



## Exception Item Processing

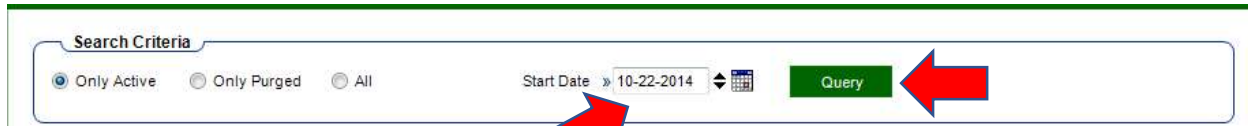
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## Section A – Correcting ACH File Load Errors

File load errors must be corrected prior to processing ACH Reject items, otherwise there will be an excess number of reject items to review that would have been processed automatically through the automatic review and decision matrix programmed into the system. To correct ACH File Load Errors in DNA

- Click on Batch > Load & Manage Files > List Database Files
- In the Search Criteria box, select the current date as the Start Date then click Query



Search Criteria

☒ Only Active ☐ Only Purged ☐ All

Start Date » 10-22-2014

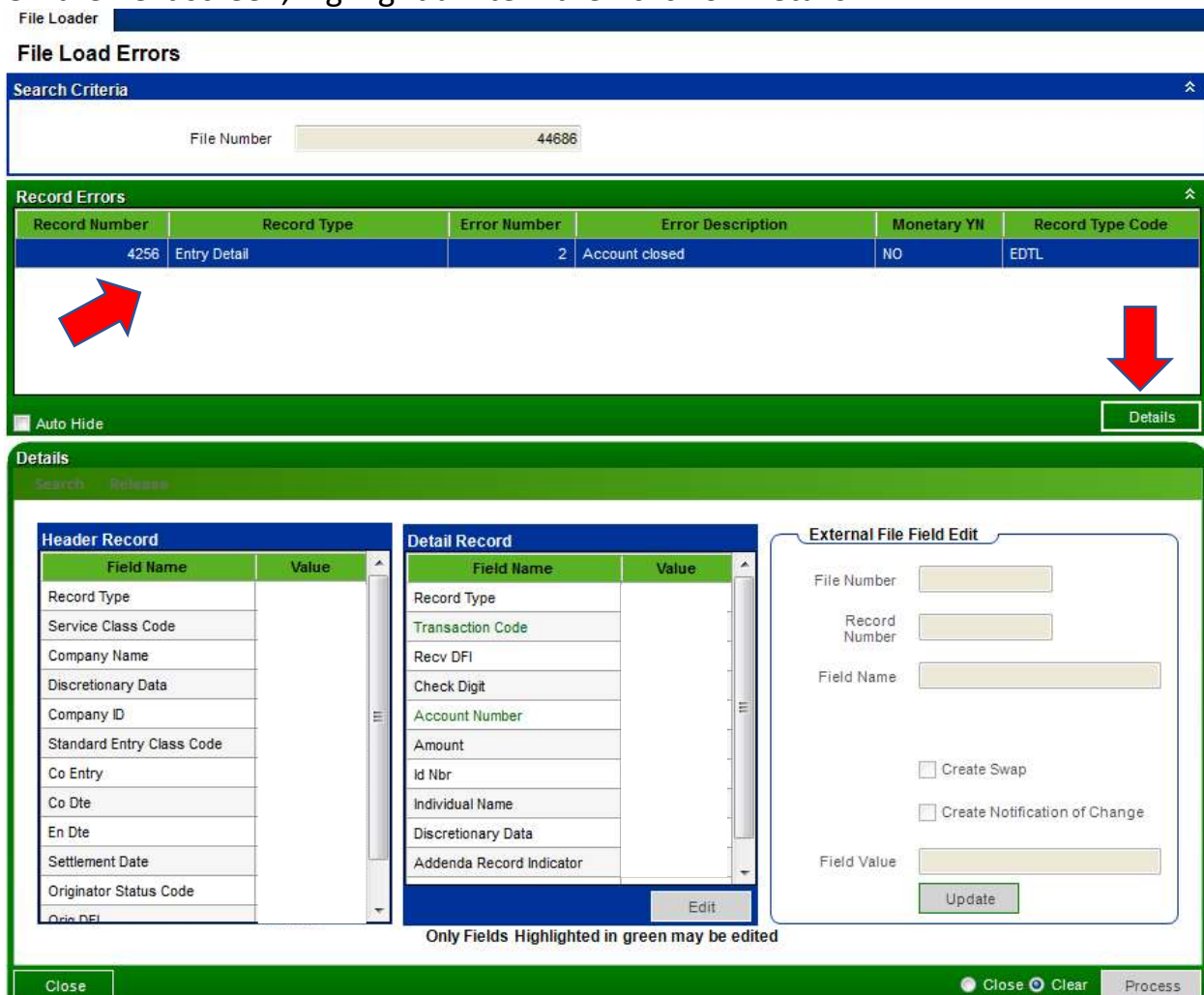
Query

- Highlight a file with the Type column shown as ACH and the Record Errors column showing Yes then click Errors.



