

ACH Processing Services

Outsourced ACH Solutions Tailored to Your Requirements and Budget



Fiserv offers industry-leading Automated Clearing House (ACH) technology and our third-party expertise in a single, affordable solution.

Technology is constantly changing, your market is unpredictable and the pressure to reduce operating costs continues to intensify. Despite these challenges, your financial institution needs the right technologies to grow and remain competitive.

A growing number of financial institutions are finding that outsourcing their ACH payment processes to Fiserv allows them to control operating costs and increase efficiency. They are increasing their focus on serving customers and members by leaving technology implementations, support, integration and maintenance to us.

Industry-Leading, Real-Time ACH Processing

ACH Processing Services from Fiserv delivers the combined resources of our service bureau expertise with the superior product reputation of PEP+® from Fiserv. PEP+ has been the industry standard for ACH processing for nearly three decades. PEP+ is an online, real-time solution for originating and receiving ACH electronic funds transfers with speed and efficiency. A comprehensive range of core functions and add-on modules provide a complete, reliable solution for keeping pace with the escalating volume of electronic payments.

PEP+ processes electronic records coming from and going to ACH offices, financial institutions and corporations. The system accommodates all types of entries including the NACHA format and dynamic entry items such as recurring payments with variable dollar amounts for each cycle. PEP+ edits the entries for NACHA rule requirements and, if necessary, adds any missing elements and reformats information for distribution to your in-house systems, corporate clients or correspondent banks.

Key advantages of the system include:

- Online access
- Automated settlement
- Operational security
- Multi-institutional processing
- Automated edits/interfaces
- Fraud detection
- Debit authorization/protection
- Automated scheduling
- Non-ACH reformatting
- Warehousing
- Reversals
- Comprehensive reporting
- Specialized processing

In addition, the PEP+ system handles each of the following ACH processes to ensure a comprehensive, end-to-end solution:

Collection

PEP+ accepts entries in whatever form and format they are in when delivered. They can arrive in ACH or non-ACH format.

Warehousing

Once entries have been collected and edited, they are stored in a data warehouse for efficient distribution. Entries can be changed or rescheduled if necessary.

Distribution

Entries are distributed from the warehouse to recipients such as the Automated Clearing House, correspondent banks, savings and installment loans systems.

Posting to DDA and In-House Systems

Entries can also be distributed to your accounting systems, in the correct formats, such as general ledger, accounts receivable and DDA systems.

Scheduling

You can dictate a schedule of anticipated work to organize the entries PEP+ is processing. When work arrives early or late, the schedule can be adjusted.

Calendars

The PEP+ calendar computes the release and settlement dates of entries, keeping track of business and "nonbusiness" days to ensure work is forwarded to the ACH operator in a timely manner.

Balancing

PEP+ provides input and output balancing and control in a multibank, multicompany environment.

Settlement

The system maintains settlement account information for originating companies, the ACH and all distribution points. Settlement amounts are computed and entries made automatically, on settlement day, to general ledger or DDA.

Cycle Processing

Collection and distribution totals are accumulated at three levels: daily, cycle-to-date and year-to-date. These totals are closed out on a periodic or cyclical basis.

Statistics

PEP+ maintains cycle-to-date totals of all processing activity and records year-to-date totals for historical information.

General Reporting

A complete line of audit, control and management reports are available, including operational, management, activity, volume level, end-of-cycle, year-end, database activity and maintenance, and summary reports.

Verification Reporting

PEP+ produces verification reports for all online and batch maintenance activity. You can also view security violations and inquiries and maintenance activity.

Return Processing

Returns are handled very efficiently with PEP+. The system addresses return entry processing from two perspectives:

- If you are the receiving financial institution, entries are returned to the ACH when they fail to post in the DDA, savings or your other in-house posting systems
- If you are the originating financial institution, the system handles your entries that have been returned to you through the ACH

This same facility efficiently handles "notifications of change" for returned prenotification transactions. You can specify a range of different processing options for corporate customers such as:

- How long copies of originated entries should be retained in the warehouse
- How many representations are permitted
- The format in which entries should be returned to the originating company

Online Correction, Returns

PEP+ allows users to review entries online, so it is possible to correct, return, reverse, redeposit or delete them.

Remakes

If distribution entries are lost or damaged in transit, PEP+ allows users to reconstruct and redistribute them by using the distribution backup file.

