FedACH Risk® Management Services

Quick Reference Guide

Creating an RDFI Alert Service Criteria Set: Closed Account Transaction Tracker

An ITEM-level Criteria Set for DFI Internal Use

V 03.26.15

RDFI Alert Criteria Set:
Creating a Closed Account Transaction Tracker
Benefits

A Closed Account Transaction Tracker:

- Can help your institution's ACH operations staff and fraud and risk managers
  - ✓ Enhance risk monitoring of incoming items
  - ✓ Add layers to fraud and risk monitoring efforts
  - ✓ Keep an eye on activity from possible fraudsters
  - ✓ Enable staff to notify customers of potentially valid transactions that may require attention as the receiver account has been closed

- Allows you to send designated internal, financial institution contacts an automatic email alert for items received on accounts
  - ✓ Previously flagged in non-post reports as closed or invalid and/or
  - ✓ Known to be closed for cause such as those belonging to victims of data breaches or identify theft

- Lets you monitor multiple closed accounts with a single criteria set

- This quick reference guide will show you how to create a criteria set within the FedACH Risk RDFI Alert Service screens in the FedLine Web® access solution that is designed to automatically generate alerts when the criteria conditions are met

RDFI Alert Criteria Set:
Creating a Closed Account Transaction Tracker
Universal Tips

- **Please make NOTE of these universal TIPS for creating criteria:**

  ✓ Always locate and click the SUBMIT button before moving away from an entry screen in order to ensure your work is saved

  ✓ File-level criteria sets use “OR” logic to allow a combination of criteria fields such as file debit value of $X OR credit value of $X

  ✓ Both Batch and Item-level criteria sets use “AND” logic: conditions set in ALL criteria fields need to be met before an alert is sent. For example, a problem would be created by setting both a debit value AND a credit value for an item

  ✓SEC code definitions apply; for example, a TEL cannot be a credit transaction. Use care not to inadvertently create an impossible combination

  ✓ Be sure to scroll down through entire entry screen

RDFI Alert Criteria Set:
Creating a Closed Account Transaction Tracker
Overview of criteria creation steps

- Criteria Level:
  - ✓ ITEM
  - ✓ NOTE: Item-level criteria sets are usually associated with a single customer and that customer's associated account number(s). *However, for this closed account tracker, which is designed for internal use by your financial institution, think of the term "customer" as meaning item activity at the account number level*

- Assign email addresses for the designated audience: financial institution's internal daily operations staff and/or associated shared mailbox and/or fraud and risk management staff and/or associated shared mailbox email addresses

- Give criteria set a meaningful name such as "closed account activity" or "accounts closed for cause"

- As accounts are (1) identified as closed or inactive based on non-post reports or (2) closed for cause based on data breaches or like compromises, build a list of closed account numbers in the criteria set

- *Add all closed account numbers of concern to this single criteria set and keep updating*

- Criteria Field(s)
  - ✓ Check "all items" box

- Click SUBMIT

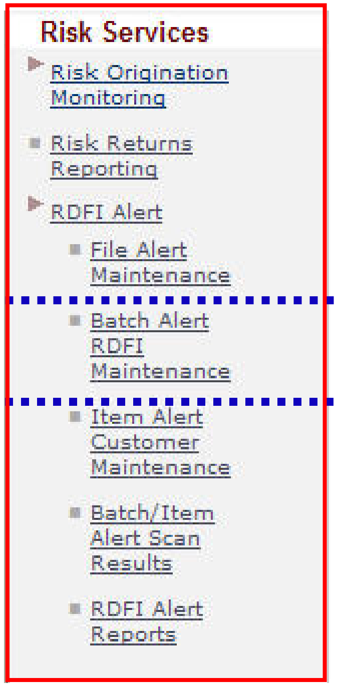
Email Alert: If criteria conditions are met, designated financial institution contacts receive notice the morning following the FedACH® Services processing day

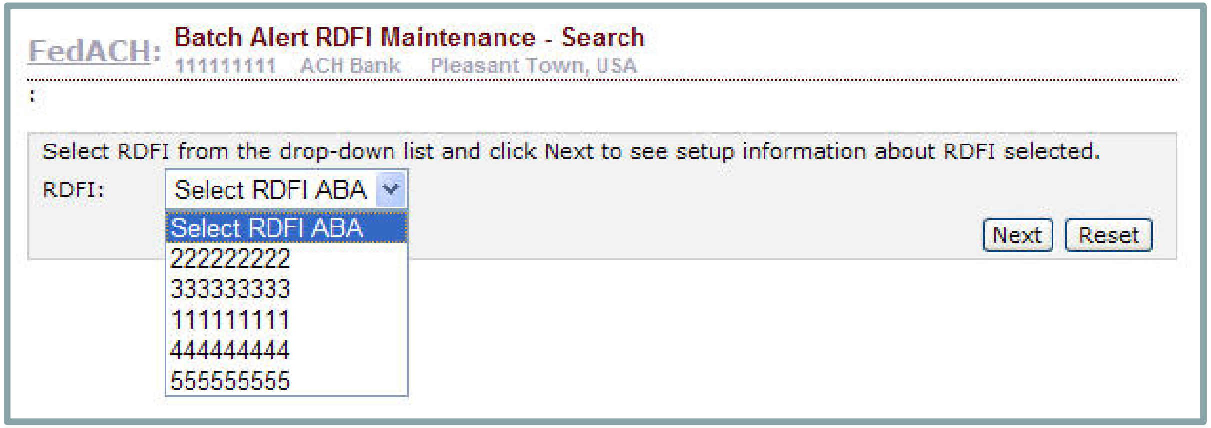
RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Email Heading Information: **One-time setup** of RDFI Information

