

Paid Item (PAID) Tutorial: Check Adjustments Case Submission Requirements

Outlined below are several common scenarios you may encounter regarding a PaidItem. To better assist you with submitting a PAID adjustment, refer to the applicable scenario.

- Case Scenario #1 Federal Reserve Financial Services (FRFS) is source for both items
- Case Scenario #2 Single item, two different sources
- Case Scenario #3 Multiple items, two different sources
- Case Scenario #4 Single item, paid over the counter
- Case Scenario #5 Single item, Encoding Error (ENC) on one of the items
- Case Scenario #6 Single item, paid three or more times

As you may know, when a Federal Reserve Bank (FRFS) is the source for both items, the Receiving Institution can report either the first or the second item as already PAID. FRFS may not be the source for both items, but they **must be the source for the item being refused**.

The reporting time frame for a same day entry is within six calendar months, provided case submission requirements are met. Timeliness of the request will be determined by the date of the item reported as already PAID. The PAID investigation type (ITYP) does not apply when one source is an ACH item.

Refer to the <u>Check Adjustments Quick Reference Guide</u> for case submission requirements for all ITYPS as they may have changed in recent years. For example, did you know a copy of the item is no longer allowed for an <u>Encoding Error</u> (ENC) and not required for a <u>Non-Cash Item</u> (NCH) or a single <u>Paid Item</u> (PAID) adjustment?

FRFS also offer Check Adjustments webinar training on topics ranging from case submission requirements for electronic adjustments to proper usage of some of the most common ITYPS you may encounter in today's processing environment as the Submitter or Receiver of each ITYP covered. For more information visit Federal Reserve Bank Webinars on FRBservices.org[®].

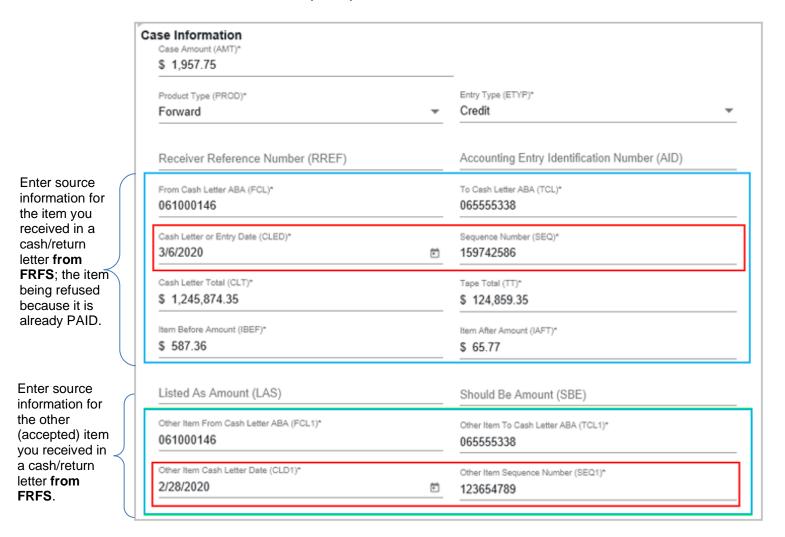
Please contact the Support Center at (833) 377-7827 should you have guestions.

A description of the cash/return letter information required for the already PAID (refused) item and the other (accepted) item is located at the end of this <u>tutorial</u>.

The Federal Reserve Banks will charge a quality fee for cases submitted with incorrect or incomplete information which resulted in the prevention of automatic resolution of the request. Refer to the <u>General Notes</u> section of the <u>Check Adjustments Quick Reference Guide</u> for more information on the Quality Improvement Initiative implemented by FRFS. Also refer to the <u>Check Adjustments Tips</u>, designed, in part, to increase accuracy in submitting adjustments, such as tip #9: Ensure accurate information is submitted on adjustment cases and avoid quality fees.

Case Scenario #1 - FRFS is source for both items

When FRFS is the source for both items, that Federal Reserve's routing number (RTN) must appear in the From Cash Letter ABA (FCL) and the Other Item From Cash Letter ABA (FCL1) fields. The Receiving Institution's RTN must appear in the To Cash Letter ABA (TCL1) and the Other Item To Cash Letter ABA (TCL1) fields.



