



# ACH ADMINISTRATOR'S GUIDE

<b>ACH Origination, Step-by-Step</b>		
<i>First, North Island...</i>	<i>Then, your company...</i>	<i>Finally, North Island...</i>
<ul style="list-style-type: none"> <li>Sets parameters for your company's ACH activity</li> <li>Establishes online access for your designated administrator</li> <li>Determines processing guidelines for your ACH batches</li> </ul>	<ul style="list-style-type: none"> <li>Establishes your internal parameters for Online Banking ACH transactions</li> <li>Sets up online access for designated users</li> <li>Creates ACH templates</li> <li>Adds batch transactions</li> <li>Approves and releases batches to North Island Credit Union</li> </ul>	<ul style="list-style-type: none"> <li>Downloads your batches</li> <li>Delivers your batches to the ACH network for posting</li> <li>Notifies you of rejected batches</li> </ul>

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## An Introduction to ACH

With Online Banking ACH (Automated Clearing House) origination, your company will be able to originate electronic transfers of funds between your company's and other parties' accounts. These batch types accommodate direct deposit, recurring debits, corporate payments and tax payments and their electronic delivery to North Island Credit Union for further processing.

ACH transactions are either PPDs (Preauthorized Payments and Deposits, involving consumer accounts) or CCDs (Cash Concentrations and Deposits, involving accounts of other businesses).

### CREDIT OR DEBIT?

An example of an ACH *credit* origination is the electronic transfer of pay from your company's Island account into each employee's account... regardless of where they bank.

ACH *debit* origination includes the electronic collection of customer payments... from their bank accounts directly into your company's Island account.

## Getting Started with ACH

First, North Island will approve your company's ACH origination authority based on several criteria. With information from your business, we will establish your maximum ACH debit and credit limits—to protect your organization and the credit union against financial loss. Batch transactions released in excess of these established limits will be rejected.

After North Island has informed you of your company's ACH origination authority and control limits, the ACH tab will provide you access to the following functions when you sign on to Online Banking ([www.myisland.com](http://www.myisland.com)):

- Move Money
- Manage Receivers
- Manage Templates
- History
- Import Files
- Saved Batches
- Pending Batches

With these tools, you can create ACH transactions through Online Banking. When you save and release batches, they are submitted electronically to North Island for interim processing, then to the nationwide ACH network for completion.

## Processing Timing and Cutoffs

Batches you release on business days (Monday through Friday, excluding holidays) before 4:00 p.m. Pacific Time will be processed the same day. Batches released after the cutoff time, or on non-business days, may not be processed in time for the requested effective date. The term *processed* means North Island's approval, sorting and distribution of your released ACH transactions, not the actual posting of them to destination accounts.

### OFFSET DOLLAR LIMITS

Offset transactions are limited to the lesser of:

1. Dollar control amounts set by NIFCU for your company, or
2. Item limits established by your company in **Company Setup**.

## Offsets

In creating each ACH template, your authorized user needs to indicate which of your Island accounts is the corresponding offset—the account from which transaction funds are drawn or to which funds are deposited, displayed as the "Originating Account." The Originating Account can be seen on the **View/Edit Batch** screen. The amount of the offset appears in the Total Batch Amount on the **View/Edit Batch** screen.

# INSTRUCTIONS

## 1 Company Setup

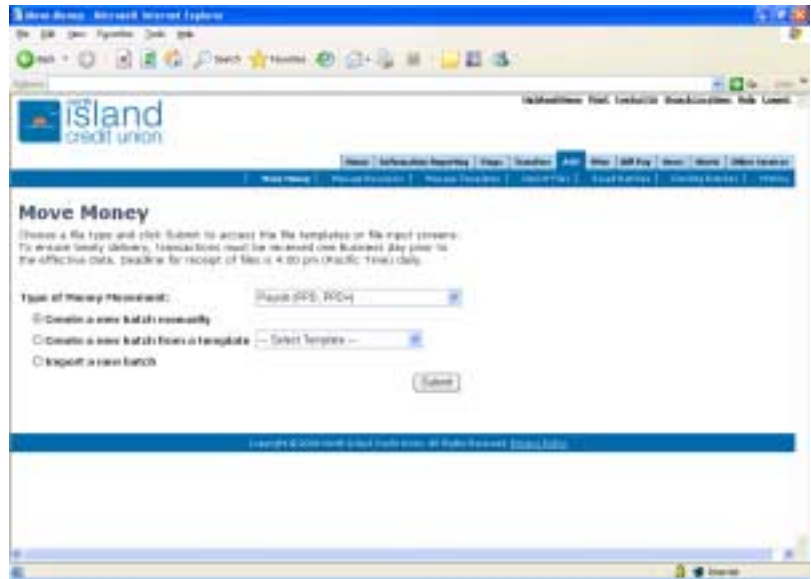
On receiving word that North Island has completed your company's setup for ACH originations, the designated Company Administrator signs on to Online Banking through the My Island website ([www.myisland.com](http://www.myisland.com)):

- Enter **Signon ID** and select the **Business** option
- Click **Signon** button
- Enter **Password** after verifying Your PassMark image
- Click **Sign In** button



The **ACH** tab on the menu bar at the top of the screen will allow you to access the ACH functions for online banking.

