



Check Processing Adjustments

General Guidelines

This guide is designed to provide credit unions with information about SunCorp's check adjustment services. Adjustments are used to process check disputes or discrepancies with other financial institutions that are not handled through normal check return processes. Adjustments can be sent or received from other financial institutions for your member share drafts and check deposit items.

In rare circumstances, adjustments may be sent directly to your credit union, bypassing our check adjustment department. Your credit union may also need to send adjustments directly to other institutions for some types of disputes. Contact us for more information if you encounter these direct presentment adjustments.

Be aware that some disputes cannot be handled through the normal adjustment procedures adopted by the check processing industry. We recommend that you work with your collections or legal department to pursue recovery on larger items that SunCorp cannot submit as adjustments. In some cases, you may be able to recover from your members based on provisions in your account agreement. In other cases, you may have rights under the Uniform Commercial Code to pursue recovery from other financial institutions. Your bond coverage provider may also require that you pursue other means of recovery before filing a bond claim.

In all cases, feel free to contact our Member Services Department with any questions about our check adjustment services or other options to handle the many types of disputed share drafts or check deposits.



Check Processing Adjustments

Adjustment Type: Member Share Draft – Duplicate Item

Description: Incoming share draft is erroneously presented twice via the check clearing system. Your credit union’s share draft posting software reports the duplicate posting, or your member discovers the error after reviewing their account.

Action Required: Send a notice to research@suncorp.coop requesting an adjustment and including the two posting dates, check number, trace/sequence numbers, and amount. This type of adjustment can be processed for any amount.

Expected Response: You should receive a credit to your SunCorp account a few days after requesting the adjustment. We are usually able to process these adjustments on share drafts up to one year old, but your credit for the older items will be delayed until the depository bank has accepted the adjustment.

Cash Management Account Entry: After the adjustment has been processed, you will receive a credit to your account. The posting will be listed as a *PAID* item along with the reference number from the credit advice. The adjustment advice will also be sent to you, accompanied by an image of the disputed check.

Sample Advice Notice:

SunCorp Credit Union 11080 CirclePoint Road Suite 500 Westminster, CO 80020 (720) 540-4600	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Advice of Credit </div>																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Code</th> <th style="width: 15%;">Posting Date</th> <th style="width: 15%;">Effective Date</th> <th style="width: 15%;">Made By</th> <th style="width: 15%;">Operator</th> <th style="width: 15%;">Can #</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">CJ</td> <td style="text-align: center;">12/10/2010</td> <td style="text-align: center;">12/10/2010</td> <td style="text-align: center;">Mabel Rinard</td> <td style="text-align: center;">Elizabeth Romero</td> <td style="text-align: center;">00000</td> </tr> </tbody> </table>		Code	Posting Date	Effective Date	Made By	Operator	Can #	CJ	12/10/2010	12/10/2010	Mabel Rinard	Elizabeth Romero	00000								
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CJ	12/10/2010	12/10/2010	Mabel Rinard	Elizabeth Romero	00000																
Explanation: <u>PAID Item paid twice</u> _____ _____ _____ _____ Ref # 98345	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Draft Cleared As:</td> <td style="width: 20%; text-align: right;">47.70</td> <td style="width: 20%;">Member #</td> <td style="width: 30%; text-align: right;">37590</td> </tr> <tr> <td>Should Have Cleared As:</td> <td></td> <td>Draft #</td> <td style="text-align: right;">1212</td> </tr> <tr> <td></td> <td></td> <td>Primary</td> <td style="text-align: right;">Duplicate</td> </tr> <tr> <td>Date Draft Cleared:</td> <td style="text-align: right;">10/20/2010</td> <td></td> <td style="text-align: right;">12/6/2010</td> </tr> <tr> <td>Sequence:</td> <td style="text-align: right;">56858855</td> <td></td> <td style="text-align: right;">69981211</td> </tr> </table>	Draft Cleared As:	47.70	Member #	37590	Should Have Cleared As:		Draft #	1212			Primary	Duplicate	Date Draft Cleared:	10/20/2010		12/6/2010	Sequence:	56858855		69981211
Draft Cleared As:	47.70	Member #	37590																		
Should Have Cleared As:		Draft #	1212																		
		Primary	Duplicate																		
Date Draft Cleared:	10/20/2010		12/6/2010																		
Sequence:	56858855		69981211																		
Account # <u>378585966</u> Credit Union: <u>Bedrock Federal Credit Union</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Share Acct</td> <td style="width: 50%;">G/L Offset</td> </tr> <tr> <td style="text-align: center;">010000</td> <td style="text-align: center;">725010</td> </tr> <tr> <td colspan="2" style="text-align: center;">Amount</td> </tr> <tr> <td colspan="2" style="text-align: center;">47.70</td> </tr> </table>	Share Acct	G/L Offset	010000	725010	Amount		47.70													
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Amount																					
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Check Processing Adjustments

