



Treasury Management Services

ACH Origination Guide

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ACH Origination Overview

The ACH menu is located under *Payments* on the services menu in Treasury Management Services (TMS).

ACH
Create ACH Payment
Create ACH Tax Payment
ACH File Activity
ACH Payment Activity
Recurring ACH Payments
ACH Templates
ACH Tax Templates
ACH Recipients
ACH Recipient Activity
ACH Recipient Import Layout

The ACH system is used to send payments (credit transactions) or to collect payments (debit transactions).

ACH transactions are created by entering the recipient information manually, importing the recipient information from a spreadsheet, or from uploading a Nacha file produced by software.

Templates can be created for transactions that are regularly done to the same group of recipients.

ACH batches can be scheduled to go out automatically at recurring intervals, or at a specified date in the future.

The Automated Clearing House (ACH) network processes electronic payments and the ACH network is governed by the National Automated Clearing House Association (Nacha). There are strict rules and guidelines (the “Rules”) set in place by Nacha. Bank customers must follow the Rules or risk losing access to ACH origination.

One of the key requirements is to correctly identify the recipient of your ACH transactions as a person or a company. They are identified by standard entry classification (SEC) codes:

- **PPD** (Prearranged Payments and Deposits) is used for any credit or debit to a person’s account.
- **CCD** (Cash Concentration and Disbursement) must be used for credits or debits to business accounts.

It is important to choose the correct SEC code when originating payments because there are different return rules regarding consumer vs. business transactions. Using the incorrect code can cause unnecessary risk to your company. It’s also important to obtain authorization from the recipients of ACH transactions.

Customer compliance with the Rules is monitored by Mission Bank.

Creating ACH Payments

Creating ACH transactions involves the following steps: the header information is added, recipients are created or uploaded, the transactions are reviewed, and the batch is confirmed (approved) and released to the bank.

Cut-off times are listed in TMS at the top of the screen.

Header Information

Electronic payments are processed as text files and must conform to a file specification established by Nacha. TMS formats data to Nacha specifications, but it is the responsibility of the user to enter or choose the correct information in the header.

The options for creating transactions are:

- Manual Entry
- From a Template
- Upload a Nacha File

Header information varies depending on the option chosen for creating the transactions.

Manual Entry

Some of the header fields populate or have options based on the implementation request for your company. The field descriptions are below.

The screenshot shows the 'Create ACH Payment' form in the Mission Bank TMS. The form is titled 'Create ACH Payment' and has a progress bar with four steps: 1. Create Payment (active), 2. Manage Recipients, 3. Review, and 4. Confirmation. Below the progress bar are three radio buttons: 'Manual Entry' (selected), 'From Template', and 'Upload Nacha File'. The main section is 'Payment Header Information'. It contains several fields: 'Payment Name' (required), 'ACH Company Name' (with a search icon), 'ACH Company ID' (required), 'SEC Code' (required), 'Entry Description' (required), 'Discretionary Data', 'Frequency' (dropdown menu set to 'One Time'), and 'Effective Date' (set to 03/12/2025). A red asterisk indicates required fields. At the bottom, there are buttons for 'Add Recipients' and 'Cancel'.

All fields with a red asterisk (*) are required.

- Payment Name – for originator's use, the user determines the content

- ACH Company Name – the search will produce options based on company set-up
- ACH Company ID – will auto-populate based on company name chosen
- SEC Code – user must choose PPD for transactions to persons, CCD for transactions to companies (a batch can only have one SEC code – if sending both types of transactions, use separate batches)
- Entry Description – will auto-populate but user can edit if needed
- Discretionary Data – for originator's use, the user determines the content
- Restrict Payment – used in conjunction with user entitlements to make some batches private, if needed
- Frequency – ACH transactions can be one-time or recurring
- Effective Date – the date that transactions will post to recipients' accounts
- Offset Account – the search will produce account options based on company set-up

From a Template

When this option is chosen the user will be taken to the *ACH Templates* listing (see [ACH Recipients vs. ACH Templates](#)) to choose a saved template. The header information is entered when the template is created. The field descriptions are the same as listed above.

Upload Nacha File

Nacha files are produced by software, saved locally by the user, and uploaded to TMS.

The user must enter the frequency and confirm the effective date.

After the Review step is completed the offset account must be selected before the Confirm button will become active.