Robust Functionality to Meet Your ACH Requirements

PEP+: Automated Scheduling and Arrival Processing (ASAP)

Automatically matches up an incoming ACH file to the proper elements within the PEP+ database, preparing the file for collection into the batch window process. ASAP delivers operational efficiency and improves risk management by automating the manual arrival process, copying incoming files to the appropriate dataset, ensuring files that arrive after a specified deadline are not collected on the current processing day without operator intervention, backing up incoming files and deleting incoming files from the collection dataset.

PEP+: Early Warning System (EWS)

Enhances the ASAP process to perform pertinent edits processing and file validation. Gives you the ability to recognize potential processing problems during the file arrival process, acknowledge receipt of the customer file and identify potential problems with the file prior to the running of the processing window. This provides for an extended window of opportunity for you and your customers to respond to exception scenarios prior to collecting files into the system.

PEP+: Extended Retention Module (ERM)

Provides an efficient means of storing distributed entries for a longer period of time in order to allow the system to automatically handle returns that are received after the original entries would normally have been purged. If you routinely receive returns for entries that have been purged from the warehouse, this process can substantially reduce manual effort.

PEP+: Customer Activity Reporting (CAR)

Offers your institution a means of reporting detailed transaction information to your corporate clients in a timely manner. The reports produced through this module provide the information your corporate clients need to reconcile their ACH transactions.

PEP+: Memo Post Prefunding (PRF)

Offers an automated process for you to validate the real-time DDA account balances of designated originators. It places holds on the funds in the DDA account at the time items are collected into the system.

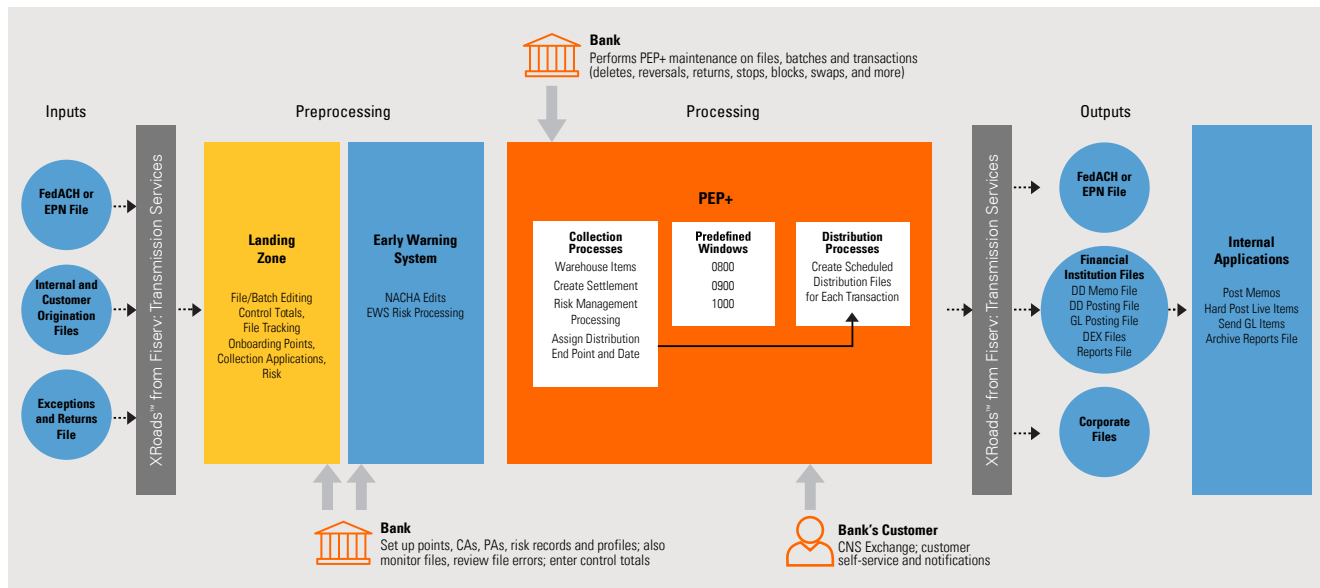
PEP+: Risk Management (RSK)

Allows you to monitor ACH origination exposure information across a customer's total ACH relationship. It also provides the ability to set specific customer file, batch, transaction and warehouse limits based on a customer's specific setup.

PEP+: Dual Verification (DVR)

Enables you to perform dual verification for specific online warehouse request codes. It allows/requires a second operator and/or third operator to approve online requests when those requests are initiated by designated operators requiring dual verification. Dual verification can be performed against: File Maintenance, Batch Maintenance, Detail Maintenance, Online Returns and Warehouse Exceptions, and on PEP+ Operator Definitions.