Adjustment Type: Member Share Draft – Encoding Error

Description: Credit union member reports that a share draft has posted to their account with an amount different from the courtesy or legal amount on the draft. The likely cause is an erroneous scanning or encoding of check by the merchant payee or depository bank. After reviewing an image of the share draft, credit union confirms the error.

Action Required: Send a notice to research@suncorp.coop requesting an adjustment and including the check number, trace/sequence number, posting date, and amounts (both correct and posted amount). This type of adjustment can only be processed for amounts greater than \$25.01. We recommend that you write off any smaller amounts, both debits and credits, with a corresponding entry to your member’s account or a general ledger account.

Expected Response: If the disputed check cleared within the last 2 or 3 days, you should receive a credit or debit to your SunCorp account almost immediately. If the check cleared several weeks or months ago, the adjustment to your account may also take several weeks or months to process. Most adjustments must be requested within 90 days from the original posting, although it may be possible to process these adjustments as old as one year.

Cash Management Account Entry: After the adjustment has been processed, you will receive a credit or debit to your account. The posting will be listed as an *Encoding Error* along with the reference number from the credit or debit advice. The advice will also be accompanied by an image of the disputed check.

Sample Advice Notice:

SunCorp Credit Union 11080 CirclePoint Road Suite 500 Westminster, CO 80020 (720) 540-4600						Advice of Debit											
Code	Posting Date	Effective Date	Made By	Operator	Can #												
41	12/8/2010	12/8/2010	Maria Reiswig	Mabel Rinard	00000												
Explanation: ENC ERR An item was sent through for the wrong amount.																	
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Draft Cleared As: 868.49</td> <td style="width: 20%;">Member # 5858662</td> </tr> <tr> <td>Should Have Cleared As: 1868.49</td> <td>Draft # 2556</td> </tr> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Primary</td> <td style="width: 50%; border-bottom: 1px solid black;">Duplicate</td> </tr> </table> </td> </tr> <tr> <td>Date Draft Cleared: 12/2/2010</td> <td></td> </tr> <tr> <td>Sequence:</td> <td></td> </tr> </table>						Draft Cleared As: 868.49	Member # 5858662	Should Have Cleared As: 1868.49	Draft # 2556	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Primary</td> <td style="width: 50%; border-bottom: 1px solid black;">Duplicate</td> </tr> </table>		Primary	Duplicate	Date Draft Cleared: 12/2/2010		Sequence:	
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<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; border-bottom: 1px solid black;">Account # 471789992</td> <td style="width: 20%; border-bottom: 1px solid black;">Share Acct 010000</td> <td style="width: 20%; border-bottom: 1px solid black;">G/L Offset 725010</td> <td style="width: 20%;"></td> </tr> <tr> <td style="border-bottom: 1px solid black;">Credit Union: Family Federal Credit Union</td> <td colspan="3" style="border-bottom: 1px solid black; text-align: center;">Amount 1000.00</td> </tr> </table>						Account # 471789992	Share Acct 010000	G/L Offset 725010		Credit Union: Family Federal Credit Union	Amount 1000.00						
Account # 471789992	Share Acct 010000	G/L Offset 725010															
Credit Union: Family Federal Credit Union	Amount 1000.00																



