Section	05	ACCOUNTS PAYABLE, INTER AND INTRA UNIT PAYMENTS	Effective Date	7/1/2015
Sub-section	07	International ACH Payments (IAT)	Revision Date	3/15/2015
SAM Ref	5-14a			

BACKGROUND

In 2009, the National Automated Clearing House Association (NACHA) released requirements for the Originator of any ACH payment that is ultimately deposited to a financial institution outside the U.S. This type of ACH payment will be difficult for the Originator (state agency) to identify, since it will initially be made to a domestic ABA Routing Number, but then subsequently transferred to a foreign ABA Routing Number:
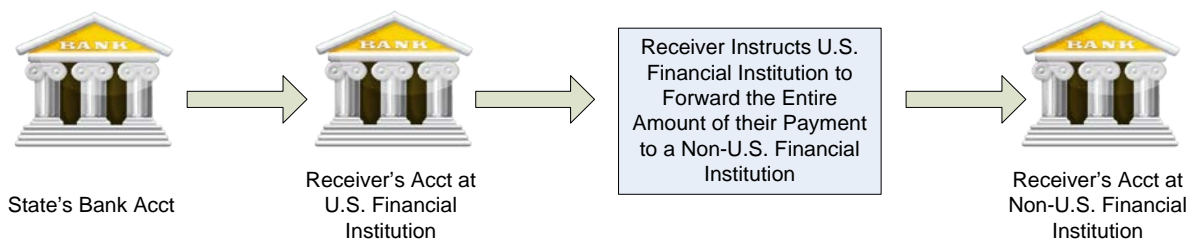
The requirements also apply to incoming ACH-debit payments initiated by the agency when the Receiver's domestic Bank account is funded by a transfer from a financial institution outside the U.S.:
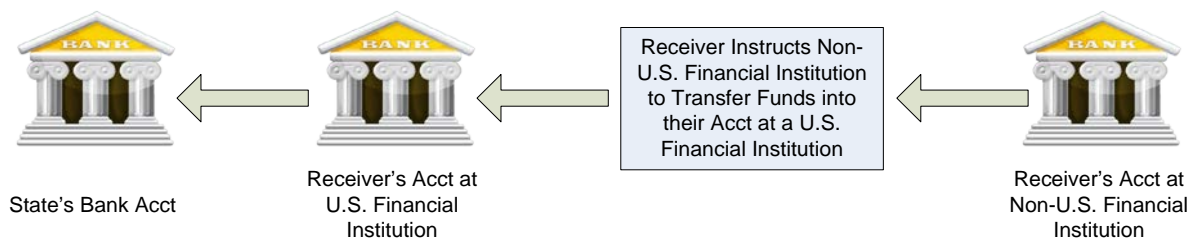
POLICIES

1. In order to meet NACHA requirements, agencies initiating ACH-debits or ACH-credits through specialized disbursement or receipting applications will have to communicate with their payment recipients (Receivers), and have them identify any ACH-credit payments that will ultimately be deposited to a financial institution outside the U.S, and any ACH-debit payments that are funded through a transfer from a financial institution outside the U.S. Once identified, the agency must utilize a new ACH record format called IAT (International ACH Transaction) for the payment.

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PROCEDURES

Identification of IATs

Agencies must modify their ACH authorization forms so that new Receivers can notify the agency about those Direct Deposits and incoming electronic payments to be <u>originated by the agency</u> that involve a financial institution outside the U.S. Checkbox sections similar to the following should be included on the ACH authorization form that is signed by the Receiver:

ACH-Credits

If the entire amount of your direct deposit payment is ultimately deposited to a financial institution outside the U.S., please check the box below:

	*The entire amount of my direct deposit payment **IS** ultimately deposited to a financial institution outside the U.S.*

ACH-Debits

If the bank account used to make your electronic payment is funded by a transfer from a financial institution outside the U.S., please check the box below:

	*The bank account used to make my electronic payment **IS** funded by a transfer from a financial institution outside the U.S.*

Requirements for ACH Payments Identified as IATs

Any ACH payment identified as an IAT must be formatted using the IAT record format. The format can be found on U.S. Bank's website at:
https://www2.usbank.com/cgi_w2/cfm/commercial_business/products_and_services/treasury_mgmt/docs/IAT_FileFormat.pdf