NOTE: If this task has already been completed, skip to the Item Alert Customer Maintenance section beginning on slide 8





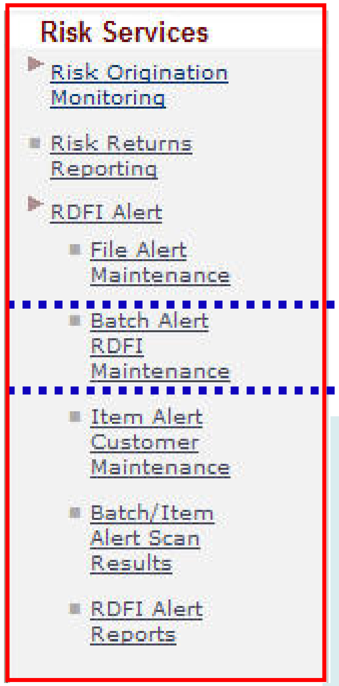
- **Item-level alert emails carry heading information about your institution**
- **The first time you set up an item-level criteria set, you will first need to use the Batch Alert RDFI Maintenance screen to enter this heading information about your institution**
- Select the Batch Alert RDFI Maintenance tab from the RDFI Alert menu
- Select the appropriate RDFI ABA from the drop list
    - RDFIs acting as their own service participation point (SPP) will only see their ABA.
    - SPPs will see a list of all the ABAs for which they are performing maintenance
- "Next" will take you to the entry tab. You will want to select the "Email Heading Information" tab

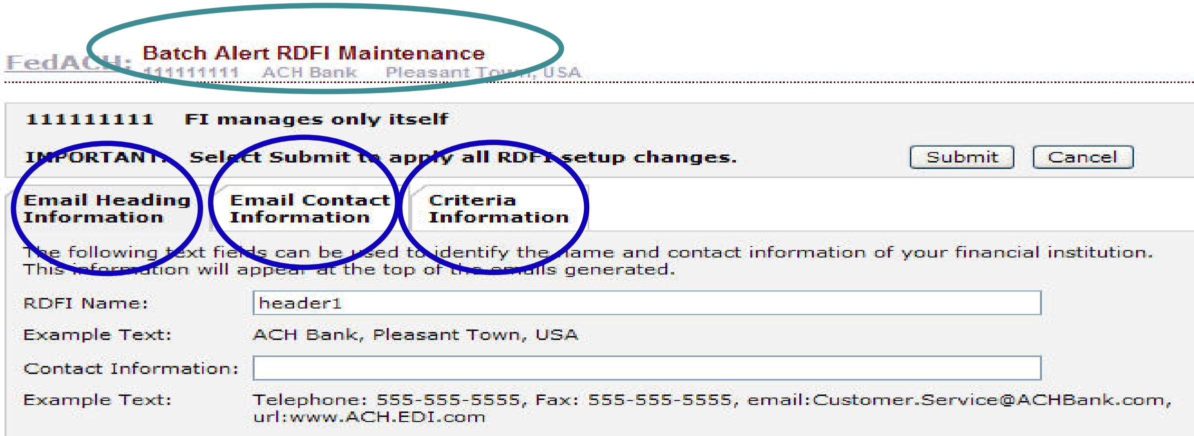
RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Email Heading Information: **One-time setup** of RDFI Information

NOTE: If this task has already been completed, skip to the Item Alert Customer Maintenance section beginning on slide 8





Service Overview of the three entry tabs

On Email Heading tab, enter / modify existing RDFI information to display in item-level alert email headings.

> Enter the financial institution's name and contact information for the chosen RTN to be used on email notifications generated for any item-level alerts when and if item-level criteria are established. This heading information needs be entered only once, ideally the first time you begin using the service.

On Email Contact tab, enter / modify an email address book for contacts at the RDFI who will receive alert notices.

> Enter RDFI internal staff or shared mailbox email addresses to receive alert notification emails; build "address book" of possibilities and assign contacts per criteria set.

On Criteria tab, enter / modify batch level scan criteria for an RDFI.

> Mix and match fields to create sets of unique monitoring criteria; each set gets a unique numeric identifier. Also assign email contacts to receive alerts for the particular criteria set.

RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Email Heading Information: **One-time setup** of RDFI Information

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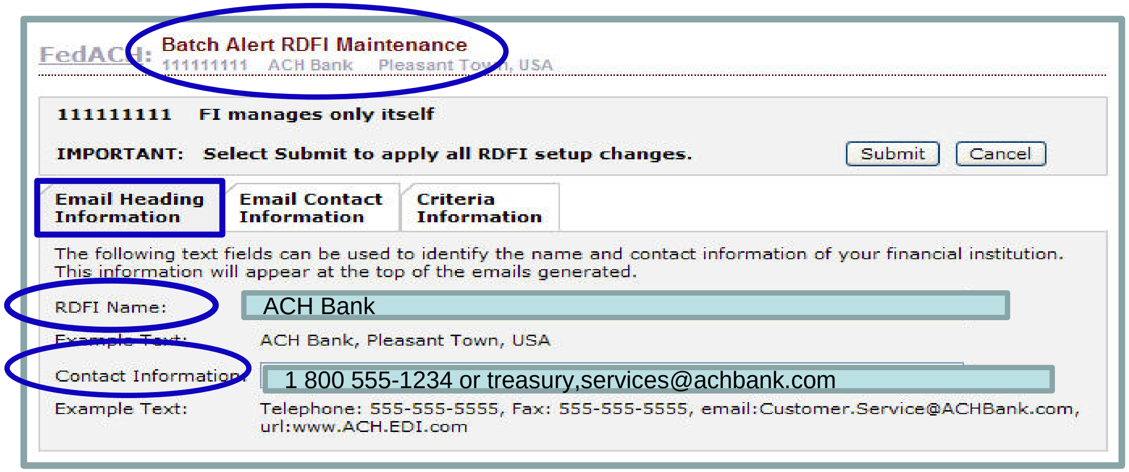


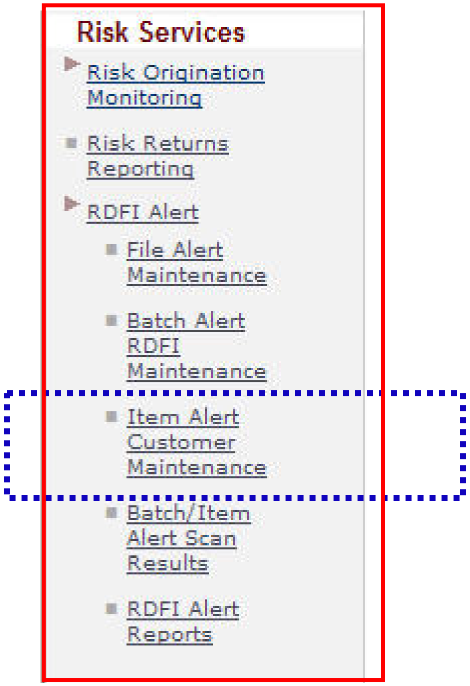
- The information entered on the "Batch Alert RDFI Maintenance" ***Email Heading Information*** tab appears on all item-level alert emails, both on those sent out to your customers/clients (receivers) as well as on those sent to internal RDFI staff.
  - Use the "contact information" field to direct customer inquiries to call centers or website URLs.

This closed account tracker is unusual in that it is intended to generate emails to staff internal to your financial institution rather than to external customers. If you would like to see how this RDFI heading information would show on an item-level alert established for and sent to a customer, a sample is available on FRBservices.org / Service Offerings / FedACH Services / FedACH Risk RDFI Alert Service / Sample batch and item-level notification emails at http://www.frbservices.org/serviceofferings/fedach/rdfi_file_alert.html#sample

RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Creating Customer, Item-level Criteria

