

# ACH Payment Return Rates and Thresholds

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There are three Return Rate thresholds to monitor when you accept ACH payments: **Overall Return Rate**, returns for some **Not Authorized** reason codes, and returns for some **Invalid Account** reason codes.

These rates are calculated for each month of ACH transactions as follows:

**Overall Return Rate:** the count of all ACH Returns within a month / the count of all ACH Transactions within a month

*If a merchant has 100 ACH transactions and 4 ACH Returns in a month, their Overall Return Rate is  $4/100 = 4\%$*

**Not Authorized Return Rate:** the count of the returns with codes R05, R07, R10, R11, R29, and R51 within a month / the count of all ACH transactions within a month

*If a merchant has 100 ACH transactions and 1 R29 ACH Return in a month, their Not Authorized Return Rate is  $1/100 = 1\%$*

**Invalid Account Return Rate:** the count of all returns with codes R02, R03, and R04 within the month / the count of all ACH transactions within the month

*If a merchant has 100 ACH transactions, 1 R02 ACH Return, and 2 R03 ACH Returns in a month, their Invalid Account Return Rate is  $3/100 = 3\%$*

Red text in **ACH Return Details** indicates that one or more of your return rates are approaching its threshold.

The thresholds for each Return Rate are:

- Overall Return Rate: turns red at 10%; the threshold is 15%
- Not Authorized Return Rate: turns red at 0.3%; the threshold is 0.5%
- Invalid Account Return Rate: turns red at 2.5%; the threshold is 3%

If you are approaching a threshold, it may be time to review your business' policies and procedures around ACH Payments to bring future return rates down.

[Contact our Risk Team](#) for assistance with ACH Return Rates and ACH Payment best practices.

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