



Introduction to ACH

Net Settlement Made Easy

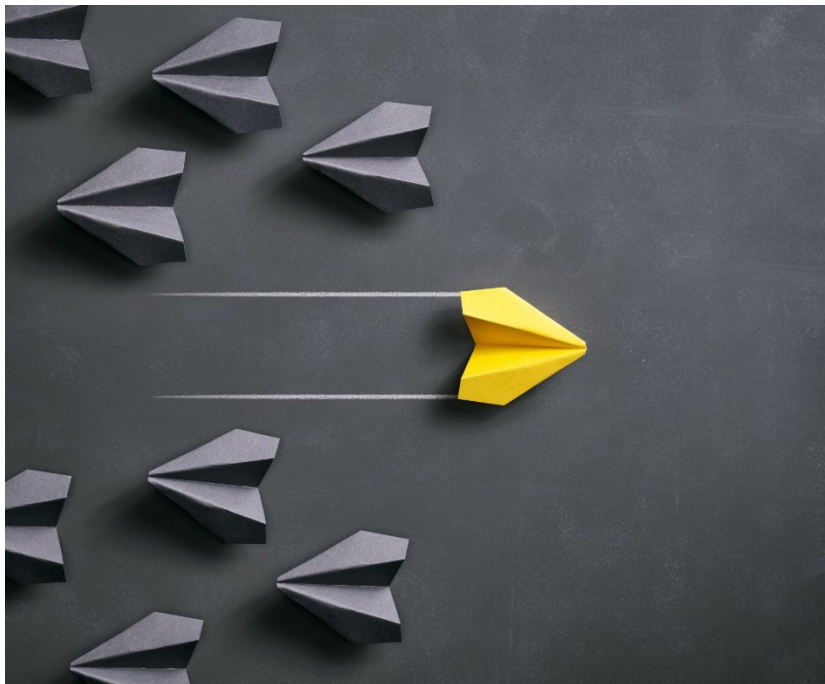


Who We Are

- > ACH has been serving the air travel industry since January 1944, providing a trusted and simple net settlement service for airlines, suppliers, and other related companies
- > ACH Settlements occur four times a month, ensuring a rapid clearing of your payables and receivables
- > Our agreement with the IATA Clearing House allows for similar settlement with over 400 parties
 - > Settlements with the IATA Clearing House Participants occur four times a month for a total of up to eight settlements each month
 - > ACH members participate in both settlements at no additional cost
- > ACH partners with US Bank to process over \$15 Billion in payments annually
- > ACH members must open a USD DDA account with US Bank for use in the settlements



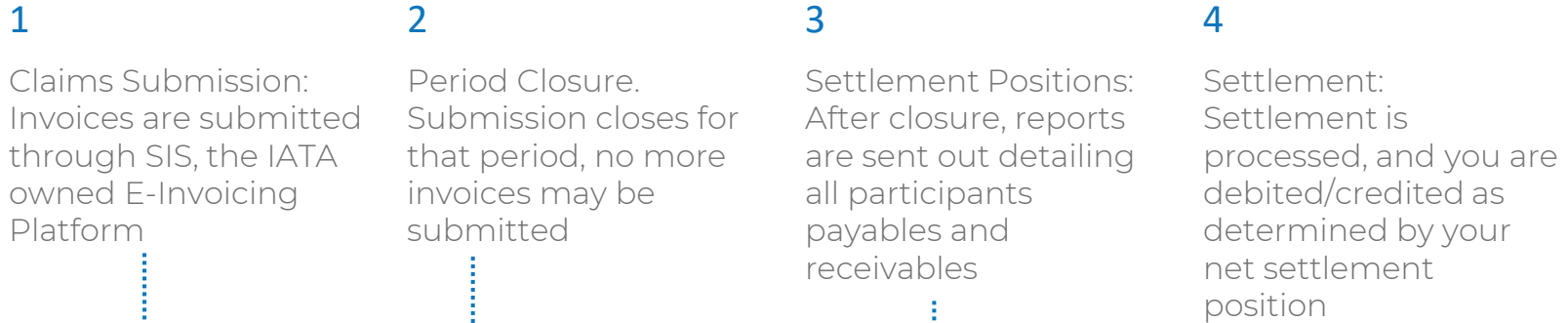
Net Settlement



- > Net settlement allows ACH members to clear their payable and receivable balances quickly, safely and securely
- > For every settlement, participating ACH members net their receivable balances against their payable balances, and then settle the ending balance only
- > For Example:
 - > Your airline billed collectively \$2M to 300 participants
 - > 250 participants collectively billed you \$1.9M
 - > You will receive a \$100K net payment on settlement day

