

ACH Annual Communication 02/01/2026

Annually, the National Automated Clearing House Association (NACHA), the rule-making body for the ACH network, makes edits and updates to the Operating Rules. As a courtesy to our customers, we communicate those updates as well as provide you with a few reminders regarding ACH processing through Nicolet National Bank.

NACHA Rule Reminders:

- Do **NOT** use employee Social Security Numbers in the Identification field within ACH files. This is a violation of the ACH Rules. Please review your templates or files to ensure you are not displaying personal, non-public information.
- Ensure your Company Entry Description follows NACHA standard descriptions. The description should clearly reflect the purpose of the transaction as it appears on the Receiver's bank statement and should be easily recognizable.
- When ACH notifications are received it is imperative that they are acted upon promptly.

Updated NACHA Rule Change:

Effective March 2026, you must use the NACHA standard description for Payroll and E-commerce files in the Company Entry Description.

- **PAYROLL**
 - Use Case: PPD Credits related to wages, salaries, and similar compensation.
 - Requirement: The Company Entry Description field must contain "PAYROLL".
- **PURCHASE**
 - Use Case: E-commerce purchases authorized by a consumer Receiver.
 - Requirement: The Company Entry Description field must contain "PURCHASE".
 - SEC Code: Typically uses the WEB debit SEC Code unless permitted to use TEL or PPD.

ACH File Submission Timing:

- Submit ACH files—especially PAYROLL files—2 business days prior to effective date to ensure sufficient processing time.
- Daily cutoff for Same Day ACH: 1:30 PM CST
 - Users must check the Same Day box during submission.
- Daily cutoff for Next Day ACH: 5:00 PM CST
 - Files submitted after 5:00 PM CST will be processed the next banking day.

ACH Limits:

- Same Day ACH entry limit: \$1,000,000.00.
 - No single entry may exceed this amount
- Each Company has an assigned Daily ACH Limit.
 - If assigned daily ACH limit is exceeded, the file submission will fail.

File Review & Notifications:

- After each file is initiated, a yellow warning will display: "Pending Financial Institution Review."
- Identified users will receive an email: "ACH Limit Check – Warning" indicating the file was received and is pending bank review.
- Nicolet Bank runs all ACH files through a fraud detection system.

- If an entry triggers concern, Business Support will call the file submitter to verify new or edited account information. This must be completed before the file is released.
- A second email will notify identified ACH users when the file has passed all origination steps and will be sent to the Federal Reserve for final processing.

Troubleshooting & System Alerts:

- When submitting an ACH file or transfer request through ACH Manager, call Business Support if:
 - You receive an unfamiliar message.
 - The system behaves unusually.
 - You experience a timeout during submittal.
- We can help you confirm the status of a file or transfer to ensure successful processing.

Returns & Notifications:

- When your Company receives ACH Notifications, it is imperative they are acted upon promptly.
- If an ACH item you sent is returned or contains incorrect information, Nicolet Bank receives:
 - an ACH Notice of Return (NOR) or
 - an ACH Notification of Correction (NOC)
 - NOC's warrant the corrected information is true and accurate.
 - Update account information within six (6) banking days of receiving it or prior to initiating the next ACH entry, whichever is later.
 - These notices are made available to your identified users in the ACH Reporting Files section within Positive Pay.
- Continuing to send entries with incorrect information may subject both Nicolet Bank and your Company to ACH Rule violations and fines.

Fraud Awareness & Best Practices:

- Fraud continues to increase, especially email account takeovers involving:
 - Consumer email accounts
 - Business email systems
- Fraudsters often send fraudulent routing/account number changes to HR or Accounts Payable, posing as employees or vendors.
- Use a multi-step process when updating routing and account information:
 - Make a verification phone call to the employee/vendor using a number already on file, not the number in the change request.
 - Consider requiring an updated signed form acknowledging the change(s), in addition to the verification call.
- If you suspect fraud, contact Nicolet Bank's Business Support team right away.

Nicolet Bank Business Support Teams:

- Treasury Management Support
 - PH: 855.451.4793
 - E: treasurymanagement@nicoletbank.com
- Small Business Support
 - PH: 855-451-4792
 - E: smallbusiness@nicoletbank.com

As always, we appreciate your continued business and trust. We are here to support you and your payment processing needs.