***Please Note:** If the Nacha file contains more than one batch the Offset Account window will appear on the right side of each batch.*

Create Payment

1. Upload File | 2. Payment Details | **3. Review** | 4. Confirmation

Payment Detail

Daisy Duck Ent 0000001 4 Recipients

Status: **Ready**

ACH Company Name: **Daisy Duck Ent**

ACH Company ID: **999988887**

SEC Code: **PPD**

Entry Description: **PAYROLL**

Discretionary Data:

Debit: **\$0.00**

Credit: **\$5.75**

Audit:

Please validate the Effective Date for accuracy

Effective Date: **03/21/2025**

Offset Account: **787878**

Offset Account: *

EMPLOYEE

Viewing 1

The form has the following errors:

- Offset Account is a required field.
- Unknown error: required

Checking	322273722	CR	\$1.15	No	No	Addenda
----------	-----------	----	--------	----	----	-------------------------

ACH Recipient Entry

After choosing how entries will be created, recipients are added, and just like when creating the header, the recipient entry varies depending upon the option chosen.

To expedite future transactions, recipients can be saved to a master list, or templates that include recipient information can be created and saved. Refer to the [ACH Recipients vs. ACH Templates](#) section below for more detail on those options.

Manual Entry

If entering a one-time transaction, the recipient bank information can be entered directly into the *Create ACH Payment* screen.

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Message Center Notifications Cut-Off Times Last Login: 03/20/2025, 11:26 AM, PST Hi, DonDuck (Daisy Duck Ent)

DASHBOARD ACCOUNTS PAYMENTS RECEIVABLES REPORTING ADMIN

Create ACH Payment

1. **Create Payment** | 2. Manage Recipients | 3. Review | 4. Confirmation

☒ **Manual Entry** ☐ From Template ☐ Upload Nacha File

Type To filter

☐ Prenote Only (0) ☐ Hold Only (0) ☐ Errors (1)

Select from Recipient List

Import Recipients From File

Add Recipient

Recipient Name	ID Number	Account Number	Account Type	Routing Number	Credit/Debit	Amount	Prenote	Hold	Addenda
			Checking	Type to filter	CR	\$0.00	☐	☐	Addenda  

Viewing 1 - 1 of 1 recipients

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If the recipient will receive other transactions in the future they can be entered in *ACH Recipients* and the bank information will be retained.

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Message Center Notifications Cut-Off Times Last Login: 03/20/2025, 11:26 AM, PST Hi, DonDuck (Daisy Duck Ent)

DASHBOARD ACCOUNTS PAYMENTS RECEIVABLES REPORTING ADMIN

ACH Recipients ACH Recipient Activity Download Print

Type to filter

Recipient Name	ID Number	Account Number	Account Type	Routing Number	CR/DR	Default Amount	Status	Actions
Chris Employee	3003	3456789	Checking	122242791	CR	\$0.00	Ready	Actions
Donald Duck Production		456456	Checking	122242791	CR	\$1.13	Ready	Actions

Create Payment from Selected Approve Selected Reject Selected Delete Selected Import Recipients from File Add Recipient

Template – Layout Configuration

When recipients are being imported from a CSV file, the first step is to configure the *ACH Recipient Import Layout* so the system knows what information is in each column of the spreadsheet. The fields containing asterisks (*) are all required fields.

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Message Center Notifications Cut-Off Times Last Login: 03/20/2025, 11:26 AM, PST Hi, DonDuck (Daisy Duck Ent)

DASHBOARD ACCOUNTS PAYMENTS

Import Layout

Upload Format: Delimited Fixed Position

Select the order of the fields in your file.

Delimiter: Comma

Name *	7
ID Number	6
Routing Number *	3
Account Number *	4
Amount *	5
Account Type * Use Transaction Code instead	2
Checking Equals: 22	Savings Equals: 32
Loan Equals: L	GL Equals: GL
Transaction Type *	1
Debit Equals: 6	Credit Equals: 6

Save Reset

The configuration above indicates the Name is in the first column of the spreadsheet, the Account Number is in the second column, etc.

Please Note: The Account Type entry fields and Transaction Type entry fields shown above are case-sensitive and must exactly match what is on the spreadsheet.

The import configuration will be saved in TMS; however, only one import format is retained. Importing from a spreadsheet with a different configuration will require overwriting any existing configuration.

