



ACH Compliance Services ACH Audit of Rules Compliance & ACH Risk Assessment

Advances in technology have brought about significant changes in the nature and volume of ACH activity. In addition to new and evolving types of ACH transactions, there are new participants in the ACH Network. According to the regulators, financial institutions that participate in the ACH network, as well as their service providers, should have in place systems and controls to mitigate the risks associated with ACH activities. Due to the increased awareness of the risk, NACHA has expanded the ACH Rules Compliance Audit to include several new audit requirements which are effective in 2010. NACHA has also approved a new rule which will be effective June 18, 2010, this new rule will require participating financial institutions to conduct a Risk Assessment of their ACH activities. TACHA will again offer our ACH Rules Audit Service but will add as an additional service an ACH Risk Assessment. Again, these are two areas participating financial institutions are required to complete. Both the Audit and Risk Assessment can be performed by internal staff, auditors, or an external examiner or auditor. A thorough Audit and Risk Assessment will help provide financial institutions with indications of potential losses and issues with current procedures, policies and processes. Rules Compliance Audits and Risk Assessments will be completed by one of TACHA's Accredited ACH Professionals. We will come to your location and perform the service, taking the burden off of your staff. Depending on the depth of your ACH activity will determine how long we will be on location. The audit itself normally takes one full day and we are expecting an additional day for the risk assessment. You will be provided with a report detailing findings including suggestions for improvement and areas of potential risk. Each service will have different pricing; however, members who choose to take advantage of both services will receive discounted pricing.

ACH Rules Compliance Audit

- **New Audit Requirements of 2010**

Every financial institution and third-party service provider in the ACH Network is required to conduct an annual audit of ACH rules compliance. According to the ACH rules, the audit shall be completed no later than December 1. The requirements for the audit are contained in Appendix 8 of the ACH Rule Book.

ACH Risk Assessment

- **New Rule Approved by NACHA Membership, effective June 2010**

In June 2009, the NACHA membership approved a new rule which will require financial institutions to perform a Risk Assessment of their ACH activities. This new rule will codify within the *Rules* additional risk management practices that are common in the industry that will improve risk management in the ACH Network when utilized by all Depository Financial Institutions. Adding such practices to the *Rules* ties the performance of basic risk management practices into the *Rules* and sends a strong message to the industry about the importance of risk management. All Participating DFIs will be impacted by the requirement to perform a risk assessment. ODFIs will be further impacted by the requirement to conduct additional risk management practices prior to originating ACH entries, and by the requirement to cover specific topics within in their Originator agreements. Board reporting will be required and should include ACH volume debits and credits and explanations of variances from previous reports, etc. Risk Assessment customers will be provided with reports on a monthly basis from TACHA showing ACH volume and dollar volume, debits and credits, receipt and origination and also return volume. TACHA calculates these reports from information received from the Federal Reserve Bank. Information to assist with the development of policies and procedures will also be provided upon request. The scale of this impact depends on the nature and complexity of each ODFI's ACH activity.



Tennessee Automated Clearing House Association

Audit & Risk Assessment Scheduling Form

Schedule Early * Dates are Limited

Services will be scheduled on a first-come, first-served basis.

Who better to conduct your annual ACH Audit and/or ACH Risk Assessment than your resource for training and answers to ACH processing questions? TACHA staff will come to your location and perform the services for you taking the burden off your staff and providing the benefit of an independent third-party analysis of your procedures, processes and risk controls. TACHA will provide to you a report detailing findings including suggestions for improvement and risk controls.

SCHEDULING INFORMATION

Complete this form choosing three dates, in order of preference, and fax/email to : TACHA Attn: Donna Ashworth, AAP 1000 NorthChase Drive, Suite 201, Goodlettsville, TN 37072. You will be contacted by TACHA staff to confirm your date.

Phone: 615-859-4188

Fax: 615-859-3719

Email: donna@tacha.org

Internet: www.tacha.org

Payment Information

You will be invoiced for services after completion.

Preferred Dates for Audit of Rules Compliance

Yes, we would like to schedule TACHA to perform our 2010 ACH Rules Compliance Audit. We understand that it is required that the audit be performed prior to December 1. Listed below are our preferred dates. Please contact us to confirm our date.

Date 1 _____

Number of Corporate Originators _____

Date 2 _____

Date 3 _____

Signature Authorized Representative

Preferred Dates for ACH Risk Assessment

Yes, we would like to schedule TACHA to perform our 2010 ACH Risk Assessment. Listed below are our preferred dates. Please contact us to confirm our date.

Date 1 _____

Date 2 _____

Date 3 _____

Signature Authorized Representative

Contact Name: _____

Institution/Company: _____

Address: _____

City/State/Zip: _____

Telephone/Fax: _____

Email Address: _____