

**Category:**

- ACH Quality and Risk

**Attention Required:**

- Administrative
- Risk
- Technology/Systems

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**Date Effective: Phase 1 – September 16, 2022**  
**Phase 2 – March 17, 2023**

*End-user Briefing*  
Issue Date: March 10, 2022

Date Approved: January 31, 2022

## Micro-Entries

### Does this rule impact me?

If your organization uses small value electronic (ACH) transactions to validate an account that a customer is using to pay with or receive payments into, this rule applies to you. These transactions are sometimes referred to as “test transactions” or Micro-Entries.

### What is the purpose of this rule?

While not a new concept, Nacha has defined Micro-Entries as a transaction type and standardized the formatting and sending requirements, keeping in line with common industry practices. This standardization provides better recognition when sending and receiving Micro-Entries and limits their impact on accounts.

### What is the rule?

This Rule is being implemented in phases. Phase 1 defines “Micro-Entries” as “ACH credits of less than \$1, and any offsetting ACH debits, used for the purpose of verifying a Receiver’s [customer’s] account” and standardizes certain aspects of Micro-Entry processing.

#### Amount

An organization that utilizes Micro-Entries is not required to create Micro-Entry debits, but if it does, the total dollar amount of the Micro-Entry credit transactions must be equal to or greater than the value of the Micro-Entry debits. In other words, the result cannot be a net debit to the customer’s account.

#### Format

Micro-Entries must use the description “ACCTVERIFY”.

The sender’s name must be readily recognizable to the customer as the organization they are doing business with, and be the same or similar to the name that will be used in future transactions.

#### Sending Practices

If an organization uses Micro-Entry debits to offset Micro-Entry credits (optional), it must send the debits and the corresponding credits at the same time and use the same Effective Entry Date. This ensures that all the transactions will reach the customer’s account at approximately the same time, limiting the impact on the account balance.

An organization that uses Micro-Entries may send future transactions to its customer’s account as soon as the process for validating the Micro-Entries has been completed.

## Risk Management

Phase 2 of this rule change requires an organization using Micro-Entries to use reasonable methods to recognize and prevent suspicious activity. At a minimum, volumes of sent and returned Micro-Entry transactions must be monitored to recognize and address unusual activity. Another important mitigation is to recognize if the same or similar account number (ex. padded with zeros) is being used multiple times or for multiple customers.



**ARE YOU  
READY?**

### How and when do I prepare for this change?

**Organizations using Micro-Entries are encouraged to make any of these changes prior to the implementation dates.**

#### *Immediately*

Contact your IT staff or vendor providing Micro-Entry services to determine:

Current information being used for the:

- Entry Description
- Company (sender) Name

Whether or not offsetting Micro-Entry debits are being used

- If so, sending practices related to corresponding credits

Contact IT staff, vendor/processor(s) and financial institution to determine requirements for monitoring Micro-Entry sending and returned activity.

Prepare an implementation plan, as needed, for Phase 1 and Phase 2 changes, determined by your organization and vendor.

Review implementation and testing timelines, including end-to-end testing with partners and/or your financial institution, if applicable.

Update policies, procedures, and documentation.



#### *September 16, 2022-Phase 1*

If not already in place, meet the formatting and sending requirements:

- Entry Description
- Company (sender) Name
- Amounts do not net negative
- Credits and debits, if used, sent at the same time with the same effective date



#### *March 17, 2023*

Ensure a commercially reasonable monitoring system is in place for Micro-Entries.

Policies, procedures, and training complete for handling red flags/suspicious activity identified.



For more detailed information, see [nacha.org/rules/microentries](https://nacha.org/rules/microentries)



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