Template – Spreadsheet Import

Once the import layout has been configured, the recipient data from a spreadsheet can be imported to create the transactions.

1. Create Payment 2. Manage Recipients 3. Review 4. Confirmation

☒ Manual Entry ☐ From Template ☐ Upload Nacha File

Payment Header Information * Indicates Required Field

Payment Name: * TM Test

ACH Company Name: * Daisy Duck Ent

ACH Company ID: * 999988887

SEC Code: * PPD - Prearranged Payments and

Entry Description: * PAYMENTS

Discretionary Data: DAISY DUCK ENT

☐ Restrict Payment

Frequency: * One Time

Effective Date: * 03/21/2025

Add Recipients Cancel

Type To filter ☐ Prenote Only (0) ☐ Hold Only (0) ☐ Errors (1) **Import Recipients From File**

Recipient Name *	ID Number	Account Number *	Account Type *	Routing Number *	Credit/Debit *	Amount *	Prenote	Hold	Addenda
			Checking	Type to filter Q	CR	\$0.00	☐	☐	Addenda X +

Viewing 1 - 1 of 1 recipients 25

If future transactions will be sent to the recipients, the entries can be saved as *ACH Recipients* or a template can be created.



Nacha Upload

Nacha formatted files are produced by software programs, based on a configuration set up within the software program. A representative from the software company must assist with any needed software configuration. Mission Bank accepts credits-only files and/or debits-only files and PPD transactions and CCD transactions must be in separate batches.

Contact your Business Banker to request an ACH file specification sheet.

When using a Nacha file, a sample of the file's first two lines of text must be provided to Mission Bank to correctly configure the profile in TMS.

This is a sample of the first two lines of a credits-only file (indicated by the 220 service class code; 225 is the debits-only code) going to personal accounts (PPD):

```
101 122242791 2635887241208061519A094101MISSION BANK mission bank
5220Daisy Duck Ent 999988887PPDPAYROLL 120806120806 1122242790000301
```

ACH Recipients vs. ACH Templates

Creating recipients and templates are ways to automate the payment process if payment information is being entered either manually or imported from a spreadsheet.

Each recipient of ACH entries is entered individually into TMS and they form an alphabetical list. When creating ACH batches recipients are chosen from the master recipient list.

When transactions to a recipient will always be for the same amount, then the amount can be added as part of the recipient's entry detail, otherwise dollar amounts can be zero.

There are user options for adding the recipient information:

The interface includes a search bar labeled 'Type To filter' and three checkboxes: 'Prenote Only (0)', 'Hold Only (0)', and 'Errors (1)'. On the right, there are buttons for 'Select from Recipient List', 'Import Recipients From File', and 'Add Recipient'. Below these is a table with columns: Recipient Name, ID Number, Account Number, Account Type (set to 'Checking'), Routing Number, Credit/Debit (set to 'CR'), Amount (set to '\$0.00'), Prenote, Hold, and Addenda. A 'Viewing 1 - 1 of 1 recipients' indicator and a '25' dropdown are at the bottom right. At the bottom left are 'Review', 'Back', and 'Cancel' buttons.

When selecting from the Recipient List simply choose the desired people or companies and choose Create Payment from Selected.

The 'ACH Recipients' table has columns: Recipient Name, ID Number, Account Number, Account Type, Routing Number, CR/DR, Default Amount, Status, and Actions. It lists seven recipients, with four selected (checked). Below the table is a 'Viewing 1 - 7 of 7 recipients' indicator and a '10' dropdown. At the bottom, there are buttons: 'Create Payment from Selected' (highlighted), 'Approve Selected', 'Reject Selected', 'Delete Selected', and '4 Selected'. On the far right are 'Import Recipients from File' and 'Add Recipient' buttons.

Recipient Name	ID Number	Account Number	Account Type	Routing Number	CR/DR	Default Amount	Status	Actions
☒ Chris Employee	3003	3456789	Checking	122242791	CR	\$0.00	Ready	Actions
☐ Donald Duck Production		456456	Checking	122242791	CR	\$1.13	Ready	Actions
☒ Dudley Employee	3004	4567890	Checking	122242791	CR	\$0.00	Ready	Actions
☒ Joe Employee	3001	1234567	Checking	122242791	CR	\$0.00	Ready	Actions
☐ Lucky Duck and Co.		789789	Checking	122242791	CR	\$3.14	Ready	Actions
☐ MB #2		1900130	Checking	122242791	CR	\$0.00	Ready	Actions
☒ Sally Employee	3002	2345678	Checking	122242791	CR	\$0.00	Ready	Actions

The recipients will be moved into the batch that was created and the dollar amounts can be added, if necessary.