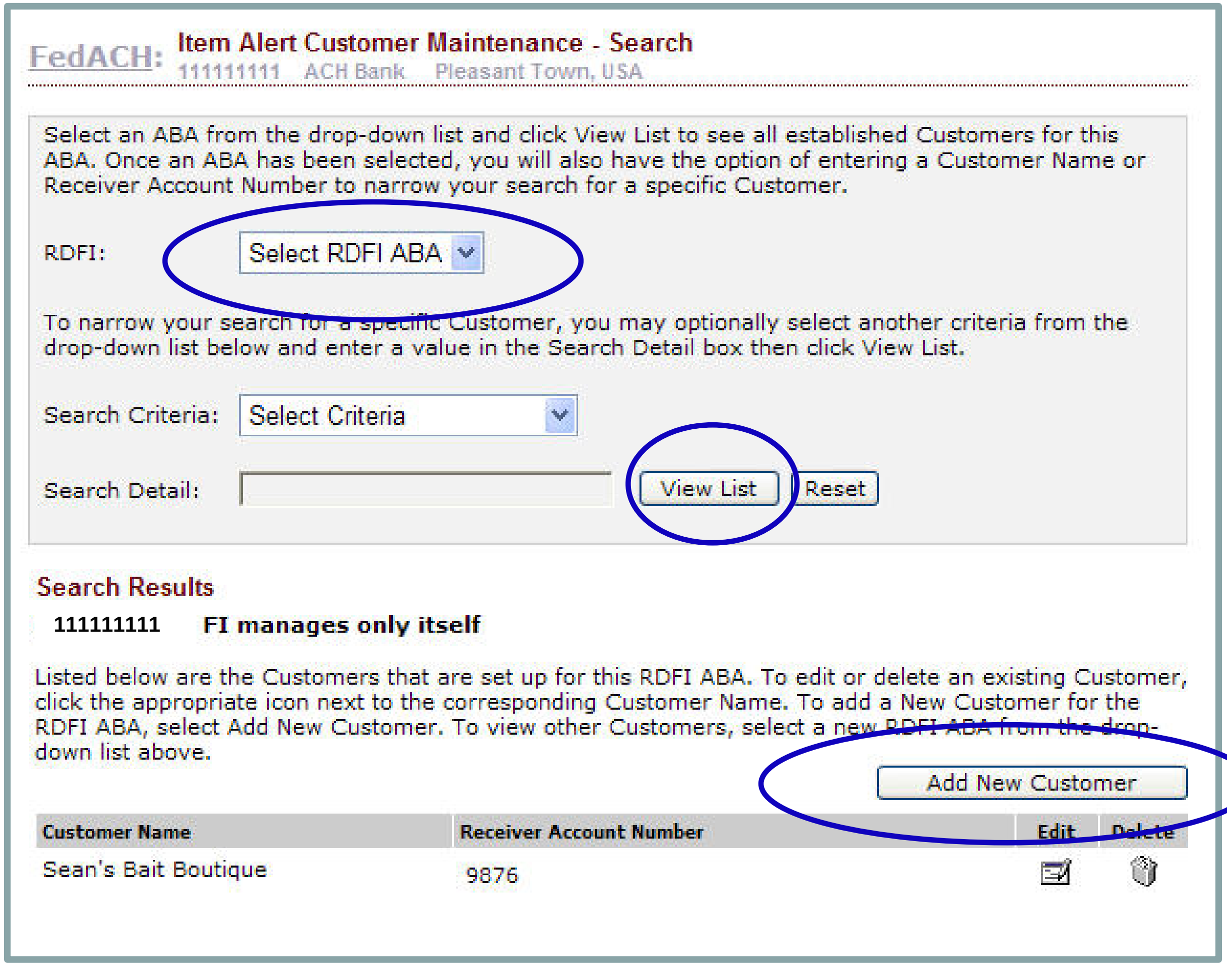


- To begin establishing customer item-level criteria, select **"Item Alert Customer* Maintenance"**
  - ✓ ***** NOTE: While item alert customer maintenance is most typically used to establish item-level criteria using customer account number(s) level to send alerts out to account holders, as for this basic positive pay notification service, item-level criteria can also be established to send alerts to internal RDFI staff informing them of activity that occurs at the item/customer account number level, e.g. as for a closed account transaction tracker, which is built at the item, account number level but intended for internal use by the financial institution
- Within this section, menu items will give the RDFI the ability to do the following for **item**-level scans:
  - enter / modify existing customer / account number information
  - enter / modify **email addresses** for an RDFI's internal staff who will receive item-level alert notices
  - enter / modify item level **scan criteria** for RDFI internal staff alerts on activity at a customer / account number level

RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Creating Item-level Criteria

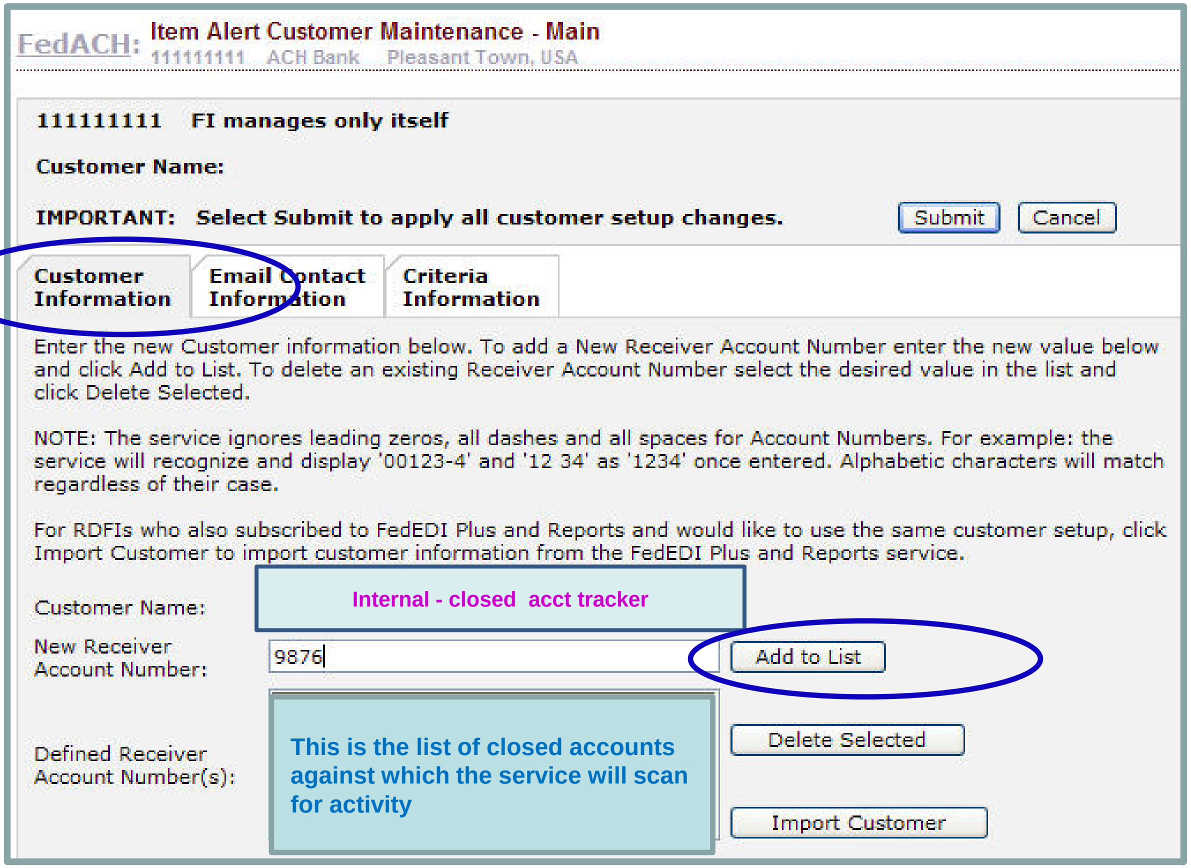


- Upon selecting the “Item Alert Customer Maintenance” menu, you will see your RDFI ABA. If you operate the service for more than one ABA, select the one you want from the drop down menu
- Click “View List,” which will show you any item-level criteria already established for this ABA and allow you to “Add” a new item-level criteria set
- Select “**Add New Customer**,” which will bring you to the three item-level entry tabs shown on the following slide

RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Account number-level ("Customer") Information



Because this is not a traditional "customer," create a name similar to that you will use for the criteria set itself, e.g. "Internal – closed acct tracker"

Build the list of closed account numbers and add them to the list to be associated with this "Internal -closed acct tracker" customer" name

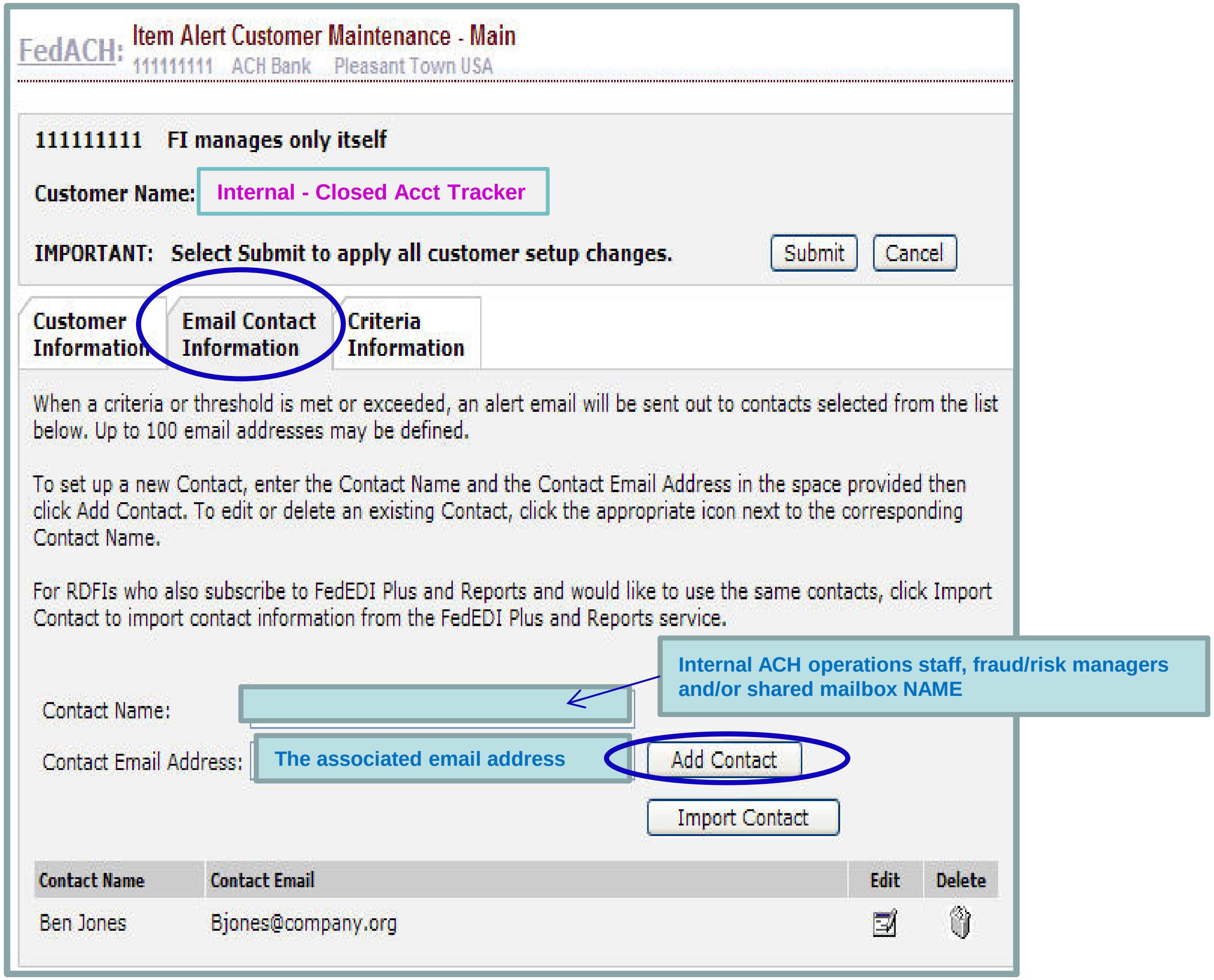
This is the list of accounts against which the service will scan for activity

As additional accounts are closed or otherwise determined to be eligible for inclusion in the tracker, enter them in the new receiver account number field and click "Add to List." They will be populated into the Defined Account Numbers for this criteria set

RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Email Contact Information



Build an address book of internal staff names and email addresses to receive internal item-level alerts. Group emails can be used.

You will pick and choose which to assign to this specific closed account tracker criteria set in a later step.