The first screen you will see when you click on the **ACH** tab is the Move Money Screen, which allows you to create a new batch template, edit for transmission and existing batch, or import a new batch from your company's accounting software (please be aware that all imported files must be NACHA compliant).



## User Setup

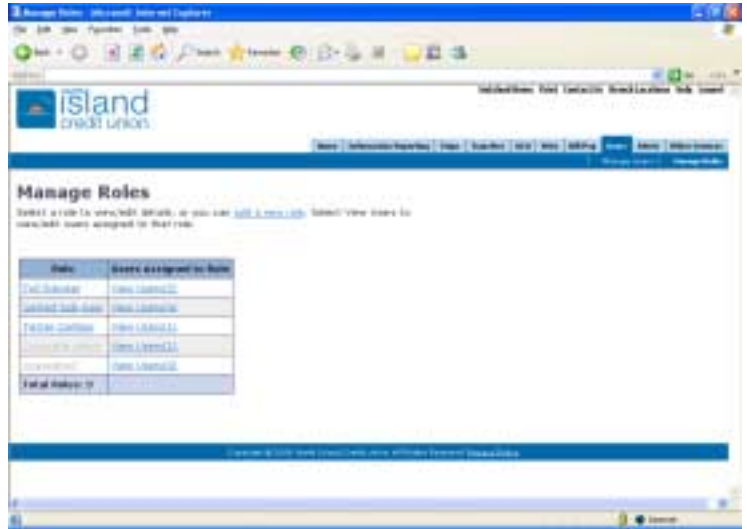
# 2

This screen lets you give others authority to perform online banking transactions on behalf of your business. You can customize access for each user by specifying which myislandbanking.com functions they are authorized to use.

### ADD ROLE

Click the **User** tab near the right of the tool bar, then **Manage Roles** and [add a new role](#).

- Assign a **Role Name** and **Role Description** for each role
- A role can be copied and adjusted according to your new specifications
- **Account Access.** Check boxes to grant authority to:
  - **Account Portfolio**—view account history and balances
  - **Wire Activity**—add/edit/send wire templates
  - **Manage Account Nicknames**—change the way accounts are viewed online
  - **Stop Payments**—prevent a check from being presented for payment as a result of loss, theft or damage
  - **Transfers**—transfer funds between accounts
  - **ACH**—access ACH functions through checked accounts (will depend on further authorizations)
  - **Wire Initiation**—access wire functions on specified accounts
  - **Pay Bills**—electronically pay bills on checked accounts
- **Activity Access.** Grant access to two administrative functions:
  - **User Administration**—allow users to add/edit/reset users and roles
  - **Alert Administration**—capability of creating alerts to monitor account transactions
- **Internal bank Transfers.** This section allows the administrator to limit transfer amounts and authorize transfer to, from, or both on each account that a role has access to.
- **ACH** This section appears on User Setup screens only after your company has been authorized for Online Banking ACH origination. Indicate which functions you wish the user to be able to access:
  - **Manage Receivers**—add/edit/delete ACH receivers
  - **Originate**—add/edit/delete ACH batch templates
  - **Release**—release a batch to pending status
  - **Approve**—allows a user to release batches that may be outside the approval authority of other originators
  - **Manage Templates**—editing authority on batch templates
  - **Release Batches**—release approved batches to North Island for processing
  - **Limits**—If the approval required drop down is chosen, the remaining fields allow the administrator to create limits on which the user may release ACH batches (leaving the field blank assumes no limit, either exception only to the business member's limit set by North Island).
- **Wire Transfers**
  - **Manage Templates**—edit and delete Wire templates
  - **Approve Wires**—gives authority to approval wire as checks and balance, does not consider limits of user
  - **Release**—by checking the box the user can release wires up to the limit specified, can choose separately for domestic and international wires
  - **Limits**—(see ACH Limits above)



