# ACH AGREEMENT BETWEEN ODFI AND ORIGINATOR
**Updated September 2014**

Cache Valley Bank (hereafter referred to as "the institution") agrees to originate ACH transactions into the ACH network on behalf of _____ Company (hereafter referred to as "the company").

The company agrees to comply with the ACH Rules as updated annually by the National Automated Clearing House Association (NACHA).  The company further agrees that it will not knowingly originate transactions that violate any laws of the United States.  The company will have liability for rule violations that are determined by the institution to be due to an action by the company.  The company will be responsible for reimbursing the institution for fines assessed to the institution due to rule violations by the company.

It shall be the responsibility of the Company that the origination of ACH transactions complies with the laws of the United States. This includes, but is not limited to sanctions enforced by the Office of Foreign Assets Control (OFAC).  It shall further be the responsibility of the Company to obtain information regarding such OFAC enforced sanctions.  (This information may be obtained directly form the OFAC Compliance Hotline at (800) 540-OFAC.)

The company will originate ACH entries by internet or delivery of a diskette according to the delivery instructions, level of security, and delivery schedule outlined in Attachment A.  The company will 1) remake a rejected file or entry at the request of the institution, and 2) create reversing files or entries if the company creates duplicate or erroneous files or entries.  IAT origination is NOT allowed.

The institution assumes no liability for delays in processing by the ACH operator(s), the receiving depository financial institution(s), or any third-party service provider(s).  The institution will notify the company of any known delays in processing by the ACH operator(s), receiving depository financial institution(s), or third-party service provider(s) that will cause late payments.

The total dollar amount of originated ACH entries will not exceed $_____ on any one day.  If the company exceeds the limits specified in this agreement, the contacts listed in Attachment B will be notified and officer will review the ACH file for approval or denial.

If the company originates a pre-notification entry, in accordance with NACHA rule it may not originate a dollar entry to the account for three banking days following the settlement date of the pre-notification.  If a return entry or notification of change (NOC) is received during the first two banking days, the reason for the return or NOC must be corrected before another entry is originated.  If a notification of change is received during the six banking days, the change must be made before another entry is originated.

The Company will obtain written authorizations for consumer entries in accordance with ACH Rules and U.S. law and shall retain the original records for two (2) years after termination or revocation of such authorization.  At the request of the institution for audit purposes,   such copies must be produced by company to institution within five business days.

The company has an obligation with respect to consumer-alleged errors under Regulation E.

If an Unsecured Electronic Network is used for transmission of protected information, the encryption standards must meet 128-bit RC4.  The company agrees to maintain its electronic devices in such a way to ensure data security and integrity.

The company will settle with the institution for the amount of each originated file of transactions in accordance with Attachment C.  Transactions originated by the company that are returned will be applied to the account indicated in Attachment C.  The institution will notify the company of return entries according to the notification process in Attachment D.

Notifications of change that are received by the institution for transactions originated by the company will be communicated to the company according to the notification of change process in Attachment D.

This Agreement may be terminated by the company with 30 days written notice.  The institution has the right of immediate termination for any reason.  The institution has the right without cause to audit company.

The institution will charge fees for the ACH origination service based on its most current fee schedule.

This Agreement shall be construed in accordance with and governed by the laws of the State of Utah.

The Agreement and all its attachments are binding on both the institution and the company.  The parties below have executed this Agreement on the _____ day of _____ in the year _____.


Company Name: _____

By_____
        (Print name)

Signature:_____

Title:_____



Cache Valley Bank

By_____
        (Print name)

Signature:_____

Title:_____

**ACH File Delivery Instructions and Schedule for Originator**

Cutoff time for delivery of the ACH file:

File delivery cutoff:     3:30 p.m.

Cache Valley Bank and ACH Operator Holiday Schedule

New Years Day
Presidents' Day
Civil Rights Day
Memorial Day
Independence Day
Pioneer Day (State Holiday)
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day
Christmas Day

Delivery Instructions

O☐ Option 1

A diskette will be delivered by _____ to Cache Valley Bank at 101 North Main Street, Logan, Utah.  Delivery of a diskette will be accepted from the following authorized signers:

| | |
|---|---|
| _____ | _____ |
| Printed Name | Printed Name |
| | |
| _____ | _____ |
| Printed Name | Printed Name |
| | |
| _____ | _____ |
| Printed Name | Printed Name |

☐ Option 2

O   Internet Banking

ACH Transaction Types:

O      PPD Credits
O      PPD Debits
O      CCD Credits
O      CCD Debits

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**Attachment B**
**Limit Approval Process for Originator**

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If the dollar limit for PPD entries exceeds the exposure limit for the day or the processing of a file causes the total allowable exposure limit for the day to be exceeded, the ACH department will:

1.      Notify the Originator company contact:

      a.      Individuals during normal business hours of 9:00 a.m. – 5:00 p.m. to be contacted in the order listed until a contact person is reached:

| Name | Phone | E-mail Address |
|---|---|---|
| i. _____ | (   ) - _ _ _ - _ _ _ _ | _____ |
| ii. _____ | (   ) - _ _ _ - _ _ _ _ | _____ |
| iii. _____ | (   ) - _ _ _ - _ _ _ _ | _____ |

      b.      Individuals outside of normal business hours to be contacted in the order listed until a contact person is reached:

      c.      Name      Phone      E-mail Address

| Name | Phone | E-mail Address |
|---|---|---|
| i. _____ | (   ) - _ _ _ - _ _ _ _ | _____ |
| ii. _____ | (   ) - _ _ _ - _ _ _ _ | _____ |
| iii. _____ | (   ) - _ _ _ - _ _ _ _ | _____ |

2.      Notify the designated financial institution contact:

      a.      Individuals during normal business hours of 9:00 a.m. – 5:00 p.m. to be contacted in the order listed until a contact person is reached:

            i.   Shonie Arave      753-3020      ext 4114

            ii.   Shauna Gunnell      753-3020      ext 4113

            iii.  Brandi Bastian      753-3020      ext 4109

3.      Wait for approval from the financial institution contact before processing the file.

**Attachment C**
**Settlement Instructions and Notification Process for Originator**

Settlement instructions for the origination of entries

The Company will have collected funds for the total amount of the originated file in the account designated below at Cache Valley Bank opening of business on the settlement date of the entries. Returned entries will be debited/credited to the account designated below.

Account number_____

Credit given by us to you with respect to an ACH credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e. the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

Notification of return entries:

The company will be notified of return entries the day on which Cache Valley Bank receives the return entry. All entries, except those identified with the standard entry class code RCK (returned check entry), may be reinitiated only if:

1. They have been returned for insufficient funds (return reason code R01) or uncollected funds (return reason code R09) and may be reinitiated only twice, or

2. They have been returned because a stop payment has been placed on the item (return reason code R08) and the stop payment order has been removed by the receiver, or

3. The originating financial institution has taken steps to correct the reason for the return.

Notification of notification of change entries:

The company will be notified of notification of change the day on which Cache Valley Bank receives the notification of change entry.

The company will correct the data specified in the notification within six banking days of receipt of the data or prior to initiating another entry to the account, whichever is later.