The table displays details for four selected recipients. Each row includes fields for Recipient Name, ID Number, Account Number, Account Type (set to 'Checking'), Routing Number, Credit/Debit (set to 'CR'), Amount (set to '\$0.00'), Prenote, Hold, and Addenda. A 'Viewing 1 - 4 of 4 recipients' indicator and a '25' dropdown are at the bottom right. At the bottom left are 'Review', 'Back', and 'Cancel' buttons.

Recipient Name	ID Number	Account Number	Account Type	Routing Number	Credit/Debit	Amount	Prenote	Hold	Addenda
Joe Employee	3001	1234567	Checking	122242791	CR	\$0.00	☐	☐	Addenda
Chris Employee	3003	3456789	Checking	122242791	CR	\$0.00	☐	☐	Addenda
Dudley Employee	3004	4567890	Checking	122242791	CR	\$0.00	☐	☐	Addenda
Sally Employee	3002	2345678	Checking	122242791	CR	\$0.00	☐	☐	Addenda

After the batch has been sent to the bank there will be an option to create a template at the bottom of the screen:

Recipient Name	ID Number	Account Number	Account Type	Routing Number	Credit/Debit	Amount	Prenote	Hold	Addenda
Joe Employee	3001	1234567	Checking	122242791	CR	\$1.12	No	No	Addenda
Chris Employee	3003	3456789	Checking	122242791	CR	\$1.13	No	No	Addenda
Dudley Employee	3004	4567890	Checking	122242791	CR	\$1.14	No	No	Addenda
Sally Employee	3002	2345678	Checking	122242791	CR	\$1.15	No	No	Addenda

Viewing 1 - 4 of 4 recipients

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Create Another Payment Save as a Template ACH Activity

The user will have the option to reset the amounts to zero, which is recommended if the amounts change from time-to-time.

MISSION BANK

ACH Company Name: Daisy Duck Ent
ACH Company ID: 999988887
SEC Code: PPD
Entry Description: payroll
Discretionary Data: DAISY DUCK ENT
☐ Restrict Payment

Confirm Save as Template

Template Name: *

Payroll

☒ Reset Amounts to \$0.00 after Processing?

Save as Template

RECEIVABLES REPORTING ADMIN

Daisy Duck : Payment Initiated
Daisy Duck : Created

Create ACH Template

This option is very similar to the process above, but instead of making the payments and then saving the transactions as a template, the recipient information is entered and saved, then the transactions are made.

Begin the template by entering the header information, then add the recipient information, either manually or import from a spreadsheet.

Create ACH Template

1. Create Template 2. Manage Recipients 3. Review 4. Confirmation

Manage Recipients

* Indicates Required Field

Daisy Duck Payroll

ACH Company Name: Daisy Duck Debit: \$0.00
ACH Company ID: 999988887 Credit: \$1.00
SEC Code: CCD
Entry Description: PAYROLL
Discretionary Data: DAISY DUCK ENT

Type To filter ☐ Prenote Only (0) ☐ Hold Only (0) ☐ Errors (0)

Select from Recipient List Import Recipients From File Add Recipient

Recipient Name	ID Number	Account Number	Account Type	Routing Number	Credit/Debit	Amount	Prenote	Hold	Addenda
							☐	☐	

Templates retain all of the recipient information and can be used whenever needed.

ACH Templates ACH Tax Templates [Create New Template](#) [Download](#) [Print](#)

Search Templates Type to filter

☐	Template Name	ACH Company Name	SEC Code	Last Updated	Debit Amount	Credit Amount	Status	Actions
☐	Sample PR file	Daisy Duck Ent	PPD	04/11/2022	\$0.00	\$0.00	Ready	Actions
☒	Ducks R Us	Daisy Duck Ent	CCD	04/11/2022	\$0.00	\$3.49	Ready	Actions
☐	Payroll	Daisy Duck Ent	PPD	04/11/2022	\$0.00	\$0.00	Ready	Actions
					\$0.00	\$3.49		

Viewing 1 - 3 of 3 templates 25

[Initiate Selected Templates](#)

Most of the header information populates based on what was saved when the template was created, and the user designates the frequency, effective date, and offset account for that particular batch.

