HOW TO CALCULATE UNAUTHORIZED RETURN RATE

Nacha®

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.
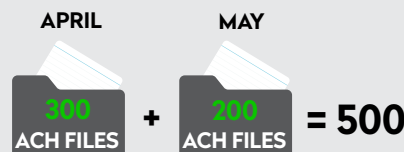
CALCULATING UNAUTHORIZED RETURN RATE THRESHOLD*

The Nacha Rule establishes the unauthorized return rate threshold at **0.5%**.
Make sure you are monitoring accurately by using one of these return rate calculations.
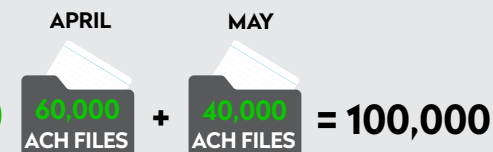
1 The number of debits returned divided by the number of debits originated for the preceding 60 days or two calendar months
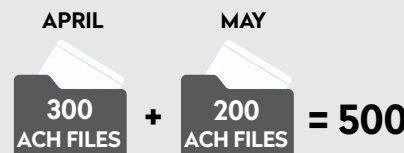
DEBITS RETURNED

APRIL — 300 ACH FILES + MAY — 200 ACH FILES = 500

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DEBITS ORIGINATED

APRIL — 60,000 ACH FILES + MAY — 40,000 ACH FILES = 100,000

$$500 \div 100{,}000 = 0.5\%$$

2 The number of debits returned 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

DEBITS RETURNED

APRIL — 300 ACH FILES + MAY — 200 ACH FILES = 500

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DEBITS IN ORIGINAL FORWARD ENTRIES

ACH FILES = 100,000

$$500 \div 100{,}000 = 0.5\%$$

* Return Reason Codes for Unauthorized include R05, R07, R10, R11, R29 and R51.