

# **ACH Policy**

## **POLICY STATEMENT**

Prairie View Federal Credit Union is a receiving depository financial institution (RDFI) for electronic payments made through the automated clearinghouse (ACH) Network. The credit union is not an originating depository financial institution (ODFI). ACH transactions consist of both credit transfers (distribution of funds) and debit transfers (collection of funds). The credit union has contracted for ACH services provided by Catalyst Corporate FCU utilizing their TranZact product.

All ACH transactions received at the credit union will be administered in strict compliance with applicable federal statutes and regulations. The current NACHA operating rules are to be incorporated into and made a part of this policy.

## **GOALS AND OBJECTIVES**

As a depository financial institution, it is the intent of the board of directors to reduce costs through increased automated processing, to create new opportunities for increasing membership by providing expanded services, and to provide an effective and efficient payment service.

As a receiving depository financial institution, it is our goal to reduce the costs of item processing by eliminating much of the manual handling of individual items and providing timely and efficient services to the membership.

## **INTERNAL CONTROLS**

The credit union will establish sound internal controls and procedures to ensure that ACH entries are handled efficiently. The credit union staff are responsible for ACH functions. Internal controls will provide clear definition of responsibilities and effective communication to be maintained among participants in the ACH process.

## **COMPLIANCE**

To remain in compliance with the rules and regulations governing ACH activities, the credit union will ensure that:

- All available resources, such as rules, regulations, and guidelines, are kept current, and the ACH staff will be informed of rule changes and the effect these changes will have on operational procedures.
- A periodic audit of control procedures is performed at least annually by a independent third party.

- The ACH policy is reviewed at least annually and updated as needed.
- International transactions will be scanned with OFAC by the computer system. Proof of the OFAC scan and the results are shown on the ACH report detail.

## **TRAINING**

All credit union staff members whose duties include any ACH-related tasks will be trained to become sufficiently competent in the performance of these tasks.

## **RECORDS RETENTION**

Records of all entries, including return and adjustment entries, transmitted from or to an ACH operator are to be retained for six years from the date the entry was transmitted. This stipulation is specified in Article One, Section 1.5 of the NACHA operating rules.

ACH operators are required to retain a record of all entries, return entries, and adjustment entries received or transmitted for one year from the date of the receipt or transmittal of the entry.

**Approved:** \_\_\_\_\_

**Date:** \_\_\_\_\_