 – Authorization Revoked (single or recurring)
  - 60 calendar days – Need WSUD

## WEB Internet Initiated/Mobile Entry

### Definition

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An entry initiated by an Originator to a consumer account of the Receiver based on an authorization obtained from the Receiver via the Internet or Wireless Network; OR any form of authorization and the Receiver's instruction communicated via Wireless Network (mobile)

### Type of Entry

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Single OR Recurring Debit Entry

### Market Type

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Ecommerce

### Authorization Requirements

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Authorization must be “similarly authenticated”

- The standard permits signed, written authorizations to be provided electronically
- To satisfy requirements of Reg E and NACHA Operating Rules, the authentication process must evidence both the consumer's identity and the assent to the authorization

Authorizations must be readily identifiable as an authorization and:

- Must have clear and readily understandable terms (amount of timing of debits)
- Provide that the Receiver may revoke the authorization only by notifying the Originator in the time and manner stated in the authorization
- For a single entry scheduled in advance, any such revocation right shall afford the Originator a reasonable opportunity to act on the revocation prior to the debit entry

Electronic authorizations:

- Must be visually displayed in a manner that enables consumer to read the communication
- Writing and signature requirements are satisfied by compliance with the E-sign Act
- Electronic signatures include, but are not limited to digital signatures and security codes



## SEC CODE REFERENCE GUIDE

### Special Rules and Originator Responsibilities

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#### Additional ODFI Warranties:

- Each Originator of WEB entries has established and implemented a commercially reasonable fraudulent transaction detection system to screen each entry
- Each Originator of WEB entries has established and implemented a commercially reasonable method of authentication to verify the identity of the Receiver
- Each Originator of WEB entries has established and implemented a commercially reasonable procedure to verify that routing numbers are valid
- Each Originator of WEB entries must conduct annual audits to ensure that financial information it obtains from Receivers is protected by security practices and procedures that include at a minimum, adequate levels of:
  - Physical Security
  - Personnel and access Controls
  - Network Security

#### Formatting Requirements:

- Field used to indicate whether WEB entry is a recurring or Single-entry payment
  - Field in Detail record “Payment type Code” (2 Positions)
  - The value must be “R” = Recurring; the value must be “S” = Single-entry

### Retention

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- Originator must retain an original or copy of each authorization for 2 years from the termination or revocation of the authorization
- Upon receipt of the RDFI’s written request – ODFI must provide a copy at no charge within 10 banking days

### Exception Return Reason Codes

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- R08- Payment Stopped
  - 24 hours
- R10 – Customer Advises Not Authorized, Improper, or Ineligible
  - 60 calendar days – Need WSUD
- R07 – Authorization Revoked (single or recurring)
  - 60 calendar days – Need WSUD





## SEC CODE REFERENCE GUIDE