

# IAT READINESS CHECKLIST FOR RDFIs

## STAFF EDUCATION

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| Review the <i>NACHA Operating Rules</i> specific to IAT (included in the <i>2008 ACH Rules</i> publication within the 2009 Rules Changes section). Also take advantage of IAT resources and training opportunities provided by <a href="#">NACHA</a> , <a href="#">The Federal Reserve Bank's IAT Resource Center</a> and <a href="#">Volunteer Corporate Credit Union</a> . | <input type="checkbox"/> |
| Educate staff on the IAT rule change. Include personnel from the following areas: frontline, back office, sales staff, member services, compliance and ACH Operations. Key issues to cover include handing IAT entries (including returns and NOC's), OFAC Compliance, implications to the Credit Union and its members.                                                     | <input type="checkbox"/> |

## ACH/DATA PROCESSING SYSTEMS

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| Ensure your ACH and data processing vendors are familiar with the <i>Rules</i> change; customize and send the <a href="#">IAT Memo</a> to your vendors. | <input type="checkbox"/> |
| Review existing agreements with vendors and data processors to ensure IAT compliance; revise/remove references to CBR/PBR SEC codes.                    | <input type="checkbox"/> |
| Review related applications (DDA, reporting systems, automated OFAC screening, etc) for ability to accept new format and processing requirements.       | <input type="checkbox"/> |
| Test with your ACH/data processing vendors to ensure preparedness prior to implementation.                                                              | <input type="checkbox"/> |

## POLICIES AND PROCEDURES

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| Review all policies (ACH Operations policy, OFAC policy, business recovery plan, etc) for IAT compliance and outdated references to CBR/PBR SEC codes.                                                                                                                                                                                                                                        | <input type="checkbox"/> |
| Determine who in the organization is responsible for OFAC compliance.                                                                                                                                                                                                                                                                                                                         | <input type="checkbox"/> |
| Implement procedures to maintain an up-to-date listing of prohibited countries, organizations and individuals. It is recommended that Credit Unions sign up for the "OFAC Financial Operations Bulletin E-mail List" when changes have been made to the SDN list ( <a href="http://www.ustreas.gov/offices/enforcement/ofac/sdn/">http://www.ustreas.gov/offices/enforcement/ofac/sdn/</a> ). | <input type="checkbox"/> |
| Determine how specific transactions are handled (i.e. debits, credits). See attached Recommendations for Processing Inbound IAT Debits.                                                                                                                                                                                                                                                       | <input type="checkbox"/> |
| Implement procedures to comply with OFAC reporting requirements. Maintain a list of all false positive matches to help identify other false positive matches in the future.                                                                                                                                                                                                                   | <input type="checkbox"/> |
| Update all ACH forms, training manuals and reference guides with information related to the IAT SEC code.                                                                                                                                                                                                                                                                                     | <input type="checkbox"/> |

## DEPOSIT AGREEMENTS AND FEE SCHEDULES

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| Review and update deposit agreements to include a statement that acknowledges that receivers of ACH transactions should be aware that their RDFI may need to temporarily suspend processing of a transaction for greater scrutiny or verification against the SDN list, and this may affect settlement and/or availability. | <input type="checkbox"/> |
| Consider reviewing current fee schedule to ensure adequate compensation for additional work and costs associated with receiving IAT transactions.                                                                                                                                                                           | <input type="checkbox"/> |

## STATEMENT REQUIREMENTS

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| Confirm the ability to provide the receiver any remittance information that is received in the Payment Related Information field (must be provided within 2 business days of request)                           | <input type="checkbox"/> |
| Verify home banking and statement applications within the Credit Union can support additional remittance information (if remittance information is sent to other applications for presentment to the receiver). | <input type="checkbox"/> |

## EXCEPTION HANDLING

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| Develop new procedures for handling IAT returns, which require the return of the 7 mandatory addenda records. Include procedures on NOC's, rejects and other exception processes. Also, how to handle Automated Dishonored Returns and Contested Dishonored Returns outside the ACH network. | <input type="checkbox"/> |
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**Any statements regarding OFAC compliance policies and procedures are not intended as legal advice.**