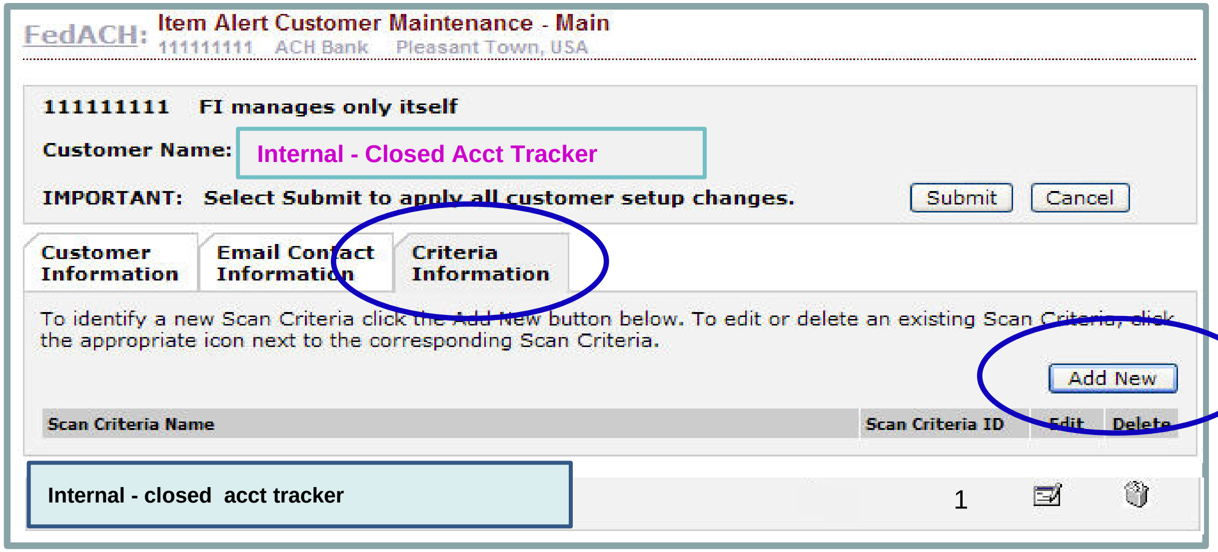
Enter the name of a contact to receive alert emails

Enter that contact's email address.

Click Add contact.

Continue to build an email address book.

RDFI Alert Criteria Set:
Creating a Closed Account Transaction Tracker
Criteria Information



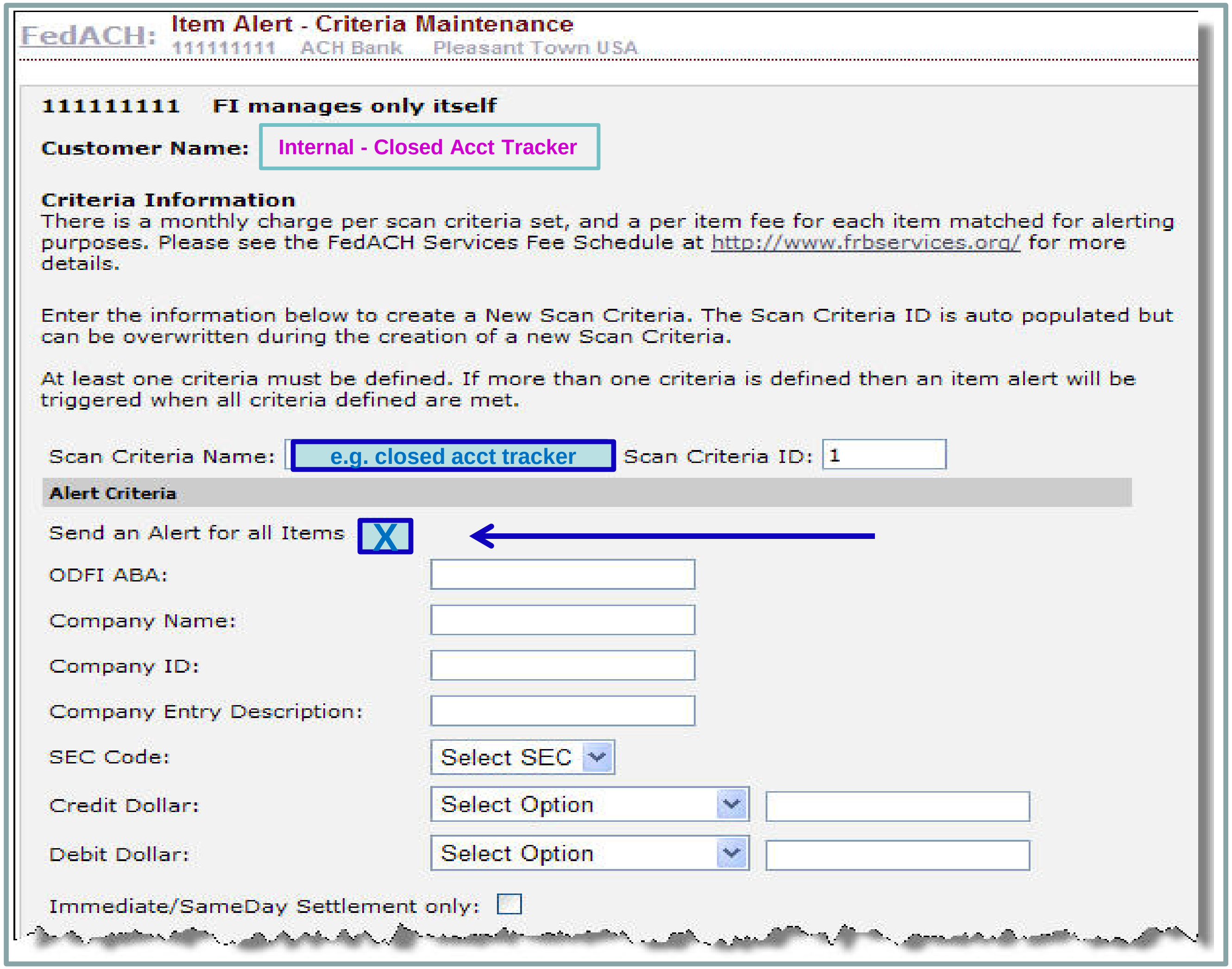
- All established criteria sets for a given “Customer Name” appear on this tab
  - Add new or additional Criteria Sets for this customer by clicking “Add New”
  - Edit or delete established Criteria Sets by clicking Edit or Delete
    - New/edited Criteria Sets are effective the next business day
- Scanning for item-level (account number and/or customer) alerts starts once FedACH Services end-of-day processing has concluded