Number	Name	Type	Status	Record Errors	Initial Load Date	Record Count	Total Debits	Total Credits	File Location
44686	ACHCout.ach	ACH	LOAD	Yes	11-05-2014	4290			

- On the next screen, highlight an item then click on Details



File Loader

File Load Errors

Search Criteria

File Number 44686

Record Errors

Record Number	Record Type	Error Number	Error Description	Monetary Y/N	Record Type Code
4256	Entry Detail	2	Account closed	NO	EDTL

Auto Hide

Details

Details

Header Record

Field Name	Value
Record Type	
Service Class Code	
Company Name	
Discretionary Data	
Company ID	
Standard Entry Class Code	
Co Entry	
Co Dte	
En Dte	
Settlement Date	
Originator Status Code	
Orig DFI	

Detail Record

Field Name	Value
Record Type	
Transaction Code	
Recv DFI	
Check Digit	
Account Number	
Amount	
Id Nbr	
Individual Name	
Discretionary Data	
Addenda Record Indicator	

Only Fields Highlighted in green may be edited

External File Field Edit

File Number

Record Number

Field Name

Create Swap

Create Notification of Change

Field Value

Update

Close

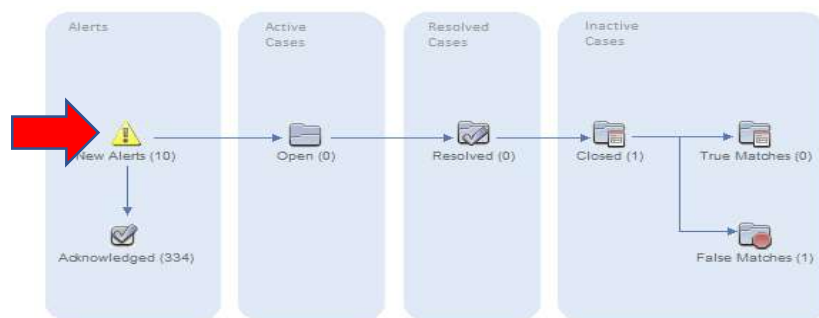
Close Clear Process

- Research the item in the member's relationship profile.
  - Note: These items may need to be researched either by name or by account number. If the proper account number or member cannot be determined within one minute, leave the file error and move on to the next one. These items will be returned as R03 – No Account, Unable to Locate.
- To correct a file load error:
  - Highlight the box in the value column to the right of the Account Number field name.
  - Click Edit
  - Update the account number in the Field Value of the External File Field Edit box.
  - Click Update > Process
- When all file load errors have been reviewed and corrected (if needed), click Close and move on to the next file with Yes in the Record Errors column.
- Once all items have been reviewed and corrected in all files, move on to the steps in Section B.

## Section B – Verafin OFAC Check

Each morning, the Watch List in Verafin must be reviewed to determine if any IAT alerts have generated.

- To view the audit log for IAT items, select Watch List > Reports > IAT Audit Log. This will show you that the IAT files have been run for any given day. Do not use the "Match" column in this report as an indication of whether an alert generated at this time; instead use the steps below to determine if there are any IAT alerts to review.
  - If no IAT hit is recorded, skip to the section of this procedure showing the process for working the ACH batches in CORE.
  - If an IAT hit is indicated by Verafin, the IAT hit must be reviewed prior to continuing.
    - To work items on the IAT watch list, log on to Verafin then select Watch List > Home
    - Select New Alerts



- If the match is a false positive, click on the Acknowledge button in the upper right hand corner of the screen for the name on the case being worked.



Scenarios		Key Evidence	All Evidence
<b>Name</b>	<b>Risk</b>		
Identity Number Match	0		
Email Address Match	0		
Name Match	89		

- Type a description (such as “name mismatch; false positive” or “name, ssn and dob mismatch; false positive”) to indicate why the alert is being acknowledged.
- Note: Once a generic reason has been used once, it can be used over and over again by clicking the drop down menu under Frequently Used Notes.
- Click on Acknowledge when complete and continue to work remaining alerts.



Previously used notes:

Note:

Names Do Not Match Completely: False Positive.

Reason For Acknowledgement:

Acknowledge Cancel

- If the match is a positive match, visit the [OFAC website](#) to determine if the match is truly a positive match or actually a false positive match.
- Once all OFAC hits have been cleared, continue on to Section C – Loading IAT Hits

## Section C – Loading IAT Hits

- To work the ACH batch in CORE, go to Services > Batch > Load and Manage File > ACH IAT Maintenance



- On the File Record Status Maintenance Screen click Query.

The screenshot shows the 'File Record Status Maintenance' screen. It includes search criteria for Account / Owner (Account Number or Name), File Nbr, Amount, and Receiver Name. There are also filters for Transaction Type (Credits, Debits, All) and Record Status (OFAC Processed, Load, Load & Hold, Error). Transaction Date filters (Post Date, From Date, Thru Date) are also present. A red arrow points to the 'Query' button.