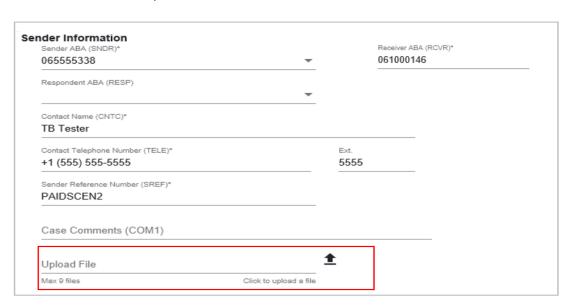
Note: The sequence number fields **must** correspond to the item being refused and the other (accepted) item. Both fields, **Sequence Number (SEQ)** and **Other Item Sequence Number (SEQ1)**, would rarely be the same.

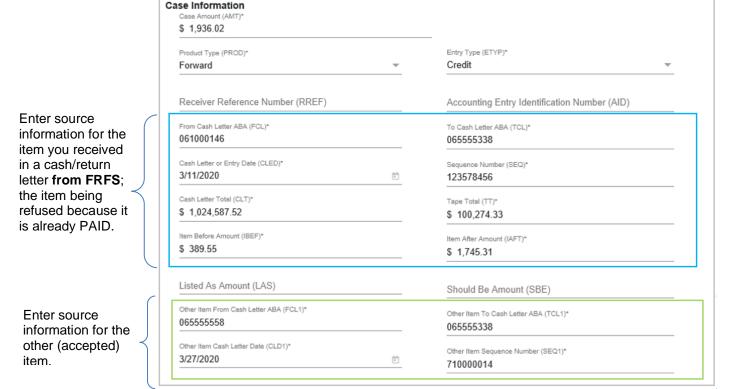
Case Scenario #2 - Single item, two different sources

When you have been charged for a single PAID from two different sources, the RTN in the From Cash Letter ABA (FCL) and the Other Item From Cash Letter ABA (FCL1) fields must be different. For example, if a paying bank receives an item in an X9.100-187 (X9.37) image file from FRB Atlanta and again from RTN 0655-5555-8, the item received from FRB Atlanta must be the item being refused. Provide information for the item being refused in the From Cash Letter ABA (FCL) and cash/return letter fields, as noted below, and information for the other (accepted) item received from 0655-5555-8 must be provided in the Other Item fields.

Supporting documentation is allowed but **not required** for a single paid item.

It is **not** necessary to upload an attachment (i.e., a copy of the item, a listing or report of the cash/return letter information, etc.) for a single PAID.





Case Scenario #3 - Multiple items, two different sources

When you have been charged with multiple items, **consisting of six or more items from the same bundle total**, they can be grouped together on a single adjustment request for the total amount. A listing of the items involved is **required**. Five items or less, paid in the same bundle total, **must** be reported separately as single paid items; refer to Scenario #2.

When the items are from two different sources, the RTN in the From Cash Letter ABA (FCL) and the Other Item From Cash Letter ABA (FCL1) fields must be different. For example, if a paying bank receives 17 duplicate items in an X9.100-187 (X9.37) image file from FRB Atlanta totaling \$22,789.21 and again from RTN 0655-5555-8, the items received from FRB Atlanta must be the items being refused. Provide information for the items being refused in the From Cash Letter ABA (FCL) and cash/return letter fields, as noted below, and information for the other (accepted) items received from 0655-5555-8 must be provided in the Other Item fields.

Example of the listing **required** as supporting documentation when a PAID involves multiple items.

It **must** include the MICR information and sequence numbers for each item.

