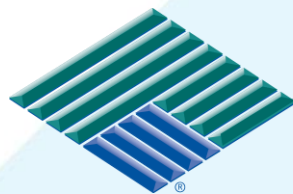




ACH Originator Quick Reference 2025



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Overview

- This document overviews important information you should be aware of as an originator of ACH transactions
- The following information is to help you stay current with the ACH Operating Rules and keep you informed of any changes in the National Automated Clearing House Association (NACHA) rules.
- Changes can also be found in the Revisions to the NACHA Operating Rules section of the rule book. Changes will cover the time period of January 1 to December 31 of that year.





Contents

- General Information
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- More Information



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General Information

- ACH entries are categorized as “consumer” or “corporate”
- ACH is a batch system (not real time)
- Once sent to the ACH Operator, entries are final
- ACH is capable of crediting or debiting checking or savings accounts
- Most banks and credit unions receive ACH entries
- An ACH Originator is any entity or person that creates an ACH transaction



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Governing Rules and Agreements

You are required to abide by multiple rules and agreements including, but not limited to, the following when submitting ACH files and transactions.

- NACHA Operating Rules (www.nacha.org)
- Regulation E (for consumer entries)
- UCC4A (for corporate credits)
- Stearns Bank Deposit Account Agreement
- Stearns Bank ACH Agreement
- Bank/Corporate Agreements
- Customer Authorizations



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Originator Responsibilities

- The Originator must agree to:
 - Be bound by the NACHA Operating Rules
 - Not originate Entries that violate the laws of the United States
 - Protect the banking information received
 - Send entries on the proper date according to your critical timing calendar
 - Make necessary changes to payee account information within six banking days when notified by Stearns Bank
 - Cease subsequent entries when appropriate
- All payees must be verified against OFAC
- Ensure your computer and you are protected as outlined in your original agreement.



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Authorization Forms (Consumer Debit Entries)

- “Subsection 2.3.3.1 Form of Receiver Authorization and Agreement to Be Bound by the Rules for Entries to Non-Consumer Accounts
 - The Originator of any Entry to a non-Consumer Account of the Receiver may obtain the Receiver’s authorization in any manner permitted by applicable Legal Requirements and must obtain the Receiver’s agreement to be bound by these Rules.”





Authorization Forms (Consumer Debit Entries)

- “Subsection 2.3.3.2 Notice by ODFI to Originator for Non-Consumer Credit Entries
 - For a credit Entry subject to Article 4A, an ODFI must provide the Originator with notice, as part of the Origination Agreement or otherwise, of each of the following:
 - **(a)** the Entry may be Transmitted through the ACH;
 - **(b)** the rights and obligations of the Originator concerning the Entry are governed by and construed in accordance with the laws of the State of New York, unless the Originator and the ODFI have agreed that the laws of another jurisdiction govern their rights and obligations;
 - **(c)** credit given by the RDFI to the Receiver for the Entry is provisional until the RDFI has received final settlement through a Federal Reserve Bank or otherwise has received payment as provided for in Section 4A-403(a) of Article 4A; and
 - **(d)** if the RDFI does not receive such payment for the Entry, the RDFI is entitled to a refund from the Receiver in the amount of the credit to the Receiver’s account, and the Originator will not be considered to have paid the amount of the credit Entry to the Receiver.”





Authorization Forms (Non-Consumer Debit Entries)

- “Subsection 2.3.3.3 Provision of the Record of Authorization
 - For a CCD, CTX, or Inbound IAT Entry to a Non-Consumer Account:
 - **(a)** Within ten Banking Days of receipt of an RDFI's written request for evidence of authorization of the Entry, the ODFI must either
 - **(1)** provide an accurate record evidencing the Receiver's authorization, or
 - **(2)** provide the contact information for the Originator that, at a minimum, includes (i) the Originator's name, and (ii) the Originator's phone number or email address for inquiries regarding authorization of Entries, or
 - **(3)** confirm in writing the ODFI's agreement to accept the Return of the Entry that is the subject of the RDFI's inquiry at any time within ten Banking Days of providing the confirmation to the RDFI, without regard to any other time limits on Returns under these Rules.



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Authorization Forms (Non-Consumer Debit Entries)

- Where the ODFI has accepted, or has agreed to accept, the Return Entry, and the RDFI subsequently still makes a written request for evidence of authorization of the Entry, the ODFI must provide to the RDFI either an accurate Record evidencing the Receiver's authorization or the Originator's contact information within ten Banking Days of the RDFI's subsequent written request. The ODFI must provide this information to the RDFI without charge.
 - **(b)** At the request of its ODFI, the Originator must provide either
 - **(1)** an accurate record evidencing the Receiver's authorization, or
 - **(2)** contact information for the Originator that, at a minimum, includes (i) the Originator's name, and (ii) the Originator's phone number or email address for inquiries regarding authorization of Entries.
- The Originator must provide the record or information to the ODFI for its use or for the use of an RDFI requesting the information in such time and manner as to enable the ODFI to deliver the information to the requesting RDFI within ten Banking Days of the RDFI's written request."





ACH Agreement Requirements

- There are 6 required pieces to an ACH Agreement:
 - The Originator must authorize the ODFI to Originate Entries on behalf of the Originator to Receivers' accounts;
 - The Originator must agree to be bound by these Rules;
 - The Originator must agree not to originate Entries that violate the laws of the United States;
 - Any restrictions on the types of Entries that may be originated;
 - The right of the ODFI to terminate or suspend the agreement for breach of the Rules in a manner that permits the ODFI to comply with the Rules; and
 - The right of the ODFI to audit the Originator's compliance with the Origination Agreement and the Rules.
- These requirements are applicable to all participants of an ACH transaction. All parties are bound to the NACHA Rules for transacting via the ACH payment rail.





Upcoming changes – 2025/2026

• 2026

• **Effective March 20, 2026**

- Fraud Monitoring by ODFIs
- Fraud Monitoring by large Originators, TPSPs, and TPSs (Phase 1)
- ACH Credit Monitoring by large RDFIs (Phase 1)
- New Company Entry Descriptions – PAYROLL and PURCHASE

• **Effective March 20, 2026**

- Fraud Monitoring by all other Originator, TPSP, and TPS
- ACH Credit Monitoring by all other RDFIs



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More Information

- NACHA Operating Rules are available at <http://nachaoperatingrulesonline.org>
- The Better Business Bureau offers training specifically for small businesses on how to simplify the requirements of ACH data security. Visit www.bbb.org/data-security to get further information
- For additional information contact Stearns Bank Electronic Banking Department:
 - Phone: 888-629-8707
 - Email: StearnsConnect@stearnsbank.com



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