

How ACH Works



- **Day 1: Submission Date** – originator (merchant) submits transaction to ACH Processor (jetCHEX) via real-time, batch or items that are scheduled to go out. This is the submit date. To be effective the following day all transactions must be received by 4:30 PM PST.
- **Day 2: Effective Date** – early in the morning the transaction is presented to the RDFI (customer's bank), the 48-hour period which the banks have to inform the originator that the item did not pay begins. If the account is closed or is invalid, many banks will be able to send out a rejected item notification to the Federal Reserve on this day.
- **Day 3: Deadline for Returns** – by the end of this day, all returned items must be sent by the RDFI to the Federal Reserve. Items that rejected in Day 2 are received from the Federal Reserve through the ODFI (ACH Processor's originating bank). ACH Processor compiles this data and reports it back to the originator.
- **Day 4: Last Day of Returns** – the last of the returned items are received and the originator's reporting is updated to reflect that. ACH Processor (jetCHEX) sends a credit to the originator for the items that have cleared.
- **Day 5: Funds Available** – originator's bank receives the credit from ACH Processor (jetCHEX) and applies it to the originator's account. This typically occurs before the bank opens and funds are available immediately that morning.