EXAMPLE OF MULTIPLE PAID ITEMS LISTING						
					MM/DD/YYYY	MM/DD/YYYY
	Amount	Routing #	Account #	Check#	Item Sequence #	Item Sequence #
1	\$1,145.40	065555338	15458945	73454	145278644	245412544
2	\$62.00	065555338	54878754	4512	148354535	264557243
3	\$5,147.50	065555338	584587	34587	151430426	283701942
4	\$369.47	065555338	545786	8845	154506317	302846641
5	\$250.00	065555338	223446	15203	157582208	321991340
6	\$754.00	065555338	225664	302412	160658099	341136039
7	\$187.54	065555338	110505	18403	163733990	360280738
8	\$65.25	065555338	1311758	6335	166809881	379425437
9	\$1,741.20	065555338	151987	1383	169885772	398570136
10	\$8,421.60	065555338	17234178	11.1	172961663	417714835
11	\$224.30	065555338	1929537	88223	176037554	436859534
12	\$1,434.52	065555338	30541	87845	179113445	456004233
13	\$689.20	065555338	30544	4571	182189336	475148932
14	\$322.41	065555338	545375	6210	185265227	494293631
15	\$131.12	065555338	122485	3815	188341118	513438330
16	\$652.00	065555338	245575	36874	191417009	532583029
17	\$1,191.70	065555338	1543578	3548	194492900	551727728
	\$ 22,789.21					

065555338 061000146 Respondent ABA (RESP) Contact Name (CNTC)* TB Tester Only a listing of the +1 (555) 555-5555 5555 items is required for multiple paid items. PAIDSCENE3 It is not necessary to upload any Case Comments (COM1) additional 1 attachments (i.e., a Example Multiple Paid Items.pdf copy of the items, a listing or report of the cash/return letter Download information, etc.) for Example Multiple Paid Items.pdf a multiple PAID. Case Information Request credit for the total \$ 22,789.21 amount of the Entry Type (ETYP)* Product Type (PROD) PAID (refused) Credit Forward items. Accounting Entry Identification Number (AID) Receiver Reference Number (RREF) Enter source To Cash Letter ABA (TCL)* From Cash Letter ABA (FCL)* 065555338 061000146 information for the items you Sequence Number (SEQ)* Cash Letter or Entry Date (CLED)* received in a 145278644 3/20/2020 cash/return letter Tape Total (TT)* from FRFS: the Cash Letter Total (CLT)* \$ 124,506.34 \$ 1,838,757.22 items being refused because Item After Amount (IAFT)* Item Before Amount (IBEF)* they have \$ 1,255.47 \$ 18.00 already PAID*. Should Be Amount (SBE) Listed As Amount (LAS) Other Item To Cash Letter ABA (TCL1)* Other Item From Cash Letter ABA (FCL1)* Enter source 065555338 065555558 information for Other Item Sequence Number (SEQ1)* Other Item Cash Letter Date (CLD1)* the other 245412544 3/25/2020 (accepted)

Sender Information

*In the **Sequence Number (SEQ)** field, enter the first sequence number on the listing assigned to the items by FRB Atlanta. In the **Item Before Amount (IBEF)** field, enter the dollar amount of the item listed on the bundle total before the **first** item involved. If the item involved is the first item, then enter .00. In the **Item After Amount (IAFT)** field, enter the dollar amount of the item listed on the bundle total after the **last** item involved. If the item involved is the last item, then enter .00.

items**.

^{**} In the **Other Item Sequence Number (SEQ1)** field, enter one of the sequence numbers on the listing assigned to the items by the other source.

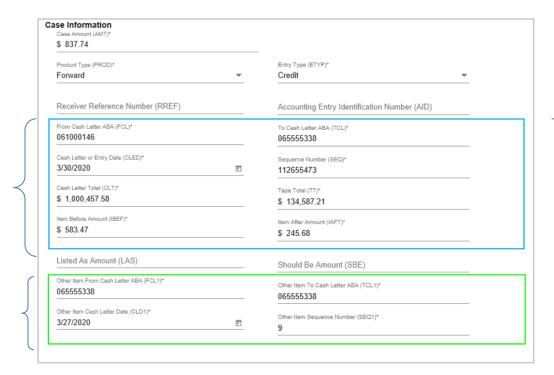
Case Scenario #4 - Single item. paid over the counter

When you have a PAID in which one item was received over the counter (within your institution) and one item was received via a cash/return letter from FRFS, your RTN must be provided in the Other Item From Cash Letter ABA (FCL1) and Other Item To Cash Letter ABA (TCL1) fields as well as the To Cash Letter ABA (TCL) field.

The item you received in a cash/return letter from FRFS **must** be the item being refused. Provide information for the item being refused in the **From Cash Letter ABA (FCL)** and cash/return letter fields as noted below:

Enter source information for the item you received in a cash/return letter **from FRFS**; the item being refused because it is already PAID.