Create ACH Payment ⁹

1. Create Payment 2. Manage Recipients 3. Review 4. Confirmation

Payment Header Information * Indicates Required Field

Payment Name: * Ducks R Us

ACH Company Name: * Daisy Duck Ent

ACH Company ID: *

SEC Code: *

Entry Description: *

Discretionary Data:

☐ Restrict Payment

Frequency: *

Effective Date: *

[Add Recipients](#) [Cancel](#)

Choosing Add Recipients (shown above) will bring in all of the recipient information from the template, then recipients can be added, deleted, or edited, if needed.

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Manage Recipients * Indicates Required Field

Ducks R Us

ACH Company Name: **Daisy Duck Ent**
ACH Company ID: **999988887**
SEC Code: **CCD**
Entry Description: **PAYMENTS**
Discretionary Data: **DAISY DUCK ENT**
☐ Restrict Payment

Debit: **\$0.00**
Credit: **\$3.49**
Effective Date: **03/27/2025**

☐ Prenote Only (0)
☐ Hold Only (0)
☐ Errors (0)

[Select from Recipient List](#)
[Import Recipients From File](#)
[Add Recipient](#)

Recipient Name *	ID Number	Account Number *	Account Type *	Routing Number *	Credit/Debit *	Amount *	Prenote	Hold	Addenda
D Duck and Co.		456789	Checking	122242791	CR	\$1.87	☐	☐	Addenda
Lucky Ducky		123789	Checking	122242791	CR	\$1.62	☐	☐	Addenda

Viewing 1 - 2 of 2 recipients

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[Review](#)
[Back](#)
[Cancel](#)

If there are edits to the recipients the user can choose to add the updates to the template for future use.

Recipient Name	ID Number	Account Number	Account Type	Routing Number	Credit/Debit	Amount	Prenote	Hold	Addenda
D Duck and Co.		456789	Checking	122242791	CR	\$1.87	No	No	Addenda
Lucky Ducky		123789	Checking	122242791	CR	\$1.62	No	No	Addenda
Don Duck		787878	Checking	122242791	CR	\$1.00	No	No	Addenda

Viewing 1 - 3 of 3 recipients

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☒ Apply updates to the Template

[Confirm](#)
[Back](#)
[Cancel](#)

Approving ACH Batches

Each company determines whether they want ACH origination in single control, where one user can create and approve batches, or if dual control is required, where one user creates the batch and another user is required to approve and release the batch.

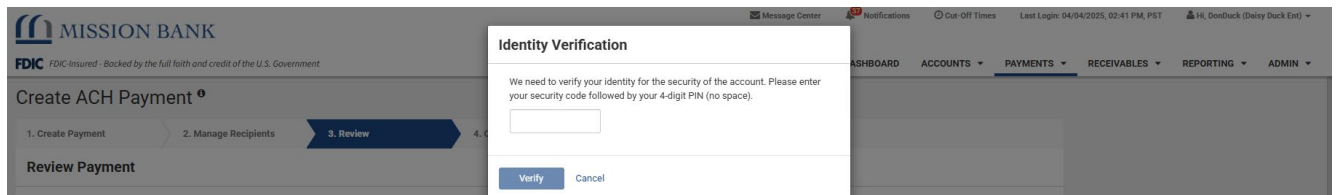
To prevent unauthorized use of ACH origination, users that can send or delete ACH batches must authenticate their identity, using either the VIP Access secure token app or an automated phone call or text. (All company users must use the same method – either a secure token or the phone/text option.)

Single Control

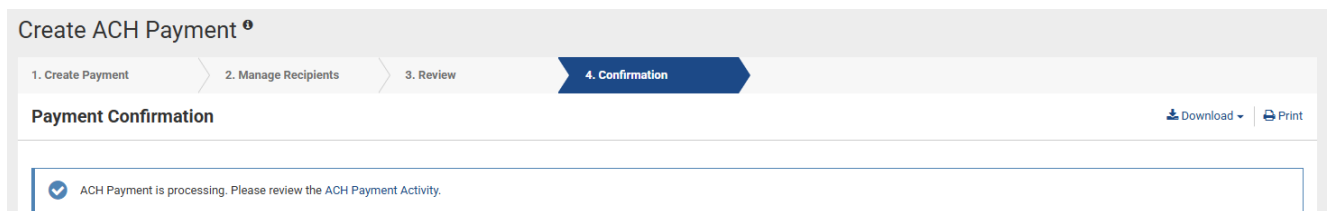
If your company allows single control, the same person creating the payments can release the payments to the bank.

