

Are you Ready for Same Day ACH?

Q&A with Signature Bank Treasury Management Executive Anne Doligale



Q: What is Same Day ACH?

A: Same Day ACH doesn't change the functionality of ACH, but it will allow credit and debit payments to move faster through the system. While payments within designated time-frames can be settled on the same day, Same Day ACH should not be considered immediate or real-time payment. Same Day ACH will be rolled out by NACHA, the Electronic Payments Association, in a phased approach with phase one becoming available in September 2016.

Q: Are there limits on Same Day ACH?

A: Yes, Same Day ACH is an option for any transaction under \$25,000.

Q: How can Signature Bank customers use Same Day ACH?

A: Signature Bank is prepared to receive and initiate Same Day ACH payments. Approved Signature Bank customers who are utilizing our Cash Management portal and need to process an ACH Credit transaction under \$25,000 are eligible to use Same Day ACH. To obtain access to initiate Same Day ACH, please contact your relationship manager.

Q: What are some examples of a good time to use Same Day ACH?

A: While Same Day ACH will speed up payments, it wasn't built for real-time movement of money. Customers can use it when they've encountered an error in payroll or they have a payment that needs to arrive the same day, but is less time-sensitive. Wire transfers remain the preferred method of payment when there is a need to receive confirmation of funds settlement quickly.

Q: How will Same Day ACH impact my business?

A: Same Day ACH has many benefits, including an increase in the availability of funds due to expedited processing.

Q: Does it cost more to do Same Day ACH?

A: The Same Day ACH Rule includes an increased processing fee compared to sending a standard ACH payment.

Q: What's next for Same Day ACH?

A: Phase one of Same Day ACH processes credits only and goes into effect on September 23, 2016. Phase two will include credits and debits and will be rolled out in September of 2017. Phase three includes credits, debits, and sets funds availability requirements. These phases are subject to change pending approval by the Federal Reserve.