

## FORMAL DEMAND FOR SETTLEMENT OF MISDIRECTED ACH PAYROLL FUNDS

**Date:** [Insert Date]

**TO:**

[Recipient Name/Financial Institution]

[Department, if applicable]

[Street Address]

[City, State, Zip Code]

**RE: Notice of Error and Demand for Immediate Reversal of ACH Transaction**

Dear [Contact Name or Claims Department],

This letter serves as a formal demand for the immediate return of payroll funds misdirected via Automated Clearing House (ACH) settlement. Our records indicate that a payroll transaction intended for [Intended Recipient Name] was erroneously routed to an incorrect account held at your institution.

**Transaction Details:**

- **Transaction Date:** [Insert Date]
- **Settlement Amount:** \$[Insert Amount]
- **Originating Bank:** [Insert Bank Name]
- **Trace Number:** [Insert ACH Trace Number]
- **Account Number Credited in Error:** [Insert Account Number]
- **Routing Number:** [Insert Routing Number]

The aforementioned transfer was the result of [Briefly State Reason: e.g., clerical data entry error / administrative processing error]. Under NACHA Operating Rules and applicable state and federal commercial laws, we are formally requesting that you place a hold on these funds and initiate a reversal or return of the credit entry immediately.

Please be advised that the funds in question are payroll settlements and their misdirection causes significant financial hardship and regulatory reporting complications. We request that these funds be returned to the originating account no later than [Insert Number of Days, e.g., 3] business days from the receipt of this notice.

Failure to cooperate with the recovery of these misdirected funds may result in further legal action to recover the principal amount, along with any applicable interest and legal fees.

Please confirm receipt of this demand and provide a status update regarding the reversal of funds by contacting [Name] at [Phone Number] or [Email Address].

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title/Company Name]

[Your Address]

[Your Phone Number]