ASP PEP+ Process Flow



PEP+: Electronic Payment Authorization (EPA)

Helps your customers eliminate the risk of an unauthorized debit to one of their accounts. EPA allows pre-authorized payment records to be established in the database and produces account level reports of any monitored activity that has not been previously authorized. Payments can subsequently be accepted or allowed to automatically return to the originator.

Additional Services Provide a Customized Solution

Your financial institution can subscribe to the following additional PEP+ services to enhance our core offering:

PEP+: EPA Positive Pay

Provides an interface for EPA to allow unmatched (non-authorized) items to be sent to your online banking application or Positive Pay system for decisioning. Upon return of the Positive Pay Response file to the system, the decisioned items will follow standard EPA processing; the items will be released for distribution ("Pay") or rejected and returned ("No Pay").

PEP+: SEC Monitor (SEC)

Provides the ability within PEP+ to define Standard Entry Class (SEC) Code sets that can be used during processing to filter ACH Origination and/or ACH Receiving activity.

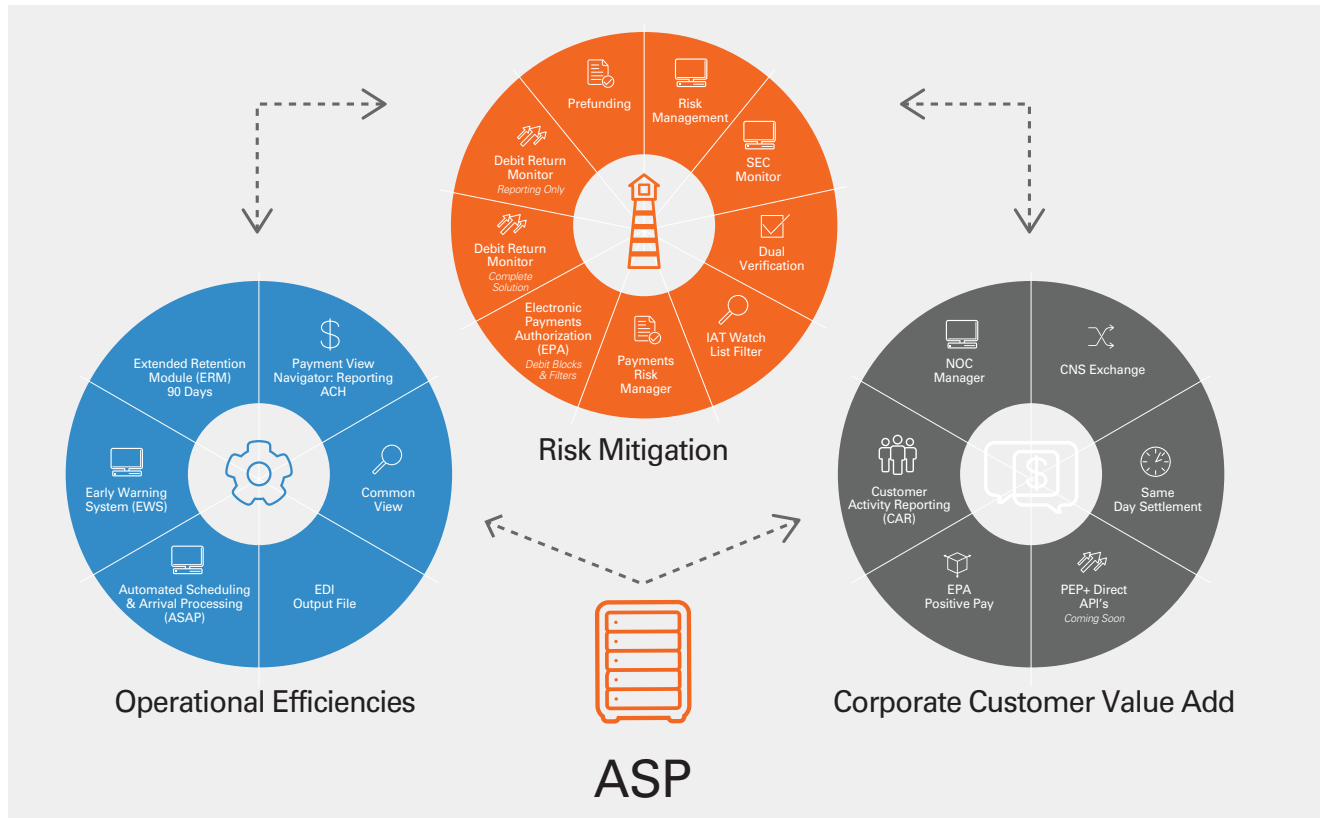
PEP+: Debit Return Monitor (DRM)

