

# NACHA MICRO-ENTRY RULE

## SCOPE

This Rule defines and standardizes practices and formatting of Micro-Entries, which are used by some ACH Originators as a method of account validation.

Implementation of the rule is to improve the effectiveness of Micro-Entries as a means of account validation; to better enable Financial Institutions and other parties to identify and monitor Micro-Entries; to improve ACH Network quality.

### MICRO-ENTRY DEFINITION: THE RULE DEFINES “MICRO-ENTRY” AS A TYPE OF ACH ENTRY

A Micro-Entry defined as “a credit or debit Entry used by an Originator for the purpose of verifying a Receiver’s account or an individual’s access to an account.”

- A credit Micro-Entry must be in the amount of less than \$1.00
- One or more debit Micro-Entries must not exceed, in total, the amount of the corresponding credit Micro-Entries

This definition accommodates the existing practice of offsetting the amounts of credit Micro-Entries with one or more debits, which nets the total verification practice to \$0; and permits a debit offset to be greater than \$1.00 only to offset the amounts of credit Micro-Entries.

**Important:** Forte does not offer micro-entry as a means of account validation. Forte will facilitate settlement of micro deposits initiated by merchants seeking to validate authenticity of the account. If originator plans to use micro-entry as a means of validation, the originator must meet the Nacha Micro-Entry requirements.

## EFFECTIVE DATE

Effective in two phases, though Nacha encourages all ACH Network participants to make use of the new provisions as soon as possible.

### Phase 1 Effective Sept. 16, 2022

- **Originators must use commercially reasonable fraud detection.**
- **Requirements:**
  - Ensure the header field includes ACCTVERIFY
  - Include both debit and credit entries at the same time
  - Monitor forward and return micro-entry volumes
  - Ensure the Company Name is readily recognizable to the Receiver, and be the same or similar to the Company Name that will be used in future Entries

### Phase 2 Effective March 17, 2023

- **Originators must use commercially reasonable fraud detection.**
- **Requirements:**
  - Monitor forward and return Micro-Entry volumes. Monitoring forward and return volumes, at a minimum, establishes a baseline of normal activity.