The ACH Process

- The ACH process is organized into *Settlements*.
- Each settlement progresses through several discrete steps which map onto the ACH Settlement Calendar as follows:



(1) Clearance Month	(2) Clearance Period	(3) Clearance Period Opens in SMART	(4) SIS/SMART ¹ Due Date/Time	(5) Final ³ Settlement Report Available <i>ACH Transactions</i>	(6) Deadline for ² Notice of Protest to ACH Secretary- Treasurer	(7) ACH ³ Settlement Date	(8) Final Settlement Report Available <i>ICH Transactions</i>	(9) Deadline for ⁴ Notice of Protest to ACH Secretary- Treasurer	(10) ACH - ICH ⁵ Interclearance Settlement Date
Jan. 2023	01 02 03 04	Jan. 10, 2023 Jan. 18 Jan. 24 Jan. 31	Jan. 17, 2023 Jan. 23 Jan. 30 Feb. 7	Jan. 18, 2023 Jan. 24 Jan. 31 Feb. 8	Jan. 19, 2023 Jan. 26 Feb. 3 Feb. 10	Jan. 23, 2023 Jan. 30 Feb. 7 Feb. 14	Jan. 19, 2023 Jan. 25 Feb. 1 Feb. 9	Jan. 24, 2023 Jan. 30 Feb. 6 Feb. 14	Jan. 26, 2023 Feb. 1 Feb. 8 Feb. 16

Process Flow

① ACH/IATA Member

Members upload all invoices against all other participants to SIS

② SIS Invoicing Platform

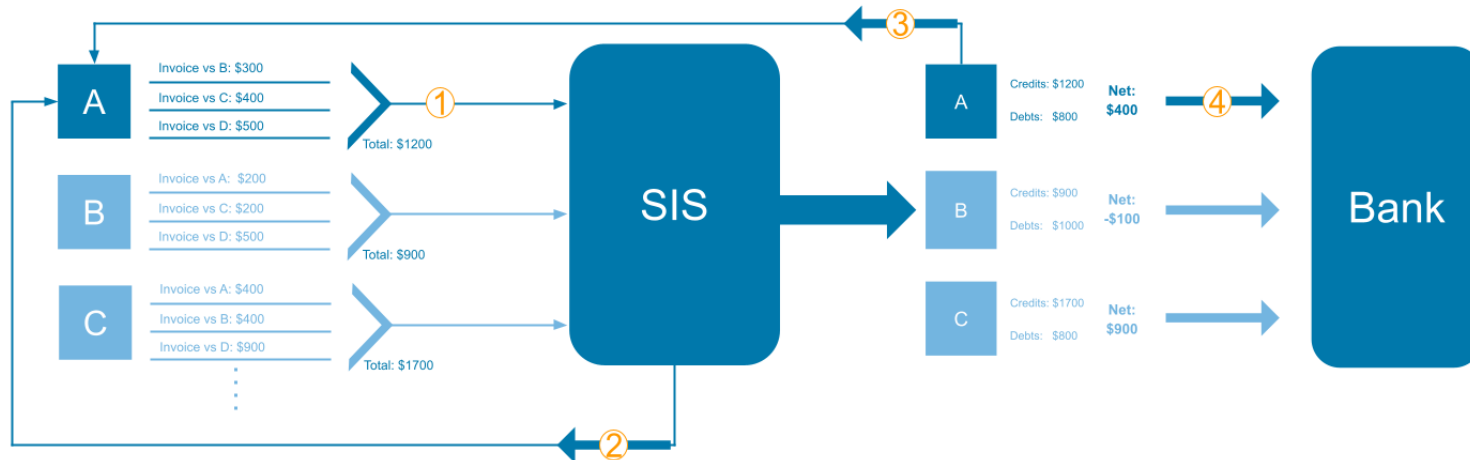
SIS provides access to all invoices by and against each member

③ Airlines Clearing House

ACH nets all invoices, and provides each member with their net position one week before settlement

④ Participant DDA Accounts

On the day of settlement, ACH provides instructions to the bank to debit and credit all participating accounts, based on their NET settlement position





Contact us

 +1 202 626 4144

 ACH@Airlines.org

 www.airlinesclearinghouse.com