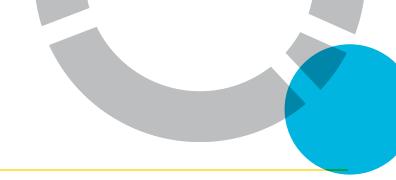# CommercePayments®

Micro-Entries

PHASE 1: EFFECTIVE 9/16/2022

- Introduction of "Micro-Entries" as a defined term and payment type
- Originators will be required to use standard Company Entry Description "ACCTVERIFY"

PHASE 2: EFFECTIVE 3/17/2023

- Originators will be required to use commercially reasonable fraud detection when sending Micro-Entries

PHASE 1

Phase 1 will provide a formal definition and formatting requirements for Micro-Entries and standardized practices for Micro-Entries as a method of account validation.

- A Micro-Entry would be "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 an amount between $0.01 and $1.00.

- The Company Name must be readily recognizable to the Receiver, and be the same or similar to the Company Name that will be used in future Entries.

- One or more debit Micro-Entries must not exceed, in total, the amount of the corresponding credit Micro-Entries.

- This definition accommodates the existing practices 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.

FAQs

Q: Does this Rule apply to me?

A: Yes, it could, if you are an Originator who sends Micro-Entries via the ACH Network as a method of account validation.

Q: Am I required to use Micro-Entries?

A: No. The Rule offers Micro-Entries as a method of account validation, but not the only option.

Q: Are Micro-Entries my only method for account validation?

A: No. Other methods include use of a Prenotification Entry or use of a commercially available validation service provided by an ODFI or a third-party entity.

Q: Am I required to offset the entries?

A: A debit Micro-Entry is required to be offset by one or more corresponding credit Micro-Entries sent simultaneously for settlement at the same time. The credit must be equal to or greater than the debit so as to not result in a net debit to the Receiver.

A credit Micro-Entry is not required to be offset by a corresponding debit, though an Originator can choose to. An offsetting debit cannot be for more than the credit. The entries must be sent simultaneously for settlement at the same time.

Q: What are the benefits of this change?

A: The use of Micro-Entries will aid in a more effective and reliable ACH Network, better enable account validation practices, and provide for more clear identification and resolution of Micro-Entries to a Receiver's account.

Q: What Standard Entry Class (SEC) Code should I use?

A: The SEC code for the Micro-Entry should match the code used for the future entry.

Q: How will I know that my Micro-Entry went through?

A: Originators will need to verify the amounts of the Micro-Entries with their Receiver before sending future entries. The Rules allow Originators to decide their method and requirements in which their Receiver completes this verification step. If an Originator cannot complete the verification process for the Micro-Entry with the Receiver, then they will not be permitted to originate future entries.

For more information, visit:

www.nacha.org/rules/upcoming

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