- To begin setting up the Closed Account Transaction Tracker criteria, click “Add New”

RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Criteria Information



FedACH: Item Alert - Criteria Maintenance
111111111 ACH Bank Pleasant Town USA

111111111 FI manages only itself

Customer Name: Internal - Closed Acct Tracker

Criteria Information
There is a monthly charge per scan criteria set, and a per item fee for each item matched for alerting purposes. Please see the FedACH Services Fee Schedule at http://www.frbservices.org/ for more details.

Enter the information below to create a New Scan Criteria. The Scan Criteria ID is auto populated but can be overwritten during the creation of a new Scan Criteria.

At least one criteria must be defined. If more than one criteria is defined then an item alert will be triggered when all criteria defined are met.

Scan Criteria Name: e.g. closed acct tracker Scan Criteria ID: 1

Alert Criteria

Send an Alert for all Items X

ODFI ABA:

Company Name:

Company ID:

Company Entry Description:

SEC Code: Select SEC

Credit Dollar: Select Option

Debit Dollar: Select Option

Immediate/SameDay Settlement only:

Name the criteria: e.g. Closed Acct Tracker

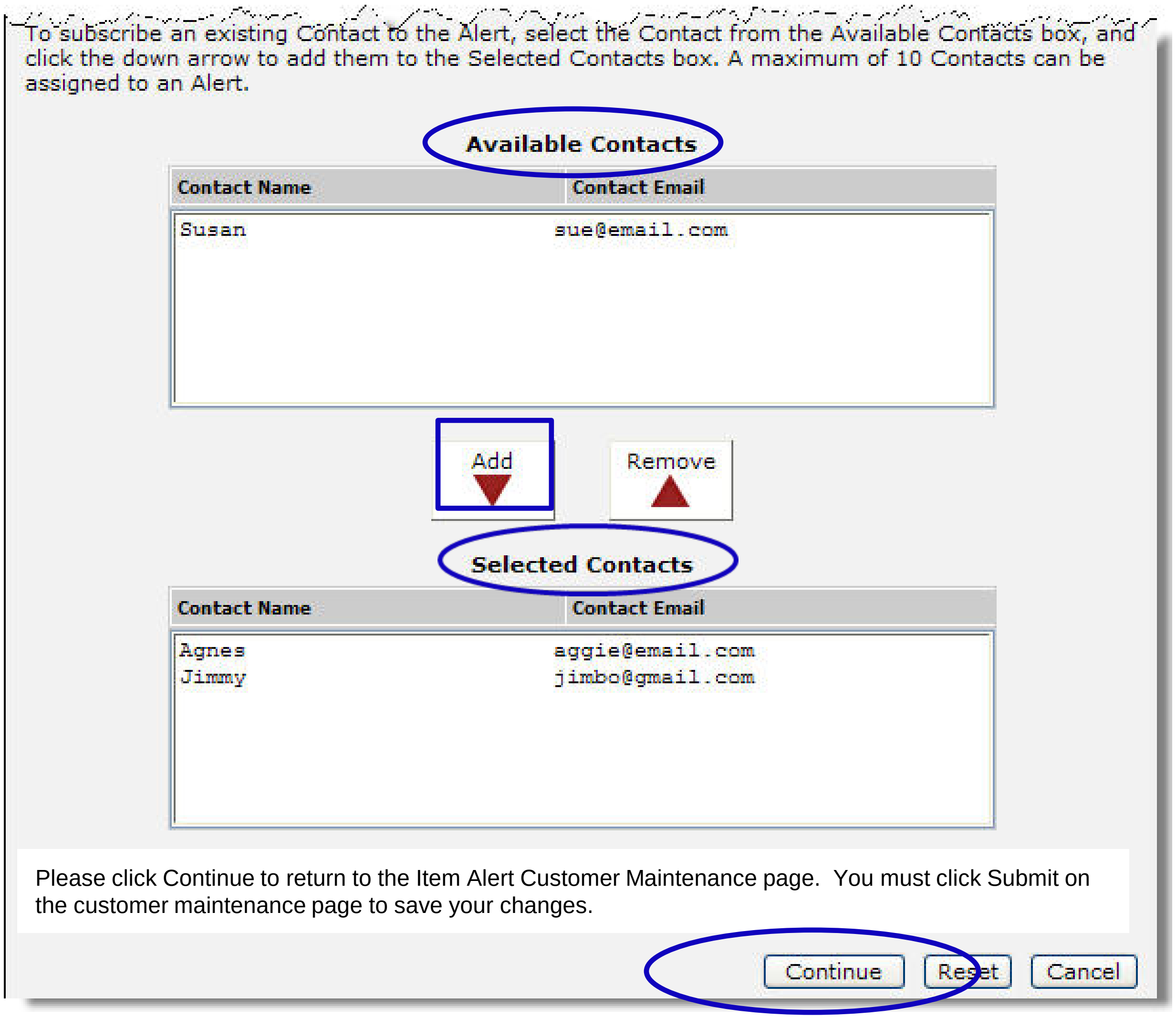
The scan criteria ID number is automatically assigned but can be changed as along as it remains unique within the RDFI Alert service for the designated RTN

