



# Same-Day ACH and Sweep Changes Overview

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## Overview

We are making some technical changes which will affect your experience with our cash management service. While the changes are required in order to remain compliant with NACHA, the industry organization that sets standards for ACH payments, we believe they will also improve the overall value of the service.

Beginning on September 23, 2016, we will be required to settle ACH payments on a same-day basis when requested by the sender of the payment. This change applies to all loan and cash management accounts which receive ACH payments. Historically, ACH payments have been settled on a next-day basis. You will now be able to receive same-day ACH transactions into cash management accounts or loan accounts.

To effect this change, we will introduce an afternoon sweep transaction (5:00pm MST) to cash management accounts to apply same-day ACH transactions to your loan accounts. The afternoon sweep will benefit you by making funds received after the morning sweep available to post to your loan account earlier than before.

Additionally, we will introduce an end-of-day process to remove pending check funds from cash management accounts each evening, and then return collected funds to these accounts the following morning ahead of the morning sweep (8:00am MST) to your loan account. This change is being made in order to ensure we remain compliant with FCA regulations and our status as a non-depository financial institution.

## What it means for our Customers

For our customers, the impact of the changes we are making depends on how you receive ACH transactions into your account(s) today.

For Customers who prefer to receive ACH transactions directly into their loan account, the changes we have made will simply allow you to also receive same-day ACH payments and have those payments apply to your loan account in the same way you receive ACH payments to your account today.

For Customers who leverage cash management accounts to receive all or a portion of their ACH transactions, the attached information outlines the changes that you will see within Online Banking, Cash Manager, and your cash management account (TCA) statement on September 23, 2016.

If you have any questions about the enhancements we have made, or how these enhancements may affect your accounts, please contact Online Banking support or Cash Manager support.

# Changes to Online Banking for Customers receiving ACH into Cash Management (TCA) Accounts

BEFORE  
9/23/2016

**Settlement Report Detail**

> Funds From CoBank

Transaction Type: TCA FUNDS SWEEP TRANSFER FROM LOC/INV  
 Transaction Amount: 1,000.00  
 Transaction Number: 123  
 Transaction Date: 08/23/2016  
 Transaction Status: COMPLETED  
 Special Instructions: TRANSACTION CLEARING ACCOUNT SCHEDULED SWEEP

| To CoBank Posting:   | Account  | Agreement | Amount   |
|----------------------|----------|-----------|----------|
| From CoBank Posting: | 00001234 | ABC123ABC | 1,000.00 |

Receiver Name: COMPANYACCOUNT L.L.C  
 Receiver Location: ANY CITY, USA  
 Sender Name: COMPANYACCOUNT L.L.C  
 Originator Name: CM

DONE

**Settlement Report**

| Date       | Tran Type                                             | Receiver/Sender Name | Status    | Amount |
|------------|-------------------------------------------------------|----------------------|-----------|--------|
| 08/23/2016 | TCA FUNDS SWEEP TRANSFER FROM COMPANY ACCOUNT, L.L.C. |                      | COMPLETED |        |

AFTER  
9/23/2016

**Settlement Report Detail**

> Funds From CoBank

Transaction Type: TCA AM FUNDS SWEEP TRANSFER FROM LOC/INV  
 Transaction Amount: 1,000.00  
 Transaction Number: 123  
 Transaction Date: 08/23/2016  
 Transaction Status: COMPLETED  
 Special Instructions: TRANSACTION CLEARING ACCOUNT SCHEDULED SWEEP

| To CoBank Posting:   | Account  | Agreement | Amount   |
|----------------------|----------|-----------|----------|
| From CoBank Posting: | 00001234 | ABC123ABC | 1,000.00 |

Receiver Name: COMPANYACCOUNT L.L.C  
 Receiver Location: ANY CITY, USA  
 Sender Name: COMPANYACCOUNT L.L.C  
 Originator Name: CM

DONE

**Settlement Report**

| Date       | Tran Type                                                | Receiver/Sender Name | Status    | Amount |
|------------|----------------------------------------------------------|----------------------|-----------|--------|
| 08/23/2016 | TCA AM FUNDS SWEEP TRANSFER FROM COMPANY ACCOUNT, L.L.C. |                      | COMPLETED |        |
| 08/23/2016 | TCA PM FUNDS SWEEP TRANSFER FROM COMPANY ACCOUNT, L.L.C. |                      | COMPLETED |        |

## A Cash Management (TCA) Account Sweep Activity in Online Banking

- Previously, customers would see a single sweep transaction within online banking to reflect the once daily movement of the net value of transactions from their Cash Management (TCA) Account to their loan account.
- After the change, Customers will see two different sweep transactions daily to more efficiently move net values to their loan account:
  - Cash Management (TCA) Account AM FUNDS SWEEP (8:00AM MST)
  - Cash Management (TCA) Account PM FUNDS SWEEP (5:00PM MST)
- Customers will also be able to view the last four digits of the Cash Management (TCA) Account related to the sweep to aid in reconciling each transaction to the correct Cash Management (TCA) Account.