- The query screen will indicate any IAT
- Click on the drop down arrow in the Record Status column next to the item being processed.
- Change the status to the appropriate action
  - Load if the record can be loaded
  - Error if the item was a true hit and is being returned.
    - Note: if a Record Status is changed to Error, the item will be returned as reason code R16 – Account Frozen

The screenshot shows the 'View Details' table with the following data:

File Nbr	Account Number	Tran Type	Record Status	Amount	Receiver Name	Post Date
27160		IAT Deposit	OFAC Processed			01-27-2011
27160		IAT Deposit	OFAC Processed			01-27-2011
27160		IAT Deposit	OFAC Processed			01-27-2011

- Once all items have been reviewed and the status changed, click Process then move on to Section D – Rerunning ACH Batches.

## Section D – Rerunning ACH Batches

- Once sections A through C are complete, send the following message to the Help Desk using Pidgin: *Please Rerun ACH*
- When a response is received indicating that the rerun process is complete, continue on to Section E – Reject Item Processing

## Section E –Reject Item Processing

In Part E, the true exception processing will take place. This is a review and decision process similar to review and decision for Inclearings and is a process done to review any items that were not automatically accepted or rejected by the matrix used by DNA. To work Reject Items

- In DNA, navigate to Services > Institution > Rejected Items
- Select the following Options:
  - Branch: <All>
  - Responsible Person: <All>
  - Application: <All>
  - Post Date: Current Date
  - Reason Code: <All>
  - Account Class: <All>
- Check the Non-Reviewed Items Only box then click Query

The screenshot shows the DNA system interface for Rejected Items processing. The 'Selection Criteria' section is highlighted with a red box and a red arrow pointing to it. The 'Check View Options' section has 'All' selected. The 'Posting Dates' table shows a list of transactions with their application types and post dates. A red arrow points to the 'Query' button.

Application	Post Date
Loan Payment P...	11-05-2014
ATM Processing	11-05-2014
SWIM II File Proc...	11-05-2014
Inclearing Proce...	11-05-2014
ACH Processing	11-05-2014
External Transa...	11-05-2014
Payroll Deductio...	11-05-2014
POD Processing	11-05-2014
RO ACH Transa...	11-05-2014
ATM Processing	11-05-2014
Loan Payment P...	11-05-2014

- Highlight the first item and select Detail

Rejected Items Reconciliation Details									
Detail		Inquiries							
Account Number	Owner	Total Amount	Total Items	Paid Items	Rejected Items	Total Service Charge Amount	Reviewed	Current Balance	Available Balance
21		42.00	1	0	1	25.00	<input checked="" type="checkbox"/>	5.81	(19.19)
21		42.00	1	0	1	25.00	<input checked="" type="checkbox"/>	13.26	(11.74)
21		15.00	1	0	1	0.00	<input checked="" type="checkbox"/>	0.00	(25.00)
21		196.73	1	0	1	25.00	<input checked="" type="checkbox"/>	(24.94)	(49.94)
21		6.00	1	0	1	25.00	<input checked="" type="checkbox"/>	4.73	(20.27)
21		1.00	1	0	1	25.00	<input checked="" type="checkbox"/>	0.18	(24.82)
21		42.00	1	0	1	25.00	<input checked="" type="checkbox"/>	25.58	0.58

- Click on Details to view the organization sending the payment then click close.

**Rejected Account Detail**

Details ACH ~~NSF~~ Related Accounts Inquiries

Account Number: 21 Account Owner:

**Pending or Rejected Transactions**

Check Number	Transaction Type	Transaction Exception	Transaction Amount	Transaction Status	Pending
	External Withdrawal	Non-Sufficient Funds-Savings	42.00	Rejected	<input checked="" type="checkbox"/>

Account Details Average Balance ~~Withdrawal Items~~ User Fields NSF Statistics Roles Presented Items

Total Service Charge: 25.00 Current Balance: 5.81 Contract Date: 10-13-1982

Items Paid: 0 Available Balance: (19.19) Last Deposit Date: 10-31-2014

Return All Exception Items: Last Deposit Amount: 1.75

Close Close Review Approve



- Use the following matrix to make decisions on the reject items:

Transaction Exception	Merchant from Details Screen	Transaction Status	Decision
Non-Sufficient Funds	Fuel Dealer	Rejected	Change transaction status to Completed and uncheck the “waive” box.
Non-Sufficient Funds	Fuel Dealer	Completed	Leave the item status as Completed and click Approve.
Non-Sufficient Funds	All Other Merchants	Rejected	Leave item as rejected and click approve
Non-Sufficient Funds	All Other Merchants	Completed	Leave the status as completed and click Process.
Payment Stopped	All Merchants		Review the deposit account and see if the specific item is being stopped. If it is, keep the status as Rejected and click Process. If the specific item does not have a stop payment, change the status to “completed” and click process.
Uncollected Funds	All Merchants	Rejected	Leave item as rejected and click Process.
Account Closed, Invalid Account Status, Dormant Accounts	All Merchants	Rejected	Leave item in the Rejected status and click approve.
Non-Transaction Account	Fuel Dealer	Rejected	Leave item as rejected. Make note of account and payment to manually handle in Part G.

- Once the Review and Decision Determination has been made on the item, click the Approve button then move on to the next item.
- When all Rejected Items have been reviewed, click Process then proceed to Section F – Run in Update.