ACH Returns

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Overview

This article is to provide insight and instruction on how Lone Oak Payroll handles ACH Returns for our clients.

> ***Note*** An ACH Return is when an electronic payment wasn't able to be sent to an employee (e.g. account number is wrong). The funds are then returned to Lone Oak Payroll.

Types of ACH Returns

The following are types of ACH Returns:

- Standard Return
- Notice of Change (NOC)
- Reversal Failed
- Need Review

Standard Return

A standard return is simply when a check wasn't able to be deposited into the employee account, and the full net of the check is returned to Lone Oak Payroll.

When this happens, Lone Oak Payroll voids the check in question, which will return the payroll funds back to you in your next Payroll Wire or Funding. We will also log a message on the employee profile with the action **ACH Return - Voided**.

You can track these returns using the **Lone Oak Payroll ACH Returns** report in Enterprise. This report will be updated by **9:00am CT** each business day.

How to Resolve

1. Run the **Lone Oak Payroll ACH Returns** report
   - The date parameters are based on when the funds were returned. To see today's ACH Returns, run the report for today's date
2. Review the checks in question and update employee information as needed
   - Update the necessary employee information (e.g. account number)

- Deactivate electronic pay to send a live check
3. Re-enter the timecard information
4. Submit a Late Payroll request to Lone Oak Payroll

Notice of Change (NOC)

A Notice of Change(NOC) is when the funds were distributed to the employee account, but there is some information that needs to be updated. Examples include: missing leading 0's on an account number, missing a 0 in a routing number, account coded as savings when it should be checking.

No action is needed from you. Lone Oak Payroll will update the employee information and log a message with the action **ACH Return - NOC Complete** once updated

Reversal Failed

This occurs when LOP attempted to pull funds back out of an employee account, but were unsuccessful. An example of this may be that the wrong employee was paid and the client requested to pull the money back, but it was returned for insufficient funds.

These returns will also appear on the **Lone Oak Payroll ACH Returns** report for your reference, and a message logged on the employee profile with the action **ACH Return - Reversal Failed**.

If there is follow up needed, please contact Lone Oak Payroll to discuss options.

Needs Review

These returns are those that are more complicated and require review by a Payroll Specialist before action is taken. Examples include: secondary direct deposit, multiple checks in a single return, unable to match return back to an employee check.

When these occur, Lone Oak Payroll will log a message with the action of **ACH Return - Needs Review** on the employee profile. A member of our team will investigate the issue and contact you to discuss next steps.

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