# Changes to Cash Manager for Customers receiving ACH into Cash Management (TCA) Accounts

**BEFORE**  
9/23/2016

## Activity - Deposit Accounts

Report created: 08/18/2016 7:29:03 AM (MT)  
 Account: 107007508 • \*1012 • Checking • CoBank Acct 1  
 Date range: 8/16/2016 to 8/17/2016  
 Transaction types: All transactions  
 Detail option: Includes transaction detail

107007508 • \*1012 • Checking • CoBank Acct 1

| Post Date  | Reference                          | Additional Reference | Description                                                                     | Debit    | Credit   | Calculated Balance |
|------------|------------------------------------|----------------------|---------------------------------------------------------------------------------|----------|----------|--------------------|
| 08/17/2016 | 796                                |                      | TCA FUNDS SWEEP TRANSFER TO LOC/INV<br>796.081716230.982,,CASH MANAGEMENT SWEEP | \$400.00 |          | \$0.00             |
| 08/17/2016 | Total Calculated Debits (1 Items)  |                      |                                                                                 | \$400.00 |          |                    |
| 08/17/2016 | 000000817165261                    |                      | REMOTE CHECK CAPTURE CREDIT                                                     |          | \$150.00 |                    |
| 08/17/2016 | 000000817165260                    |                      | PREAUTHORIZED ACH CREDIT                                                        |          | \$100.00 |                    |
| 08/17/2016 | Total Calculated Credits (2 Items) |                      |                                                                                 |          | \$250.00 |                    |
| 08/16/2016 | Total Calculated Debits (0 Items)  |                      |                                                                                 | \$0.00   |          |                    |
| 08/16/2016 | 000000816165259                    |                      | REMOTE CHECK CAPTURE CREDIT                                                     |          | \$300.00 |                    |
| 08/16/2016 | Total Calculated Credits (1 Items) |                      |                                                                                 |          | \$300.00 |                    |

C

B1

B2 A

### A End-of-Day Remote Check Capture Credit

**Day 1:** Remote Check Capture items presented in the afternoon (\$300.00) are posted to the Cash Management (TCA) Account, however the funds remain unavailable until they clear the following morning.

**Day 1:** At the end of every day pending funds (\$300.00) remained in the Cash Management (TCA) Account, causing the end-of-day balance to exceed \$0.00

### B Previous Day Pending Funds, Morning Activity, and Morning Sweep

**Day 2:** Collected funds (\$300.00) from the previous day, along with morning presentments (\$100.00), are shown within the Cash Management (TCA) Account.

**Day 2:** At 8:00AM MST, the morning sweep moves the net amount of available transactions (\$400.00) to the loan account.

### C End-of-Day Remote Check Capture Credit

**Day 2:** Remote Check Capture items presented in the afternoon (\$150.00) are posted to the Cash Management (TCA) Account, however the funds remain unavailable until they clear the following morning.

**Day 2:** At the end of every day pending funds (\$150.00) remained in the Cash Management (TCA) Account, causing the end-of-day balance to exceed \$0.00

# Changes to Cash Manager for Customers receiving ACH into Cash Management (TCA) Accounts

**AFTER**  
9/23/2016

## Activity - Deposit Accounts

Report created: 08/18/2016 7:29:03 AM (MT)  
 Account: 107007508 • \*1012 • Checking • CoBank Acct 1  
 Date range: 8/16/2016 to 8/17/2016  
 Transaction types: All transactions  
 Detail option: Includes transaction detail

