

User Complementary Controls

General Usage

<p>Control Objectives - provide reasonable assurance that approved contracts have been duly executed and customer has been educated on payment rules and regulations.</p>	Service Agreements	The financial institution is responsible for reviewing customer service agreements. The review should be conducted at least annually to ensure agreements address changes to NACHA and other regulatory rules
	ACH, Check 21, and Merchant Services Approval	The financial institution is responsible for approving customer electronic payment services. Customer agreements should clearly state approved NACHA payment types, as well as RDC, Check 21, Merchant, and other forms of electronic payment services.
	Risk Appetite, Policies, and Procedures	The financial institution is responsible for establishing risk appetite for each electronic payment service offered to its customers. Policies and procedures should be established to guide staff and management in the service approval process and risk appetite for the extension of credit.
	Internal Compliance with Laws, Rules, and Regulations	The financial institution is responsible for establishing policies and practices that assign day-to-day staff responsibilities for supported electronic payment service compliance, including marketing, disclosures, and BSA.
	Customer Rules Education	The financial institution is responsible for advising its customers of regulatory changes that affect contracted services. The institution should provide ongoing education programs that advise customers of changes in regulations and best practices for supported services.
	Customer Compliance	The financial institution is responsible for conducting required customer reviews to ensure customer is in compliance with all applicable laws and rules.
	OFAC	The financial institution is responsible for validating false/positive suspect transactions identified on OFAC alert notices.
	Privacy Policies	The financial institution is responsible for ensuring standard privacy policies meet regulatory compliance for supported service.
	Terms and Conditions	The financial institution is responsible for ensuring standard terms and conditions meet regulatory compliance for supported service.
<p>Control Objectives - provide reasonable assurance that appropriate balancing and reconciling controls have been established for e-banking activity.</p>	Record Keeping	The financial institution is responsible for establishing internal balancing procedures and record keeping controls adequate for supported electronic payment services and to maintain NACHA and other regulatory compliance.
<p>Control Objectives - provide reasonable assurance that, in the event of a business disruption, the institution has alternate connections to services.</p>	Business Continuity Plan	The financial institution is responsible for establishing a business continuity plan that provides continued access to electronic payment services portals during business disruptions.

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Customer Boarding

<p>Control Objectives - provide reasonable assurance that customers are credit worthy and appropriate background checks have been performed.</p>	Financial Stability	The financial institution is responsible for performing periodic customer financial reviews to ensure customers maintain financial strength to meet its obligations for contracted services.
	Business Practices	The financial institution is responsible for reviewing customer's current and prior business practices to determine electronic payment services eligibility and identify adverse conditions that could impact the financial institution, including reputational risk.
	NACHA Terminated Originator Database	The financial institution is responsible for certifying customers have not been identified in the NACHA Terminated Originator Database.
	Know Your Customer	The financial institution is responsible for meeting Know-Your-Customer rules and regulations by performing onsite inspections or other customer identification methods.
<p>Control Objectives - provide reasonable assurance that management approval was received, and services were authorized.</p>	Onboarding Authorization	The financial institution is responsible for authorizing customer boarding and must provide written authorizations and instructions to authorized on boarding individuals.
	Payment Limits	The financial institution is responsible for establishing payment and file limits which may include per transaction, daily file transmission, 10-day, 30-day, and 60-day aggregate transaction limits.
	Change Control	The financial institution is responsible for authorizing limit increases and decreases in writing.

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Customer Activity

Control Objectives - provide reasonable assurance that fraud prevention has been implemented.

File Transmissions	The financial institution is responsible for reviewing file transmission reports to identify suspicious activity.
Transaction Suspension	The financial institution is responsible for reviewing and authorizing release of transactions identified on transaction suspension reports.
Operator Access	The financial institution is responsible for reviewing operator access rights, including dual control procedures established internally and by customers.
Multi-Factor Login	The financial institution is responsible for establishing staff and customer multi-factor login requirements and activation.
Dual Control	The financial institution is responsible for ensuring customers have established dual control procedures appropriate to risk exposure.
Authorized SEC Codes	The financial institution is responsible for establishing authorized NACHA payment types for non-SFTP customers.
SFTP Transmitted Files	The financial institution is responsible for reviewing customer SFTP transmitted files to ensure transmitted files only contain authorized NACHA payment types.
Transaction Activity Monitoring	The financial institution is responsible for reviewing transaction and activity reports for unusual activity.
Returned Payment and Chargeback	The financial institution is responsible for reviewing returned payment and chargeback reports for unusually activity.
Returned Payment and Chargebacks Notification	The financial institution is responsible for customer notification of returned payment and chargeback activity when Customer Return Payment Notification Service is not requested.
Federal Reserve Bank File Transmission.	The financial institution is responsible for immediately notifying MWI when an unauthorized file was transmitted to the FRB.
Customer Reviews	The financial institution is responsible for periodic customer reviews as outlined in the NACHA Rules. Review should determine if current risk limits are adequate.

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Customer Activity

<p>Control Objectives - provide reasonable assurance that adequate funds are available when funds are disbursed.</p>	Consumer Payments	The financial institution is responsible for establishing and managing account prefunding and lines of credit requirements.
	High Risk Customers	The financial institution is responsible for establishing funds availability policies related to high risk customers.
	Delayed Settlement	The financial institution is responsible for activating automatic delayed settlement. This service delays settlement by a specified number of business days sufficient to reduce funds settlement by the amount of returned consumer payments.
<p>Control Objectives - provide reasonable assurance that unauthorized and excessive returned payments are reported to management.</p>	Unauthorized Return Payments	The financial institution is responsible for reviewing returned payment reports and NACHA excessive unauthorized payment reporting.
<p>Control Objectives - provide reasonable assurance that consumers are authenticated before accepting payments.</p>	Customer Verification	The financial institution is responsible for ensuring customers follow NACHA Rules when authenticating receiver's identity.
	Payment Authorization	The financial institution is responsible for ensuring customers follow NACHA Rules that require payment authorization, where appropriate.

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Remote Deposit Capture

<p>Control Objectives - provide reasonable assurance that checks are securely processed, stored and destroyed.</p>	Check Deposit	The financial institution is responsible for establishing risk policy to mitigate deposit of checks to multiple financial institutions.
	Check Storage	The financial institution is responsible for ensuring customer safely stores processed checks.
	Check Disposal	The financial institution is responsible for ensuring customer safely destroys checks within established timeframes.
<p>Control Objectives - provide reasonable assurance that customer's computer has anti-virus software and receives timely patches.</p>	Operating System	The financial institution is responsible for ensuring customer follows established antivirus and software patching policies on all devices connected to supported electronic payment services.
<p>Control Objectives - provide reasonable assurance that intentional and unintentional micr repair errors are prevented.</p>	Micr-Line Repair	The financial institution is responsible for ensuring customer follow recommended dual controls when micr-line repair is required.