

Claim of Damage Due to Underencoding Adjustment Form Instructions

When to use this Form

The [Claim of Damage Form](#) is the **required** supporting documentation, commonly referred to as Documents-to-Follow (DTFs), used for an [Entry in Error](#) (ERR) related to an underencoded item charged, on an [Encoding Error](#) (ENC) adjustment, and for which you are unable to collect all or part of the funds. Use this form as a DTF when you submit an ERR for an underencoded item.

For example, you are charged \$900 for an ENC; however, you are only able to collect \$200 from your customer. You could submit an ERR for \$700 and provide the Claim of Damage Form as the DTF; no other DTF is required. Avoid providing a copy of the ENC advice and a copy of the item involved in the ENC. Refer to the [Documents-to-Follow \(DTF\) Image/Archive Reference Guide](#) for detailed information on the DTF process.

Refer to the [Check Adjustments Quick Reference Guide](#) for details on submitting an [Entry in Error \(ERR\) for a Claim of Damage Due to Underencoding Adjustment](#) and all other investigation types.

Claim of Damage Due to Underencoding Adjustment Form Field Description



Federal Reserve Bank Claim of Damage Due to Underencoding Adjustment

We received a charge for an underencoding error for the forward collection check / qualified return check described below:

Amount Charged	The amount of the debit ENC adjustment.
Actual Amount	The legal (written) amount of the item.
Encoded Amount	The encoded amount of the item.
Check Dated	The date of the check.
Drawn By (Drawer)	The person or business that wrote the check.
Payable To (Payee)	The person or business to whom the check is made payable.
Check No.	The sequential number assigned to the check.
Date of Underencoding Adjustment ¹	The date you were charged for the ENC adjustment.

We charged our customer for the encoded amount of this check. We are now unable to recover

\$ The amount of the ENC charge you are unable to recover.

of the difference between the encoded amount and the true amount of the check by charging the account of the customer. Please credit our account in this amount, based on our claim of breach of warranty with respect to the encoding error.

Bank Name	Your institution's name.
9 Digit Routing Number	Your institution's routing number.
Name of Bank Contact	The point of contact, at your institution, for the claim.
Phone Number of Bank Contact	The telephone number of the contact person.
Authorized Signature	The person authorized, by your institution, to sign the form; requires a written representation of a person's name.
Date	The date you are submitting the adjustment request.

¹ This form must be received by the Reserve Bank, along with your Entry In Error (ERR) adjustment request, within 20 banking days after the date the Reserve Bank functioned the encoding error charge. Failure to provide all information will result in the claim being rejected.

Although late responses will be rejected by the Reserve Bank, you may nonetheless be able to recover from the claimant, but you must deal directly with the claimant.

Knowingly making a false statement to influence the action of a Federal Reserve Bank may subject the signing party to criminal penalties under federal and/or state law.