Check Processing Adjustments

Adjustment Type: Share Draft – Late Return Claim

Description: Depository bank has rejected your returned share draft because it had been returned by the Credit Union after the normal 24 hour/next day return deadline. The depository bank can submit these adjustments within 60 days after the original return. The minimum dollar amount is \$100.

Credit Union Action: If funds are currently available in the member’s account, post the share draft to their account in cases of NSF or Uncollected Funds type returns. You can possibly pursue recovery directly with the depository bank for returns sent for Alteration, Unauthorized, or Forged Endorsement reasons (Breach of UCC presentment warranties). Bond claim with credit union insurer should also be considered.

(If the Credit Union believes that the original return was submitted in a timely manner, you can attempt to refute or reverse the late claim within 20 days after receiving the adjustment from the depository bank.)

Cash Management Account Entry: When the late claim adjustment has been processed, you will receive a debit to your account. The posting will be listed as a *CL Adjustment LC* item along with the reference number from the debit advice. The advice will also be sent to you, accompanied by an image of the disputed return item and any other related documentation.

Sample Advice Notice:

SunCorp Credit Union 11080 CirclePoint Road Suite 500 Westminster, CO 80020 (720) 540-4600			Advice of Debit										
Code	Posting Date	Effective Date	Made By	Operator	Can #								
	12/30/2010	12/30/2010	Elizabeth Romero	Mabel Rinard	00000								
Explanation: <u>late claim</u> _____ _____ _____ _____			Draft Cleared As: _____ Member # _____ Should Have Cleared As: _____ Draft # _____ <div style="display: flex; justify-content: space-between; font-size: small;"> Primary Duplicate </div> Date Draft Cleared: <u>10/18/2010</u> Sequence: <u>522262</u>										
Ref # <u>006532</u>			<table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <tr> <td style="width: 50%;">Share Acct</td> <td style="width: 50%;">G/L Offset</td> </tr> <tr> <td style="text-align: center;">010000</td> <td style="text-align: center;">725010</td> </tr> <tr> <td colspan="2" style="text-align: center;">Amount</td> </tr> <tr> <td colspan="2" style="text-align: center;">4556.23</td> </tr> </table>			Share Acct	G/L Offset	010000	725010	Amount		4556.23	
Share Acct	G/L Offset												
010000	725010												
Amount													
4556.23													
Account # <u>322280002</u> Credit Union: <u>Family Federal Credit Union</u>													



Check Processing Adjustments

Adjustment Type: Member Share Draft – Not Our Item

Description: Incoming share draft does not post due to invalid account number or other invalid information. The likely cause is an erroneous scanning or encoding of check by merchant payee or depository bank. After reviewing an image of the share draft, credit union confirms that the check is not drawn on any member's account at the credit union.

Action Required: Send a notice to research@suncorp.coop requesting an adjustment and including the check number, trace/sequence number, and amount. This type of adjustment can only be processed for checks greater than \$25.01. You can attempt to process smaller amounts as a return item.

Expected Response: If the disputed check cleared within the last 2 or 3 days, you should receive a credit to your SunCorp account a few days after requesting the adjustment. If the check cleared several weeks or months ago, the adjustment to your account may also take several weeks or months to process. We are unable to process these adjustments on checks older than one year.

Cash Management Account Entry: After the adjustment has been processed, you will receive a credit to your account. The posting will be listed as a *NCH/NCI* item along with the reference number from the credit advice. The advice will also be sent to you, accompanied by an image of the disputed check.

