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# Automatic Clearing House (ACH) Payment and Security Policy [1]

The Treasurer's Office is responsible for approving, releasing and funding of ACH payments on behalf of the University for the movement of funds from University bank accounts. ACH transfers represent the electronic exchange of funds between accounts held at U.S. financial institutions. The process allows recurring payment to be paid electronically through the Automated Clearing House (ACH) network.  ACH is most appropriately used for small, generally repetitive payments whose amount and date are known at least two or more days in advance.

**Authority for requesting an ACH payment is as follows:**

The Procurement Service Center [2]_ [3](PSC) is responsible for the administrative process for all purchase requisitions and account payable functions.  The authority to request ACH credit payments fall under the established PSC policies and procedures - Employee Services [4].

Each campus Bursar Office also has authority to request ACH credit transfers, per the established policies of each Bursar Office for the refunding of student tuition payments and financial aid.

ACH Process for Payable Files and Payroll Files

1. The responsible department creates a payable file based on outstanding liabilities through a secured University system.

2. The file created is converted into a standardized ACH format.

3. The file is transmitted to the bank, utilizing the standard bank file transmissions process. This establishes an effective date for the money to be transferred, and a backup of the file is retained.

4. The bank sends a report back to the sender showing the results of the transmitted file with date, number of payments, dollar amounts, etc.

5. On the effective date, the money is electronically transmitted from the proper University bank accounts.

**ACH Process when Vendor's System is used**

A copy of a completed and departmental approved Purchase Order or departmental approved Payment Voucher and other documentation to verify departmental authorization are included with the ACH instructions.  The Treasurer's Office staff will verify departmental approvals by

telephone for all payments.

A copy of a completed and departmental approved Payment Voucher and other documentation to verify departmental authorization are included with the ACH transfer instructions.

An authorized Payable Service Technician contacts the Treasurer’s Office and forwards the ACH transfer request.

Documents and signatures on non-repetitive ACH transfer payments requests for goods and services are screened for department approval, including an independent review of the original documentation authenticating departmental commitment to pay.

Each University Department has the responsibility to obtain all necessary information to properly initiate each payment, including authorization to credit the account. The Treasurer's office has the responsibility to confirm ACH file instructions with specific departments and individuals if there is any question as to the validity of the ACH transfer.

**Groups audience:**
Treasurer

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