After the header is established and the recipient information is entered, the user reviews the batch data for accuracy, then the system allows the user to confirm the release. At this point, the identity authentication is performed.

This is an example of authentication using a secure token:



A processing confirmation message will be generated.



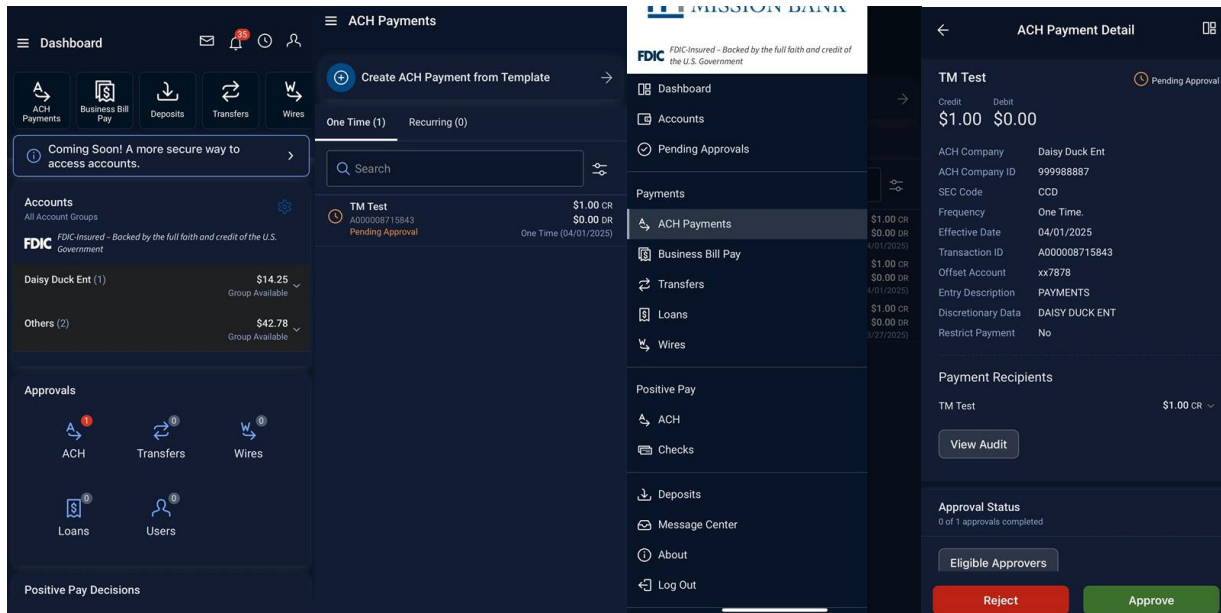
Dual Control

User #1

If your company uses dual control, user one enters the batch data, then reviews and confirms the accuracy of the batch.

The system generates a message that the file is pending and ready for an authorized approver to release it to the bank.

ACH batch approvals can be managed from the dashboard landing page of the app or from the menu. (The dashboard must be configured on a desktop and the settings will transfer to the app.)



The ACH batch details and recipients can be viewed by the approver prior to approval.

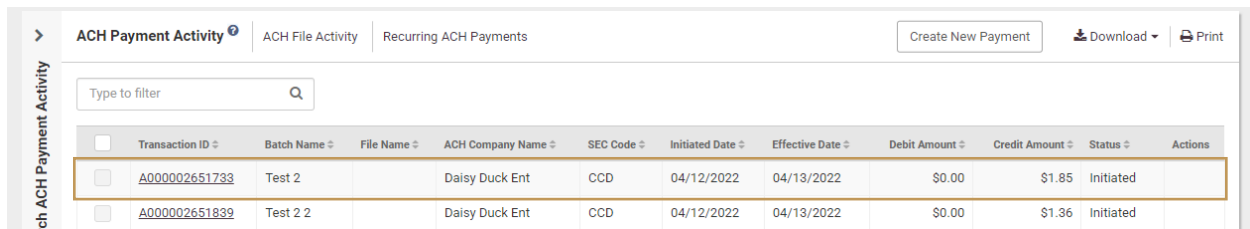
ACH Payment Reversals

Full batches of payments or individual transactions can be reversed if an error was made; however, reversals are only allowed during a specific window:

- Before cutoff on the first through fifth business days after the effective date
- After cutoff on the first through fourth business days after the effective date.