Sample Advice Notice:

SunCorp Credit Union 11080 CirclePoint Road Suite 500 Westminster, CO 80020 (720) 540-4600			Advice of Credit						
Code	Posting Date	Effective Date	Made By	Operator	Can #				
CJ	11/26/2010	11/26/2010	Mabel Rinard	Elizabeth Romero	00000				
Explanation: NCH/NCI NON CASH/NON CONFORMING ITEM/MICR INFO DOES NOT MATCH ITEM SENT			Draft Cleared As: 35.00 Member # _____ Should Have Cleared As: _____ Draft # _____ Primary Duplicate Date Draft Cleared: 11/22/2010 Sequence: 563225						
Ref # 121255									
Account # 471523669			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Share Acct 010000</td> <td style="width: 50%; padding: 2px;">G/L Offset 725010</td> </tr> <tr> <td colspan="2" style="text-align: center; padding: 2px;">Amount 35.00</td> </tr> </table>			Share Acct 010000	G/L Offset 725010	Amount 35.00	
Share Acct 010000	G/L Offset 725010								
Amount 35.00									
Credit Union: Family Federal Credit Union									



Check Processing Adjustments

Adjustment Type: Check Deposit – Poor or Inadequate Image

Description: Correspondent or payor bank has rejected your check deposit image for processing. The image is lacking sufficient quality to meet the industry or payor bank standards for image processing. You will normally receive these incoming adjustments within a few days after submitting the original check deposit. However, some adjustments may be received up to 60 days after your initial deposit. There is no minimum dollar amount for the incoming adjustment.

Credit Union Action: In most cases, you should be able to just rescan the check and resubmit it for processing. If the image is rejected again, we recommend that you send the paper check to SunCorp for manual processing. If the credit union no longer has the original paper check for imaging, we can attempt to send a “Photo-in-Lieu” for processing – however, your credit for the deposit may be delayed until the payor bank has accepted the photocopy.

Cash Management Account Entry: When the adjustment has been received by SunCorp, we will debit your account. The entry description to your Cash Management account will be *NCH/NCI* along with the reference number from the debit advice. The advice will also be sent to you, accompanied by an image of the rejected item.

Sample Advice Notice:

SunCorp Credit Union 11080 CirclePoint Road Suite 600 Westminster, CO 80020 (720) 540-4800						<div style="border: 1px solid black; padding: 2px; display: inline-block;">Advice of Debit</div>									
Code	Posting Date	Effective Date	Made By	Operator	Can #										
CJ	11/17/2010	11/17/2010	Maria Reiswig	Mabel Rinard	00000										
Explanation: <u>NCI An item that does not pass the image edits at FED and needs to be rescanned.</u> <hr/> <hr/>															
Ref # 5666252															
<table style="width: 100%; border: 1px solid black;"> <tr> <td style="width: 50%;">Draft Cleared As: _____</td> <td style="width: 50%;">Member # _____</td> </tr> <tr> <td>Should Have Cleared As: _____</td> <td>Draft # _____</td> </tr> <tr> <td style="padding-left: 20px;">Primary</td> <td style="padding-left: 20px;">Duplicate</td> </tr> <tr> <td>Date Draft Cleared: 11/15/2010</td> <td>_____</td> </tr> <tr> <td>Sequence: 8752365211</td> <td>_____</td> </tr> </table>						Draft Cleared As: _____	Member # _____	Should Have Cleared As: _____	Draft # _____	Primary	Duplicate	Date Draft Cleared: 11/15/2010	_____	Sequence: 8752365211	_____
Draft Cleared As: _____	Member # _____														
Should Have Cleared As: _____	Draft # _____														
Primary	Duplicate														
Date Draft Cleared: 11/15/2010	_____														
Sequence: 8752365211	_____														
<table style="width: 100%; border: 1px solid black;"> <tr> <td style="width: 50%; border: 1px solid black;">Share Acct 010000</td> <td style="width: 50%; border: 1px solid black;">G/L Offset 725010</td> </tr> <tr> <td colspan="2" style="text-align: center; border: 1px solid black;">Amount 1222.56</td> </tr> </table>						Share Acct 010000	G/L Offset 725010	Amount 1222.56							
Share Acct 010000	G/L Offset 725010														
Amount 1222.56															
Account # 474122556 Credit Union: <u>Family Federal Credit Union</u>															