Provides you with the automation to minimize exposure to originated debits being returned. This module enhances the ability to track and monitor origination and return statistics across your entire PEP+ database, as well as to calculate and release hold data with PEP+ settlement transactions. You mitigate debit exposure risk by withholding funds from your client accounts. Holds are released by the DDA system in a timely manner to provide funds availability to cover the return chargeback volume.

PEP+: Notification of Change (NOC) Manager

Functionality supports Notification of Change (NOC) management to PEP+ originators, decreasing the number of returns and NOCs received as a result of originating incorrect data. It also provides you visibility into originators and ODFIs that are disregarding NOCs initiated by you in response to previous erroneous activity.

ACH Processing Services Functionality



PEP+: EDI Output File (rEDI)

Traps and writes certain SEC Codes (CTX, PPD+, CCD+, CCD, CIE and IAT) to an output file for further translation via an external electronic data interchange (EDI) translation tool.

PEP+: CommonView (CMV)

Offers a user-friendly graphical user interface to PEP+ warehouse information, enabling you to access and view PEP+ data by interfacing directly to the tables. This offers full-time access to the PEP+ data even during traditional periods of PEP+ downtime (window transition periods and online downtime, for example). Provides for easier navigation for use in other areas within your institution that may be less familiar with navigation through the traditional PEP+ screens.

CNS Exchange

Enables your corporate clients to interact with PEP+ and its associated data via a web-based system. Supports ACH Positive Pay, File Control Total Maintenance and Warehouse Inquiry.

IAT Watch List Filtering

Fully automates the Office of Foreign Assets Control violation screening process, comparing international ACH entries against the list of "Specially Designated Nationals and Blocked Parties" (SDN List); allows for real-time analysis, alert management and case management features; integrates with sophisticated list filtering with user-definable filtering, false positive database; and uses a case management tool to track how the list matching alerts are resolved.



Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work today. Visit fiserv.com to learn more.

Same Day Settlement (SDS)

Enables your institution to offer same day ACH settlement to key clients as a value-added service. Controls how you want to participate in NACHA's Same Day ACH Origination program, enabling selected qualified ACH transactions to be originated and settled on the same day based on rules established at the customer level.

Payments Risk Manager™ (PRM)

Provides a way to integrate the fraud detection and behavioral analysis capabilities of an enterprise risk-monitoring solution with straight-through PEP+ processing. Enables you to monitor potential fraudulent transactions in near real time. Integrates with a third-party fraud system to review and decision items prior to distribution.

PaymentView™ Navigator: Reporting ACH (PVNR)

Provides in-depth and flexible access to PEP+ data for management and compliance reporting by offering customizable report views and ad hoc access to long-term data marts, reducing IT projects while providing easy access to valuable information.

Your Competitive Advantage Is Our Decades of ACH Expertise

When you partner with Fiserv, we put our full breadth of industry expertise to work for you. Our services can enable you to provide cutting-edge ACH processing without the capital expenditures and extensive resources required to operate, maintain and support the technology. We host and perform all of your ACH processing functions according to your requirements.

You gain product delivery advantages, including faster time-to-market with new ACH product and service capabilities. Our services also ensure that your financial institution always stays current with NACHA rules and complex regulatory guidelines.

Key Benefits

- Cost-effective means to process and deliver ACH transactions no matter the size of your institution or ACH transaction volume
- Leading-edge technology for maximum operational efficiency
- Reduced capital expenditures and technology costs
- Low cost of entry for delivering new ACH services
- Improved productivity through the elimination of manual processes
- Enhanced customer service and satisfaction
- Expanded business offerings to meet current market needs
- 24/7 support from the industry experts of ACH processing
- Complete compliance with changing NACHA rules and new regulatory requirements
- State-of-the-art fraud detection, risk mitigation

Most importantly, outsourcing your ACH services to Fiserv allows you to manage ACH processing costs through predictable, per-item pricing as your ACH volumes grow. Extra functionality needed to remain competitive can be added at incremental costs, whenever you choose.

Connect With Us

For more information on ACH Processing Services, call 800-872-7882, email getsolutions@fiserv.com or visit www.fiserv.com.



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