

MUFG Exchange Payments supports ACH transaction origination and ACH reversals. When an ACH originator determines that either an entire file/batch or an individual transaction has been sent to the bank in error, an ACH reversal can be issued.

MUFG Exchange can be used to issue reversals for ACH transactions initiated with MUFG Exchange (except files sent via NACHA pass-through). Transactions which are not subject to the MUFG Exchange reversal function include ACH transactions delivered via direct transmission (e.g. eGateway and Integrated Payables).

Note: ACH Exchange may also be used to initiate ACH Reversals. ACH Exchange and MUFG Exchange have differing characteristics which will be discussed in detail later.

ACH REVERSAL TIMING

NACHA allows and MUFG Exchange supports reversals up to five days after the effective entry date.

ELIGIBLE PAYMENT TYPES

All ACH payment types are subject to reversal. Transactions delivered via NACHA pass-through are not eligible for reversal.

REVERSE ACH BATCHES AND TRANSACTIONS

A number of criteria must be met before an ACH payment can be reversed:

- The batch or transaction should not be part of a NACHA pass-through file.
- The transaction should be in Released status. If the transaction is not yet in Released status it may be deleted.
- The value date of the payment is equal to the current business day or no more than five business days in the past.

TO REVERSE AN ACH PAYMENT

1. The Reversal option is available from the actions drop-down in payment list view. Reversal requires two users including an approver.
2. Enter the reason for initiating the reversal.
3. Click the appropriate radio button for Reversal Selection: Entire Batch or Individual Transactions.
4. Submit the Reversal.
5. Reversal should be in Reversal Awaiting Approval status.
6. If the Reversal is not approved before cutoff time, then status of the reversal changed to "Approval window passed".
7. Approver will get two options under Action drop down "Approve" or "Reject".
8. If Approver selects the Reject option then the Reversal is rejected and the payment returns to released status.
9. If Approver selects the approve option then the reversal payment will be approved and status changed to "Reversal Approved"
10. Until a reversal transaction is released, the user has the option to delete the reversal transaction.

(continued)

ACH DELETE

An ACH Batch or Transaction can be deleted if the ACH payment has not been processed. However once the payment is in a Released status the payment will have to be reversed.

Confirm the option - Click the triangle next to the View under the Actions column

- If the payment status is "Entered" you may delete the payment from being processed.
- If the payment status is "Approved", the Approver will need to UNAPPROVE the payment first then proceed to delete.
- If the payment status is "Released", the payment cannot be deleted. See Reverse section below.

FAQ

What is the difference between Delete vs Reversal?

A payment instruction may be deleted before it is released for processing. In this case no transaction will appear in your account. If the payment was released and then reversed, you will see the original payment posted to your account as well as a reversing transaction. Note: Reversal is effective only if the Receiver has no block to their account which may reject the reversal request.

Both MUFG Exchange and ACH Exchange can initiate reversals, which should I use?

Both applications may be used to initiate reversals. MUFG Exchange is limited to reversals of transaction initiated through MUFG Exchange, excluding NACHA pass-through. ACH Exchange is recommended for clients that:

- Send ACH files via transmission (including Integrated Payables) or NACHA pass-through.
- Have requirements for other ACH Exchange features such as Electronic Payment Authorization.

Reversal Status Codes	Partial Reversal-Status Code	Partial Reversal-Status Description	Complete Reversal-Status Code	Complete Reversal-Status Description	
Workflow					
1	Reversal is initiated or modified but not approved	RI	Partial Reversal Awaiting Approval	RA	Reversal Awaiting Approval
2	When Reversal isn't approved by Cut off	CP	Approval Window Passed	CP	Approval Window Passed
3	Reversal is Partially Approved	PI	Partial Reversal (Incomplete Approval)	IV	Reversal (Incomplete Approval)
4	Reversal is full approved	PV	Partial Reversal Approved	RV	Reversal Approved
5	Reversal is being extracted	ES	Reversal Extract (partial) in Progress	ER	Reversal Extract (full) in Progress
6	Reversal is extracted and sent to Bank	RB	Partially Reversed	RS	Reversed

Notes

1. User can initiate reversal once payments are in Released status up to 5 days from value date.
2. Max Limit for allowing reversal is 5 days from effective date (per NACHA rules).
3. Reversals can be rejected while reversals are either awaiting approval or approved (partially or completely).
When reversal is rejected, all the changes and status roll back to original payment status (Released).