



NOTICE OF AMENDMENT
TO THE
2017 NACHA OPERATING RULES

September 12, 2017
SUPPLEMENT #1-2017

1. Network Administration Fees
Effective Date: January 1, 2018
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Network Administration Fees

The *NACHA Operating Rules* require each Participating Depository Financial Institution that transmits or receives ACH entries (commercial and Federal Government) to pay an annual fee and a per-entry fee to cover costs associated with the administration of the ACH Network. These Network Administration Fees apply to all entries subject to the requirements of the *NACHA Operating Rules*, whether such entries are transmitted via an ACH Operator, sent directly from one Participating DFI to another, or sent through another entity. The Network Administration Fees have been established by the NACHA Board of Directors and are reviewed and modified, as appropriate, on an annual basis.

NETWORK ADMINISTRATION FEES AND DATA REPORTING REQUIREMENTS

The accompanying chart provides information on the amount of the annual and per-entry fees for the 2018 calendar year. The ACH Operators collect the annual fees and per-entry fees on behalf of NACHA for entries sent from one Participating DFI to another Participating DFI through the ACH Operators.

Financial institutions are required to report and NACHA collects directly the per-entry fees for ACH entries not sent through the ACH Operators, but that are sent as part of direct send or “on-we” arrangements. A direct send or “on-we” arrangement is one in which a Participating DFI sends a payment file that uses the NACHA formats and/or is covered by the *NACHA Operating Rules*, where that file is not processed by an ACH Operator, but instead is exchanged with another non-affiliated Participating DFI, either directly or through another entity. This definition applies regardless of how interbank settlement is accomplished.

Participating DFIs with direct send or “on-we” volume exceeding 5 million entries annually are obligated to file the requisite reporting with NACHA quarterly. Participating DFIs with direct send volume below this threshold are obligated to file with NACHA annually. These financial institutions are required to submit transaction volume data and any associated fees directly to NACHA using Form N-7 (2018). Any Participating DFI whose direct send or “on we” volume of entries originated or received exceeds 5 million for any quarter ending March 31, June 30, September 30, or December 31, 2018 must submit the above data and fees on a quarterly basis thereafter. The submission deadlines for quarterly filers are April 30, July 31, and October 31, 2018, and January 31, 2019. Participating DFIs that exceed the threshold during the calendar year must aggregate all prior quarters’ fees in their current quarter’s Form N-7 (2018) payment. Participating DFIs whose direct send volume is below this threshold must submit the above data and fees for calendar year 2018 by January 31, 2019.

National Automated Clearing House Association

2018 Schedule of Fees

ACH Network Administration Fees

This Schedule of Fees has been established by the NACHA Board of Directors for calendar year 2018 in accordance with the requirements of the *NACHA Operating Rules*, Article One (General Rules), Section 1.13 (Network Administration Fees).

- Per-Entry Fee (January 1–December 31) \$.000185
- Annual Fee \$ 264.00

NETWORK ADMINISTRATION FEES — FILING REQUIREMENTS FOR PARTICIPATING DEPOSITORY FINANCIAL INSTITUTIONS

Form N-7 (2018) is provided for the purposes of reporting and submitting payment of Network Administration Fees, as required by the *NACHA Operating Rules*, on ACH entries that are transmitted or received under a direct send or “on-we” arrangement. These reporting requirements are not applicable to Participating DFIs whose entries are processed exclusively through an ACH Operator, where all applicable transaction volume will be reported to and fees collected by the ACH Operators on behalf of NACHA.

Who Must File

Any Participating DFI that transmits or receives entries that use the NACHA formats and/or are covered by the *NACHA Operating Rules*, where those entries are not processed by an ACH Operator, but instead are exchanged with another non-affiliated Participating DFI, either directly or through another entity, during the 2018 calendar year.

Who Does Not Have to File

Any Participating DFI that transmits and receives 100% of its ACH entries during 2018 through an ACH Operator or with affiliated Participating DFIs does not need to file Form N-7 (2018). All applicable Network Administration Fees are billed and collected on NACHA's behalf by the ACH Operator, and appear on your customer statement as “NACHA Admin Network Fee/Entry” and “NACHA Admin Network Fee/Month.”

When and Where to File

Any Participating DFI whose direct send or “on-we” volume of entries originated and received exceeds 5 million for any quarter ending March 31, June 30, September 30, or December 31, 2018 must file on a quarterly basis thereafter. The submission deadlines for quarterly filers are April 30, July 31, and October 31, 2018, and January 31, 2019. Participating DFIs that exceed this threshold during the calendar year must aggregate all prior quarters' fees in the current quarter's payment. Participating DFIs whose direct send or “on-we” volume is below the threshold must submit their calendar year 2018 data and fees by January 31, 2019.

Completed forms and payment must be received by NACHA no later than the above deadlines and should be mailed to: NACHA – The Electronic Payments Association, Attn: Finance Department, 2550 Wasser Terrace, Suite 400, Herndon, VA 20171. Payment may be made by ACH credit or check (made payable to NACHA).

To pay by ACH credit, credit must be initiated by the organization filing Form N-7. UPIC Routing & Transit # 021052053, Acct # 59058945. Use CCD format for single filing. Complete in Batch Header (1) Company Name (2) Company Entry Description (specify Form N-7 (2018)).

Form Instructions

Line 1. Enter legal name of Participating DFI.

Line 2. Enter mailing address of Participating DFI.

Line 3a. List the number of ACH entries transmitted and received by the Participating DFI that were not processed by an ACH Operator but were exchanged with another non-affiliated Participating DFI, either directly or through another entity, for the applicable period. Entries should be sorted by routing number of the non-affiliated DFI and include debits, credits and entries of non-value. If there are more routing numbers than spaces available, attach another sheet. Total columns and add together to calculate the grand total.

Line 3b. Enter the grand total from line 3a.

Line 4. Represents the 2018 per entry fee of \$.000185

Line 5. Multiply line 3b by line 4 [example: (line 3b) 100,000 x (line 4) \$.000185 = (line 5) \$18.50]

Line 6. Payment due is equal to the amount on line 5. Indicate payment method. If by check, make check payable to NACHA. If payment by ACH Credit, indicate date of credit to be initiated by the business. See account information above for ACH Credit. If amount on line 5 is less than one dollar, submit the completed form only; no payment is due.

Still Need Additional Information?

Downloadable Forms and Instructions are available at <https://www.nacha.org/ach-network/administration-fees> or contact Member Services, 800-487-9180 or 703-561-1100 or email: info@nacha.org.

FORM N-7 (2018)
(continued)

- b. 2018 total direct send ACH entries *(see instructions)* _____
4. 2018 per entry fee x \$.000185
5. Uncollected 2018 Network Administrative Fees (line 3b x line 4) \$ _____
6. Payment Due: (Amount on line 5) Check enclosed _____ or Date of ACH credit _____
(If less than \$1.00, no payment due, submit form only)

I declare that I have examined this form and to the best of my knowledge and belief, it is true, correct and complete.

Signature _____ Date _____

Printed Name _____

Title _____

Financial Institution Name _____

Email Address _____ Phone Number _____

Mail completed form and payment to:

NACHA – The Electronic Payments Association
Attn: Finance Department
2550 Wasser Terrace, Suite 400
Herndon, VA 20171