

# HOW TO CALCULATE ADMINISTRATIVE OR OVERALL RETURN RATE LEVEL



Nacha's ODFI Return Rate Reporting rule improves ACH Network quality by reducing the incidence of exceptions, returned entries, and associated financial and reputational costs. Originating Depository Financial Institutions (ODFIs) are responsible for the continued monitoring of return rates of their Originators and Third-Party Senders.



## CALCULATING ADMINISTRATIVE OR OVERALL RETURN RATE LEVEL\*

This Nacha Rule established an inquiry process and evaluation points if an Originator or Third-Party Sender exceeds an administrative return rate level of **3.0%** and/or an overall return rate level of **15.0%**. Make sure you are monitoring accurately by using one of these return rate calculations.

1

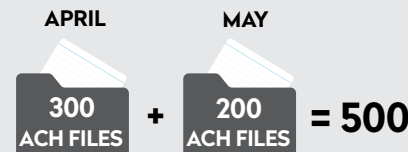
The number of administrative debit returns or all returns (for overall) divided by the number of debits originated for the preceding 60 days or two calendar months

2

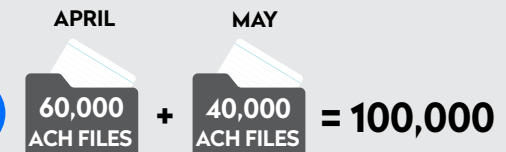
The number of administrative debit returns or all returns (for overall) for the preceding 60 days or two calendar months divided by the number of debits contained within the files in which the original forward entries were transmitted

\*Administrative Return Reason Codes include R02, R03 and R04, and overall returns include all Return Reason Codes. When calculating the Overall Return Rate, RCK Entries and RCK Returns may be excluded from both the numerator and denominator.

### DEBITS RETURNED

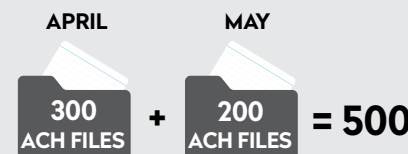


### DEBITS ORIGINATED



A small icon of a document with a percentage sign and horizontal lines, indicating a report or calculation.
$$500 \div 100,000 = 0.5\%$$

### DEBITS RETURNED



### DEBITS IN ORIGINAL FORWARD ENTRIES



A small icon of a document with a percentage sign and horizontal lines, indicating a report or calculation.
$$500 \div 100,000 = 0.5\%$$