Check Processing Adjustments

Adjustment Type: Check Deposit – Duplicate Item

Description: Check scanned for deposit was submitted twice by the credit union. Settlement records for the deposit will not match the internal general ledgers accounts, resulting in extra credit amounts in that GL account.

Action Required: Credit union will need to wait for incoming debit adjustments sent by the payor banks of the duplicated items. We recommend that you hold the extra credits in a separate GL account, and offset the adjustments to this account as they are received.

Expected Response: Most incoming debit adjustments should be received within 10 to 15 days. In some cases, payor banks may not submit an adjustment for smaller amounts. You may wish to contact the payor banks on these small checks to ask about their plans for the adjustments. If you never receive an adjustment, you may decide to eventually write-off the credits that still remain in your GL account.

Cash Management Account Entry: After a debit adjustment has been received from the payor bank, you will receive a debit to your account. The posting will be listed as a *NCH/NCI* item along with the reference number from the debit advice. The adjustment advice will also be sent to you, accompanied by an image of the duplicated check deposit.

Sample Advice Notice:

SunCorp Credit Union 11080 CirclePoint Road Suite 500 Westminster, CO 80020 (720) 540-4600					<div style="border: 1px solid black; padding: 2px; display: inline-block;">Advice of Debit</div>											
Code	Posting Date	Effective Date	Made By	Operator	Can #											
CJ	11/17/2010	11/17/2010	Maria Reising	Mabel Rinard	00000											
Explanation: <u>DUPLICATE ITEM(S)</u> <u>An item(s) that has been scanned or</u> <u>charged 2 times and the credit is</u> <u>being held internally on the date of</u> <u>deposit.</u>			<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Draft Cleared As: _____</td> <td style="width: 50%;">Member # _____</td> </tr> <tr> <td>Should Have Cleared As: _____</td> <td>Draft # _____</td> </tr> <tr> <td style="text-align: center;">Primary</td> <td style="text-align: center;">Duplicate</td> </tr> <tr> <td>Date Draft Cleared: 10/15/2010</td> <td>10/15/2010</td> </tr> <tr> <td>Sequence: 5685743256</td> <td>5685743699</td> </tr> </table>				Draft Cleared As: _____	Member # _____	Should Have Cleared As: _____	Draft # _____	Primary	Duplicate	Date Draft Cleared: 10/15/2010	10/15/2010	Sequence: 5685743256	5685743699
Draft Cleared As: _____	Member # _____															
Should Have Cleared As: _____	Draft # _____															
Primary	Duplicate															
Date Draft Cleared: 10/15/2010	10/15/2010															
Sequence: 5685743256	5685743699															
Ref # _____																
Account # 471720356			Share Acct 010000	G/L Offset 725010	Amount 84.32											
Credit Union: <u>Family Federal Credit Union</u>																



Check Processing Adjustments

Adjustment Type: Check Deposit – Encoding Error

Description: Payor bank has adjusted your check deposit image for including an incorrect encoding amount. You will normally receive these incoming adjustments within a few days after submitting the original check deposit. However, some adjustments may be received up to 60 days after your initial deposit. There is no minimum dollar amount for the incoming adjustment.

Credit Union Action: After receiving the adjustment, the credit union may need to adjust the corresponding deposit to the member’s account. If the member’s account was credited incorrectly, then the encoding difference amount is probably residing in one of your General Ledger accounts when your initial deposit batch was out-of-balance. In this case, post the adjustment amount to the corresponding General Ledger account.