Please Note: Mission Bank must be contacted prior to reversing any payments or batches because your company settings may need to be adjusted to allow the reversal.

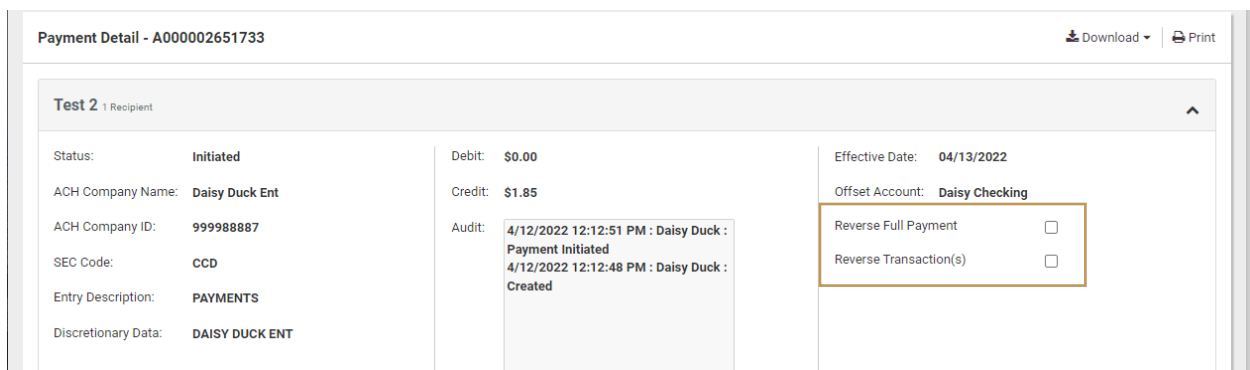
To begin a reversal, go to *ACH Payment Activity* and locate the batch or transaction.



The screenshot shows the 'ACH Payment Activity' interface. It includes a search bar with the text 'Type to filter' and a magnifying glass icon. Below the search bar is a table with columns: Transaction ID, Batch Name, File Name, ACH Company Name, SEC Code, Initiated Date, Effective Date, Debit Amount, Credit Amount, Status, and Actions. Two transactions are listed:

Transaction ID	Batch Name	File Name	ACH Company Name	SEC Code	Initiated Date	Effective Date	Debit Amount	Credit Amount	Status	Actions
A000002651733	Test 2		Daisy Duck Ent	CCD	04/12/2022	04/13/2022	\$0.00	\$1.85	Initiated	
A000002651839	Test 2 2		Daisy Duck Ent	CCD	04/12/2022	04/13/2022	\$0.00	\$1.36	Initiated	

Click on the Transaction ID to open the batch. If it is within the reversal window period, the reversal options will display. Choose to reverse the entire file (Reverse Full Payment) or individual transactions.



The screenshot shows the 'Payment Detail - A000002651733' page. It includes a 'Download' button and a 'Print' button. The page is divided into two main sections: 'Test 2 1 Recipient' and 'Payment Detail'. The 'Payment Detail' section contains the following information:

Field	Value
Status:	Initiated
ACH Company Name:	Daisy Duck Ent
ACH Company ID:	999988887
SEC Code:	CCD
Entry Description:	PAYMENTS
Discretionary Data:	DAISY DUCK ENT
Debit:	\$0.00
Credit:	\$1.85
Effective Date:	04/13/2022
Offset Account:	Daisy Checking
Audit:	4/12/2022 12:12:51 PM : Daisy Duck : Payment Initiated 4/12/2022 12:12:48 PM : Daisy Duck : Created
Reverse Full Payment	☐
Reverse Transaction(s)	☐

The user reviews and confirms their reversal and enters their authentication code.

When a company is in single control a confirmation message will appear and the reversal is complete.

If a company uses dual control, approving the reversal is the same as initiating an ACH batch. Reversals go to a pending status and a second user must approve and release the reversal to the bank.

Reversals are approved the same way as an ACH batch. They can be done from the Payments Pending Approval widget on the dashboard, from *ACH Payment Activity* on the Payments menu, or from the TMS mobile app.

