

ACH Originator Guide

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Thank you for purchasing our ACH Originator Guide. WesPay Advisors designed this publication as a resource for ACH Originators based on feedback compiled through a variety of consulting projects to help financial institutions launch corporate origination services. Our Originating Depository Financial Institutions (ODFI) clients have requested a document to help onboard their new Originators to ensure that their role and responsibilities were well understood in the ACH Network. This is our solution.

The Guide includes a wealth of information and was designed to be tailored to an ODFI's specific needs. Please feel free to add your institution's branding, remove areas that may not apply, and input the requested information denoted throughout the publication in red text, as sampled below:

Originating Depository Financial Institution (ODFI): The ODFI is the financial institution that has an agreement with the Originator to provide origination services. **<Financial Institution>** is acting as your ODFI when it receives the payment instructions from you and forwards the Entries to the ACH Operator. Your business account with **<Financial Institution>** will be debited or credited in connection with the Entries submitted for processing.

Once purchased, this document is yours to customize so it's most meaningful for your institution and may be shared directly with your portfolio of Originators. However, please note that our copyright prohibits the sharing of this publication outside your organization or its Originators, including via online or other unprotected means. You may not share this Guide in any way without advance written consent from WesPay Advisors.

Should you have any questions as you're using this resource, please reach out to WesPay Advisors at info@wespayadvisors.com. Thank you again for your purchase!

<Note: Delete the first two pages prior to distributing to your Originators.>

ACH Originator Guide

Provided to you by:

<Financial Institution>

<Insert Logo>

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About the ACH Originator Guide

The Automated Clearing House (ACH) Network is at the center of commerce in the U.S., moving money and information from one financial institution to another through recurring and single-Entry credit and debit Entries for government, consumer, and business-to-business payments. The ACH Network is one of the largest, safest and most reliable payment systems in the world, creating value and enabling innovation for all participants.

As an ACH Originator with **<Financial Institution>**, your company must follow all Nacha Rules (The Rules) and guidelines for the creation, submission, and processing of ACH Entries and files. The Rules are established by Nacha, an organization which manages the development, administration, and governance of the ACH Network. The Nacha Rules include the legal framework for the ACH Network and the basic obligations of each participant. This ACH Originator Guide provides an overview of your role and responsibilities as an ACH Originator. It is designed to serve as a guide to help your organization understand essential industry rules related to originating ACH Entries.

Although this material covers a variety of important topics, it is not intended to be a replacement or substitute for the Nacha Operating Rules and Guidelines.¹ To ensure compliance with current regulations, all ACH Originators must stay abreast of The Rules, including periodic changes. Please contact your **<relationship manager>**, if you'd like to purchase a copy of the Nacha Rules.

Please note that failure to comply with the Nacha Rules can lead to termination of services and/or industry fines. **<Financial Institution> may contact your company periodically to verify your internal ACH procedures and policies. Upon review of the ACH Originator Guide, we encourage you to call us at **<XXX-XXX-XXXX>** with any questions or concerns.**

¹ Nacha owns the copyright for the Nacha Operating Rules and Guidelines. Additional information can be found at www.nachaoperatingrulesonline.org.

ACH Overview

ACH Main Participants & Key Definitions

The ACH Network is a batch processing system in which financial institutions accumulate Entries throughout the day for later initiation. Rather than using paper to carry necessary payment information such as with checks, ACH Entries are electronic which allows for faster processing times and cost savings. There are a multitude of use cases for ACH, including the disbursement of funds to vendors, direct deposits for payroll, and the collection funds for consumer bill payments, to name a few of the most common.

When you call the **<Financial Institution> <Support Team>** for assistance with ACH origination, it is important that you become familiar with the common ACH Network terms.

ACH Network Participants

The ACH participants of the ACH Network are outlined below:

