



## International ACH Rules (IAT) Effective September 18, 2009

### Readiness Checklist\*

#### ***NOW - Become familiar with the new ACH rules***

##### NACHA IAT Rules

- 2009 ACH Rule Book
- IAT Survival Guide published by NACHA
- Take advantage of IAT Resources and training provided by
  - Southwest Corporate <http://www.swcorp.org>
  - NACHA <http://www.nacha.org/>
  - Federal Reserve Bank  
[http://www.frbervices.org/eventseducation/education/iat\\_overview.html](http://www.frbervices.org/eventseducation/education/iat_overview.html)
  - Your regional ACH Association, for example:
    - SWACHA [http://www.swacha.org/date\\_calendar.cfm](http://www.swacha.org/date_calendar.cfm)
    - WesPay  
<http://www.wespay.org/AM/Template.cfm?Section=Education&Template=/TaggedPage/TaggedPageDisplay.cfm&TPLID=21&ContentID=2016>
- Ensure that your core processor is familiar with and working on the Rules change; obtain testing time frames.  
Southwest Corporate anticipates testing with the Federal Reserve Bank in the second quarter of 2009.
- Verify that your software supplier or processor will be able to accommodate the IAT Standard Entry Class (SEC) code.  
Southwest Corporate's ACH Origination vendors will implement code to accommodate IAT origination by September 18, 2009.
- Educate your staff (sales, operations, compliance, audit, member service representatives etc.).
- Educate your originators (SEGs, business members), if applicable.

#### ***By Second Quarter 2009 – Ensure internal readiness***

- Select an Originating Gateway Operator (OGO) that will process your outbound IAT entries.  
The Federal Reserve Bank is the Gateway Operator for transactions initiated by Southwest Corporate's ACH origination users.
- Review downstream applications (i.e., DDA, reporting systems, automated OFAC screening, statements, online banking platforms, etc.) for ability to accept new format and processing requirements.
- Determine how OFAC checks will be performed on originated and received IAT transactions. Confirm with vendor(s) that they will be prepared by September 18, 2009. Plan vendor testing.
- Develop and implement an ACH OFAC compliance policy that addresses both origination and receipt of IAT transactions and identifies your OFAC verification method; revise/remove references to CBR/PBR SEC codes.



- Review all policies (i.e., ACH operations policy, OFAC policy, business recovery plan, audit policy, management policy, risk policy, etc.) for IAT compliance and outdated references to CBR/PBR SEC codes.
- Review existing agreements with originators, vendors and data processors to ensure IAT compliance; revise/remove references to CBR/PBR SEC codes.
- Review additional processing costs for IAT transactions and potential impact to ACH pricing; revise pricing schedules if necessary and verify that your billing system accommodates the new IAT SEC code.  
Southwest Corporate does not anticipate changes in its ACH fees related to IAT.
- Participate in vendor's IAT training.  
Southwest Corporate will provide training on IAT screens etc. for ACH origination users.  
Southwest Corporate will provide training on TranZact for ACH origination users and RDFIs that receive items through Southwest Corporate.

***BEFORE September 18, 2009 – Prepare for implementation***

- Update all ACH forms, training manuals and reference guides with the IAT SEC code, screen shots and step-by-step instructions; utilize training resources provided by Southwest Corporate.
- Review ACH manuals provided by Southwest Corporate.
- Provide ACH system training to your originators, if applicable; utilize training resources provided by Southwest Corporate.
- Check with downstream application vendors for readiness.
- Update all applicable internal procedures and provide training on those procedures to staff and originators.
- Test IAT transactions with Southwest Corporate and originators.

***Congratulations! You are ready to process IAT transactions.***

\*Checklist as of February 2009; subject to change



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