107007508 • \*1012 • Checking • CoBank Acct 1

| Post Date | Reference  | Additional Reference                      | Description                                                                     | Debit           | Credit          | Calculated Balance |
|-----------|------------|-------------------------------------------|---------------------------------------------------------------------------------|-----------------|-----------------|--------------------|
| <b>D2</b> | 08/17/2016 | TO *****0719                              | PENDING FUNDS HELD TRANSFER TO REFERENCE *****0719 FUNDS HELD                   | \$150.00        |                 | \$0.00             |
| <b>C2</b> | 08/17/2016 | 696                                       | TCA PM FUNDS SWEEP TRANSFER TO LOC/INV 696,081716230,882,,CASH MANAGEMENT SWEEP | \$50.00         |                 | \$0.00             |
| <b>B3</b> | 08/17/2016 | 796                                       | TCA AM FUNDS SWEEP TRANSFER TO LOC/INV 796,081716230,982,,CASH MANAGEMENT SWEEP | \$400.00        |                 | \$0.00             |
|           | 08/17/2016 | <b>Total Calculated Debits (3 Items)</b>  |                                                                                 | <b>\$600.00</b> |                 |                    |
| <b>D1</b> | 08/17/2016 | 000000817165262                           | REMOTE CHECK CAPTURE CREDIT                                                     |                 | \$150.00        |                    |
| <b>C1</b> | 08/17/2016 | 000000817165261                           | PREAUTHORIZED ACH CREDIT                                                        |                 | \$50.00         |                    |
| <b>B2</b> | 08/17/2016 | 000000817165260                           | PREAUTHORIZED ACH CREDIT                                                        |                 | \$100.00        |                    |
| <b>B1</b> | 08/17/2016 | 00000*****0719                            | PENDING FUNDS RELEASED RECALL FROM FUNDS HELD REFERENCE *****0719               |                 | \$300.00        |                    |
|           | 08/17/2016 | <b>Total Calculated Credits (4 Items)</b> |                                                                                 |                 | <b>\$600.00</b> |                    |
| <b>A2</b> | 08/16/2016 | TO *****0719                              | PENDING FUNDS HELD TRANSFER TO REFERENCE *****0719 FUNDS HELD                   | \$300.00        |                 | \$0.00             |
|           | 08/16/2016 | <b>Total Calculated Debits (1 Item)</b>   |                                                                                 | <b>\$300.00</b> |                 |                    |
| <b>A1</b> | 08/16/2016 | 000000816165259                           | REMOTE CHECK CAPTURE CREDIT                                                     |                 | \$300.00        |                    |
|           | 08/16/2016 | <b>Total Calculated Credits (1 Items)</b> |                                                                                 |                 | <b>\$300.00</b> |                    |

### A Remote Check Capture and Pending Funds Held

- Day 1:** Remote Check Capture items presented in the afternoon (\$300.00) are posted to the Cash Management (TCA) Account, however the funds remain unavailable until they clear the following morning.
- Day 1:** At the end of every day (11:00PM MST), pending funds (\$300.00) are held in order to move the Cash Management (TCA) Account balance to \$0.00

### B Pending Funds Release, Morning Activity, and Morning Sweep

- Day 2:** Pending funds (\$300.00) are released into the Cash Management (TCA) Account prior to morning sweep
- Day 2:** Morning presentments (\$100.00) are shown within the Cash Management (TCA) Account
- Day 2:** At 8:00AM MST, the morning sweep moves the net amount of available transactions (\$400.00) to the loan account.

### C Afternoon Activity and Afternoon Sweep

- Day 2:** Same-day ACH credit transactions (\$50.00) are received within the Cash Management (TCA) Account
- Day 2:** At 5:00PM MST, the afternoon sweep moves the net amount of available transactions (\$50.00) to the loan account.

### D Remote Check Capture and Pending Funds Held

- Day 2:** Remote Check Capture items presented in the afternoon (\$150.00) are posted to the Cash Management (TCA) Account, however the funds remain unavailable until they clear the following morning.
- Day 2:** At the end of every day (11:00PM MST), pending funds (\$150.00) are held in order to move the Cash Management (TCA) Account balance to \$0.00

# Changes to Cash Management (TCA) Account Statements

**BEFORE**  
9/23/2016

**AFTER**  
9/23/2016

COBANK ACCT 1  
PO BOX 5110  
DENVER CO 80217-5110

Last statement: July 17, 2016  
This statement: August 17, 2016  
Total days in statement period: 31

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Direct inquiries to:  
CoBank, 855-245-2988

|                |           |                    |          |
|----------------|-----------|--------------------|----------|
| Account number | *****1012 | Beginning balance  | \$300.00 |
| Enclosures     | 1         | Total additions    | 250.00   |
|                |           | Total subtractions | 400.00   |
|                |           | Ending balance     | \$150.00 |

**CHECKS PAID**

| Number | Date  | Amount                   | Number | Date          | Amount |
|--------|-------|--------------------------|--------|---------------|--------|
| 12345  | 07-18 | 100.00                   | 12346  | 07-19         | 100.00 |
|        |       | <b>Total Checks Paid</b> |        | <b>200.00</b> |        |

**Subtractions**

| Date                      | Description     | Amount        |
|---------------------------|-----------------|---------------|
| 08-17                     | TCA Sweep Debit | 400.00        |
| <b>Total Subtractions</b> |                 | <b>400.00</b> |