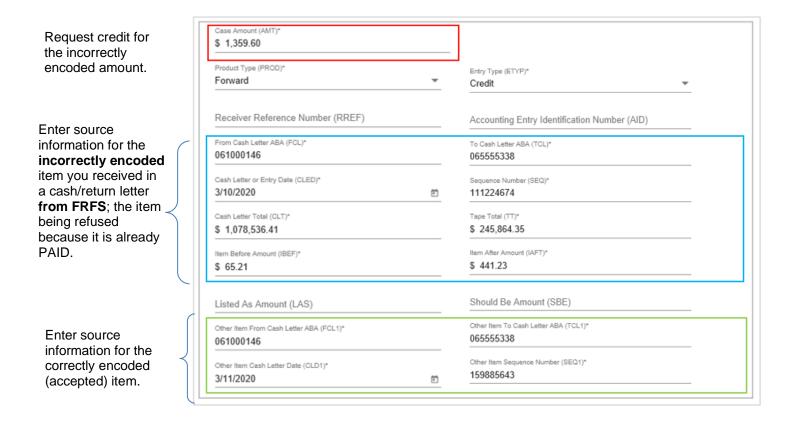
Enter your RTN in both other item ABA fields. Enter the date the item was received internally (over the counter) in the other item date field and enter a single digit in the other item sequence field.



Case Scenario #5 - Single item. Encoding Error (ENC) on one of the items

When an encoding error (ENC) occurs on one of the items, the amount for which to submit the PAID request depends on whether or not the ENC has been adjusted. If the ENC has **not** been corrected, submit a PAID request for the amount of the incorrectly encoded item.

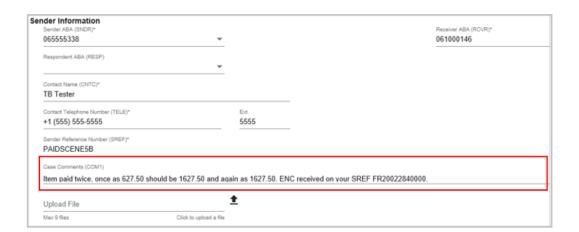
For example, assume one of the presentment/return items was charged to you incorrectly as \$1,359.60 and should have been \$2,359.60. However, at some point you were also charged for the correct amount of the item, \$2,359.60 and you have **not** been adjusted for the ENC. Submit a PAID request for \$1,359.60.



When an ENC occurs on one of the items and an ENC adjustment was made, the PAID request should be submitted for the correct amount of the item. Additionally, the ENC adjustment should be referenced in the **Case Comments (COM1)** field.

For example, assume one of the presentment/return items was charged to you incorrectly as \$627.50 and should have been \$1,627.50. An ENC adjustment entry was made to you for \$1,000.00. However, at some point you were also charged for the correct amount of the item, \$1,627.50. Submit a PAID request for \$1,627.50 referencing the ENC in the **Case Comments (COM1)** field.

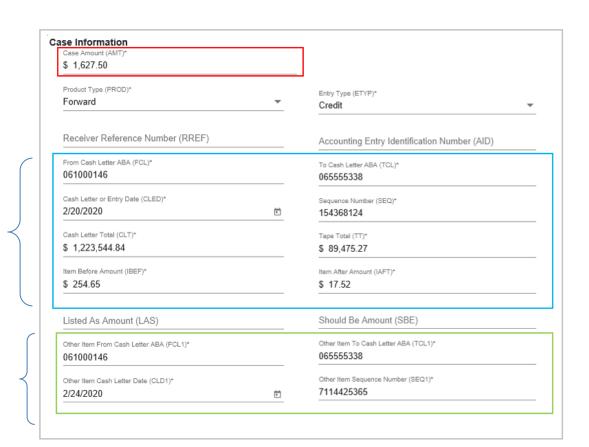
Enter information regarding the PAID situation; include FRFS's Sender's Reference (SREF) Number from the ENC.



Request credit for the correctly encoded amount.

Enter source information for the correctly encoded item you received in a cash/return letter from FRFS; the item being refused because it is already PAID.