The only criteria field that needs to be completed is the All Items check box

More targeted criteria can be established for closed accounts based on your needs such as invalid accts, identify theft or other risk concerns

Scroll down to see the contact/email section in the bottom half of the entry screen.

RDFI Alert Criteria Set:
Creating a Closed Account Transaction Tracker
Criteria Information



Select an email contact from those **available** in the address book you set up for this RTN

Click “**add**” to add to contacts **selected** to receive notifications on this criteria set. Each alert criteria set must have **at least one email contact noted in the Selected Contacts section** and can have a maximum of 10 email contacts

Add or Remove email contacts by clicking Add and Remove

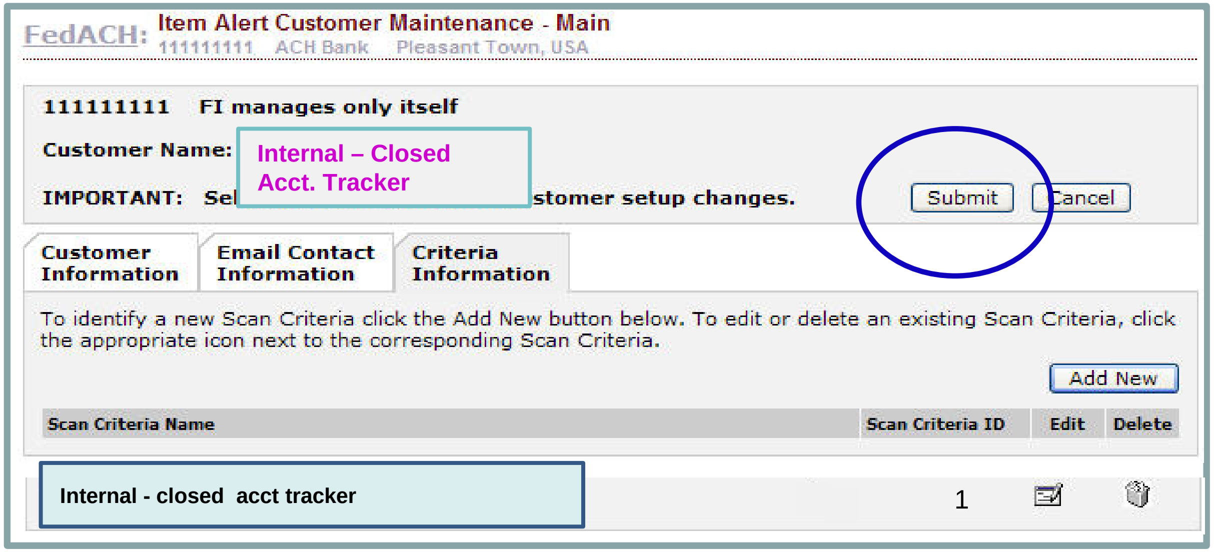
IMPORTANT NOTE: “Continue” returns you to the first criteria information screen where you **MUST click SUBMIT** to save your entries.

RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Saving Criteria

FEDERAL RESERVE FINANCIAL SERVICES



To save your entries, click "Submit" on the Item Alert Customer maintenance - main page.

RDFI Alert Criteria Set:

Creating a Closed Account Transaction Tracker

Creating Customer, Item-level Criteria

- To establish similar criteria for other internal "item" alerts, such as Invalid Accounts, Identify Theft and other risk monitoring concerns, repeat the steps beginning on slide 8.

FedACH Risk RDFI Alert Service

For Help

•Review a chart of RDFI Alert Criteria Field Definitions on FRBservices.org/Operations Resources/FedACH Services Resources/FedACH Risk Management Services Resources at http://www.frbservices.org/operations/fedach/index.html

•Review handbooks and other quick reference guides at FRBservices.org/Operations Resources/FedACH Services Resources/FedACH Risk Management Services Resources at http://www.frbservices.org/operations/fedach/index.html

•Contact the FedACH® Services Central Operations Support (COS) Site via information on FRBservices.org/Contact Us/FedACH Services/FedACH Central Operations Support Site at http://www.frbservices.org/contactus/fedach_operations.html

•Find contact information, such as your institution's account executive and FedACH sales specialist, on FRBservices.org/Contact Us/My FedDirectory® Service at http://www.frbservices.org/contacts/index.jsp