**Additions**

| Date                   | Description          | Amount        |
|------------------------|----------------------|---------------|
|                        | Preauthorized ACH Cr | 100.00        |
|                        | Remote Ck Credit     | 150.00        |
| <b>Total Additions</b> |                      | <b>250.00</b> |

**DAILY BALANCES**

| Date  | Amount   | Date  | Amount | Date  | Amount |
|-------|----------|-------|--------|-------|--------|
| 07-18 | 941.00   | 07-28 | 105.50 | 08-09 | 320.25 |
| 07-19 | 560.30   | 07-29 | 250.30 | 08-10 | 278.60 |
| 07-20 | 206.00   | 08-01 | 536.00 | 08-11 | 679.30 |
| 07-21 | 825.75   | 08-02 | 528.30 | 08-12 | 660.20 |
| 07-22 | 610.72   | 08-03 | 932.75 | 08-15 | 428.72 |
| 07-25 | 201.00   | 08-04 | 452.80 | 08-16 | 300.00 |
| 07-26 | 1,249.00 | 08-05 | 797.00 | 08-17 | 150.00 |
| 07-28 | 371.22   | 08-08 | 797.00 |       |        |

COBANK ACCT 1  
PO BOX 5110  
DENVER CO 80217-5110

Last statement: July 17, 2016  
This statement: August 17, 2016  
Total days in statement period: 31

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\*\*\*\*\*1012

Direct inquiries to:  
CoBank, 855-245-2988

|                |           |                    |        |
|----------------|-----------|--------------------|--------|
| Account number | *****1012 | Beginning balance  | \$0.00 |
| Enclosures     | 1         | Total additions    | 600.00 |
|                |           | Total subtractions | 600.00 |
|                |           | Ending balance     | \$0.00 |

**CHECKS PAID**

| Number | Date  | Amount                   | Number | Date          | Amount |
|--------|-------|--------------------------|--------|---------------|--------|
| 12345  | 07-18 | 100.00                   | 12346  | 07-19         | 100.00 |
|        |       | <b>Total Checks Paid</b> |        | <b>200.00</b> |        |

**Subtractions**

| Date                      | Description                                                         | Amount        |
|---------------------------|---------------------------------------------------------------------|---------------|
| 08-17                     | TCA Am Sweep Debit                                                  | 400.00        |
| 08-17                     | TCA Pm Sweep Debit                                                  | 50.00         |
| 08-17                     | Pending Funds Held<br>TRANSFER TO FUNDS HELD REFERENCE<br>*****0719 | 150.00        |
| <b>Total Subtractions</b> |                                                                     | <b>600.00</b> |

**Additions**

| Date                   | Description                                                             | Amount        |
|------------------------|-------------------------------------------------------------------------|---------------|
| 08-17                  | Pending Funds Released<br>RECALL FROM FUNDS HELD REFERENCE<br>*****0719 | 300.00        |
|                        | Preauthorized ACH Cr                                                    | 100.00        |
|                        | Preauthorized ACH Cr                                                    | 50.00         |
|                        | Remote Ck Credit                                                        | 150.00        |
| <b>Total Additions</b> |                                                                         | <b>600.00</b> |

**DAILY BALANCES**

| Date  | Amount | Date  | Amount | Date  | Amount |
|-------|--------|-------|--------|-------|--------|
| 07-18 | 0.00   | 07-28 | 0.00   | 08-09 | 0.00   |
| 07-19 | 0.00   | 07-29 | 0.00   | 08-10 | 0.00   |
| 07-20 | 0.00   | 08-01 | 0.00   | 08-11 | 0.00   |
| 07-21 | 0.00   | 08-02 | 0.00   | 08-12 | 0.00   |
| 07-22 | 0.00   | 08-03 | 0.00   | 08-15 | 0.00   |
| 07-25 | 0.00   | 08-04 | 0.00   | 08-16 | 0.00   |
| 07-26 | 0.00   | 08-05 | 0.00   | 08-17 | 0.00   |
| 07-28 | 0.00   | 08-08 | 0.00   |       |        |

## A Balance Summary Section Changes

- Beginning balance will reflect \$0.00
- Total additions will include received transactions and pending funds released
- Total subtractions will include swept transactions and pending funds held
- Ending balance will reflect \$0.00

## B Subtractions Section Changes

- AM and PM Sweep will be reflected
- Pending Funds Held will be reflected

## C Additions Section Changes

- Pending Funds Released will be reflected
- Same-day ACH items will be reflected

## D Daily Balances Section Changes

- Daily Balances will reflect \$0.00