Enter source information for the incorrectly encoded (accepted) item.



Case Scenario #6 - Single item. paid three or more times

When an item PAID three or more times, you can submit one request for the net amount of the outage referencing in the **Case Comments (COM1)** field the number of times you were charged. The item being refused (reported already PAID) **must** be the item you received from FRFS.

For example, if you were charged three times for a \$1,200.00 item where FRB Atlanta (0610-0014-6) was the source for two of the items and RTN 0655-5522-8 was the source for one of the items, submit a request for \$2,400.00 and note in the **Case Comments (COM1)** that you were charged three times, twice by FRB Atlanta and once by 0655-5522-8.

One of the items received from FRB Atlanta **must** be the item being refused. Provide information for the item being refused in the **From Cash Letter ABA (FCL)** and cash/return letter fields as noted below:

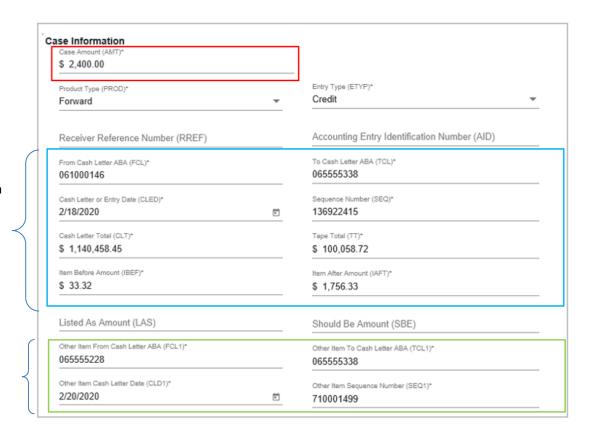
You must make sure information for each item is provided in the comment and cash/return letter fields; include all dates and sequence numbers.



Request credit for the net amount.

Enter source information for the item you received in a cash/return letter from FRFS; the item being refused because it is already PAID.

Enter source information for the other (accepted) item.



Cash/Return Letter Field Descriptions

As previously noted, FRFS may not be the source for both items but they **must** be the source for the item being refused because it is already PAID. Information for the item(s) being refused **must** always appear in the fields noted below:

- From Cash Letter ABA (FCL) The RTN of the Originator of the cash/return letter; this would always be FRFS (0610-0014-6).
- To Cash Letter ABA (TCL) The RTN of the Receiver of the cash/return letter; this would always be your RTN.
- Cash Letter or Entry Date (CLED) The cash/return letter date the item(s) was received from FRFS; this date determines the timeliness of the case. In an X9.100-187 (X9.37) image file, this information is located in record 10, field 5.
- **Sequence Number (SEQ)** The sequence number assigned to the item by FRFS. In an X9.100-187 (X9.37) image file, this information is located in a forward cash letter in record 25, field 8 and in a return letter in record 31, field 10.
- Cash Letter Total (CLT) The cash/return letter total in which the item(s) involved is contained. In an X9.100-187 (X9.37) image file, this information is located in record 90, field 5.
- **Tape Total (TT)** The tape total in which the item(s) involved is contained. In an X9.100-187 (X9.37) image file, this information is located in record 70, field 3.
- **Item Before Amount (IBEF)** The dollar amount of the item listed on the bundle total before the (first) item(s) involved. If the item involved is the first item, then enter .00.
- **Item After Amount (IAFT)** The dollar amount of the item listed on the bundle total after the (last) item(s) involved. If the item involved is the last item, then enter .00.

Source information for the other (accepted) item(s) **must** be provided in the following **Other Item** fields:

- Other Item From Cash Letter ABA (FCL1) The RTN of the Originator of the other cash/return letter.
- Other Item To Cash Letter ABA (TCL1) The RTN of the Receiver of the other cash/return letter; this would always be your RTN.
- Other Item Cash Letter Date (CLD1) The cash/return letter date the other item(s) was received. In an X9.100-187 (X9.37) image file, this information is located in record 10, field 5.
- Other Item Sequence Number (SEQ1) The sequence number assigned to the other item(s). In an X9.100-187 (X9.37) image file, this information is located in a forward cash letter in record 25, field 8 and in a return letter in record 31, field 10.

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