Cash Management Account Entry: When the adjustment has been received by SunCorp, we will debit your account. The entry description to your Cash Management account will be *NCH/NCI* along with the reference number from the debit advice. The advice will also be sent to you, accompanied by an image of the disputed item.

Sample Advice Notice:

SunCorp Credit Union 11080 CirclePoint Road Suite 500 Westminster, CO 80020 (720) 540-4800					Advice of Debit								
Code	Posting Date	Effective Date	Made By	Operator	Can #								
41	11/16/2010	11/16/2010	Mabel Rinard	Amanda Vieregger	00000								
Explanation: BR CAP ENC ERR ITM SENT OUT FR WR AMT _____ _____ _____			Draft Cleared As: 150.00 Member # _____ Should Have Cleared As: 50.00 Draft # _____ Primary Duplicate Date Draft Cleared: 8/11/2010 _____ Sequence: 5688852341 _____										
Ref # 533341			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Share Acct</td> <td style="width: 50%; text-align: center;">G/L Offset</td> </tr> <tr> <td style="text-align: center;">010000</td> <td style="text-align: center;">725010</td> </tr> <tr> <td colspan="2" style="text-align: center;">Amount</td> </tr> <tr> <td colspan="2" style="text-align: center;">100.00</td> </tr> </table>			Share Acct	G/L Offset	010000	725010	Amount		100.00	
Share Acct	G/L Offset												
010000	725010												
Amount													
100.00													
Account # 474700235 Credit Union: Family Federal Credit Union													



Check Processing Adjustments

Adjustment Type: Check Deposit – Late Return Claim

Description: Credit Union receives an incoming check deposit return, and determines that the return was submitted past the normal 24 hour / next day return deadline by the payor bank. The member that deposited the check has an insufficient balance in their account to absorb a deposit chargeback, and therefore the credit union believes that they are likely to suffer a loss on the check deposit return.

Action Required: If you wish to file a late claim adjustment on the returned check, send a notice to research@suncorp.coop with the date and amount of the check. This type of adjustment is only allowed on checks in amounts greater than \$100. You must submit the late return claim within 60 days after the original return. The payor bank has 20 days to refute the late claim if they can prove that the check was returned in a timely manner.

Expected Response: SunCorp will credit your account within a few days of receiving your late claim request. However this credit is only provisional until the adjustment has been received and accepted by the payor bank. If the payor bank does not dispute the late claim, your credit can be considered final after 30 days from the original adjustment request.

Cash Management Account Entry: When the late claim adjustment has been processed, you will receive a credit to your account. The posting will be listed as a *CL Adjustment LC* item along with the reference number from the debit advice.

Sample Advice Notice:

SunCorp Credit Union 11080 CirclePoint Road Suite 500 Westminster, CO 80020 (720) 540-4600			Advice of Credit										
Code	Posting Date	Effective Date	Made By	Operator	Can #								
	12/30/2010	12/30/2010	Elizabeth Romero	Mabel Rinard	00000								
Explanation: <u>late claim</u> _____ _____ _____			Draft Cleared As: _____ Member # _____ Should Have Cleared As: _____ Draft # _____ <div style="display: flex; justify-content: space-between;"> Primary Duplicate </div> Date Draft Cleared: <u>10/18/2010</u> Sequence: <u>4565598022</u>										
Ref # <u>989444</u>													
Account # <u>434356113</u> Credit Union: <u>Family Federal Credit Union</u>			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Share Acct</td> <td style="padding: 2px;">G/L Offset</td> </tr> <tr> <td style="padding: 2px; text-align: center;">010000</td> <td style="padding: 2px; text-align: center;">725010</td> </tr> <tr> <td colspan="2" style="padding: 2px; text-align: center;">Amount</td> </tr> <tr> <td colspan="2" style="padding: 2px; text-align: center;">575.00</td> </tr> </table>			Share Acct	G/L Offset	010000	725010	Amount		575.00	
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010000	725010												
Amount													
575.00													