Draft Bank Accounts Using NACHA Files

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A NACHA file is a standardized file format that contains information a bank needs (bank name, routing transit number, account name, account number and amount to be deducted) to transfer money from one bank account to another. The ACH system is governed by the rules of the National Automated Clearing House Association. This system provides for the interbank clearing of electronic entries for participating financial institutions.

If Money Movers of America is your organization's merchant processor, and you have been approved to accept bank drafts, A NACHA file must be created and uploaded to MMOA for processing

NACHA files are created by pointing to **Transactions** and selecting **NACHA Report**. They must be saved to the hard drive of your computer. A user must then log in to their bank's application system to upload the NACHA file. *(Please contact your provider for specific instructions.)*

Important Information

- If you do NOT see the NACHA options in your *Transactions* menu, and you DO have the correct User permission (*NACHA Reports and Exports* in the *Transactions* section), contact Support as they will need to add a setting to

your database to activate the NACHA options.

- When a NACHA file is created, the full family balance will be used as the amount to be deducted from the bank account. It is not possible to draft a 'portion' of the full balance. Example: If a family balance is $500 at the time the NACHA file is created, $500 will be deducted from the family's bank account.

- If a NACHA file is created and changes are later made to the family's balance, a new NACHA file must be created to capture the new balance information. Example: A family balance is $500 at the time a NACHA file is created. Changes are made to the family's account, and the balance becomes $100. If a new NACHA file is not created, the original family balance of $500 will be debited from the family's bank account.

- The NACHA file is a tool used to initiate a bank draft. Bank drafts are not handled in real time and it may take 5-10 business days to actually 'settle'. *Bank drafts are ALWAYS approved initially.* It is your organization's responsibility to follow up with your bank to find out of any bank drafts were ultimately declined. If so, the family's transactions must be manually edited to reflect that the payment did not 'go through' and the family still has a balance.

- NACHA files can not be scheduled to occur automatically at a certain time of the month. The user must create the NACHA files and upload them to the bank before any draft will occur. (Use *e-Payment Schedule* in the Family *Billing Info* tab to create specific groups of families - examples might be 1st of month, 15th of month, etc.)

Before creating NACHA files, verify the following

- A Jackrabbit user must have appropriate permissions to work with NACHA files. If permissions are not set, the user will not see the NACHA choices under the *Transactions* menu. Use Tools > Manage Users & Permissions to update NACHA permissions for a user.
- Each bank draft family must have **e-payment = Bank Account** on their *Billing Info* tab.
- Each bank draft family must have an **e-payment schedule** set on their *Billing Info* tab.

Working with NACHA Files

1. Point to **Transactions** and click **NACHA Report.** This report details the families that have **e-payment=Bank Account**, their family balance, and their associated bank information. Review this report prior to creating a NACHA file to verify balances are correct and that all families are accounted for.

2. Point to **Transactions** and click **NACHA File**: Create this file and save it to the hard drive of your computer for upload to your bank. This file is used to draft accounts.

   1. After selecting **Transactions > NACHA File**, verify the **e-Payment = Bank Account.**
   2. Verify the **e-Payment Schedule** = the appropriate families.(i.e. 1st of month, 15 of month, etc.)
   3. Set **Service Class Code = 200** and **Entry Class Code = WEB**. *NOTE: This may vary by bank - verify this, and any other fields that may be*

4. The NACHA text file will open in a new window (see below for example). Click **File > Save** to save the file to the hard drive of your computer *(Tip: Create a special folder on your hard drive to save all NACHA files).*

5. Follow directions provided by your bank to upload the file.

Example of a Typical NACHA File

1st column: bank routing & account #
2nd column: amount to be deducted (last two digits are cents). Example:
 0000005000 = $50.00
3rd column: name on account
4th / 5th column: NACHA related information

101	07212586B094101			
5200	PPDRECEIVABLE070202070202		1	0000001
6270656346653151545466	0000005000	Rick Brown	0	0000001
6270445645466546453353	0000005000	Mary Jones	0	0000001
6270645486454245787987	0000002500	Bob Smith	0	0000001

Point to **Transactions** and click **NACHA Payoff.** After the NACHA file has been successfully uploaded to your bank, run NACHA Payoff to create a payment transaction for each account and recalculate balances to zero.

family's transactions in Jackrabbit to reflect that the payment did not go through and that a balance is still owed.

1. After selecting **Transactions > NACHA Payoff,** verify the **e-Payment = Bank Account**.
2. Verify the **e-Payment Schedule =** the appropriate families.
3. Verify that **Transaction Type = Payment (Credit).**
4. Verify that **Payment Method = Bank Draft.**
5. Optionally, set the **Notes** field to *NACHA Bank Draft* or *Drafted on the 1st*, or another similar note.
6. **Submit**

If it is necessary to re-create the NACHA File after paying off the accounts, delete the *Payoff Payment* transactions and re-create the NACHA file.