### REMINDERS

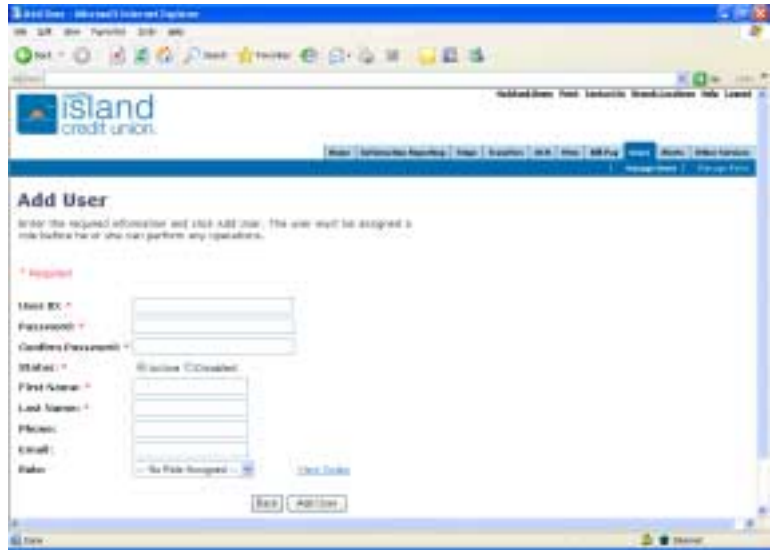
- *After each adjustment made on a template or transaction, the system will continue onto a Verification screen that must be confirmed*
- *If the verification is not concluded, then the action will not be completed.*
- *When you see the green writing at the top of a refreshed screen, your transaction is complete*

Click **Save Role** at the bottom of the Role Details screen and then again on the Confirm Roles screen. You will be returned to the Manage Roles screen, now reflecting the role you just added.

## ADD USER

Click the **User** tab near the right of the tool bar, then **Manage Users** and [add a new user](#).

- Assign a unique **User ID** and **Password** (6 characters minimum) for each user
- The **Status** radial buttons can be used to temporarily deny access without deleting the user's setup information
- **First and Last Name** fields are required as well
- **Role**. Choosing a role from the drop down will give the user all authorities assigned to that role
- **Update User**. You may click on the hyperlink for each user in the Manage User screen to edit a user
  - **Reset Password**—click on the change password button to enter a new password and confirm
  - **Update user**—click on this button after you have edited the necessary fields to reflect accurate information

The screenshot shows a web browser window displaying the 'Add User' form. The browser's address bar shows 'http://www.islandcreditunion.com'. The page header includes the 'island credit union' logo and navigation links like 'Home', 'About Us', 'Services', 'Contact Us', and 'Log Out'. The main content area is titled 'Add User' and contains a form with the following fields: 'User ID', 'Password', 'Confirm Password', 'Status' (with a radio button for 'Disable/Enabled'), 'First Name', 'Last Name', 'Email', and 'Role'. At the bottom of the form, there are 'Go Back' and 'Add User' buttons.

Remember to click through the verification screen in order to save all changes made. You will be returned to the Manager User screen, now reflecting the user you just added.

## DELETE USER

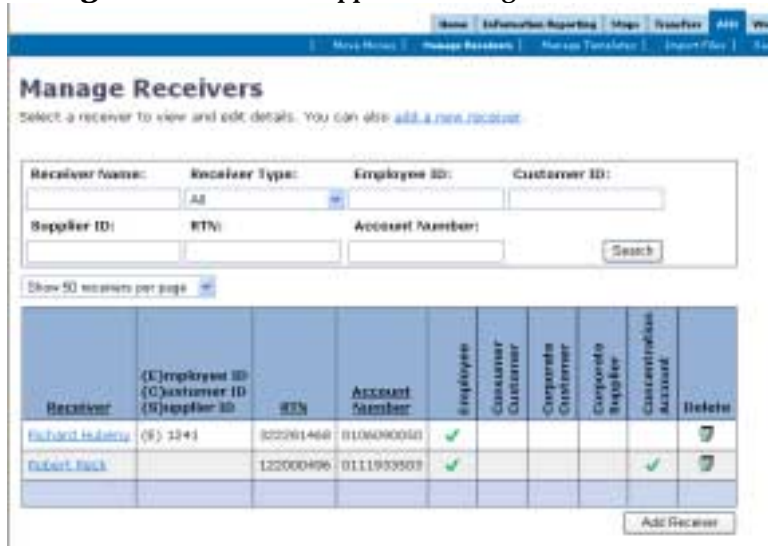
You cannot entirely delete a user. Instead, you may change the **User ID** and **Passwords**, or you may **Disable** a user from further accessing online information. (Please see instructions in ADD USER section.)

**3 Batch Templates.** Each ACH batch you originate is based on a template. Templates should contain all the information that remains the same with each batch release. For example, a payroll template might include employees' names, ID numbers, their bank routing and account numbers—but not dollar amounts, since they could change with each batch release.

If you do not use the import function to send your ACH batch, you must create a template before you can release your first batch to North Island for processing. You can do this by: (a) Creating your receivers (b) Creating a template online as outlined below, or (c) by importing a NACHA file (instruction box below).

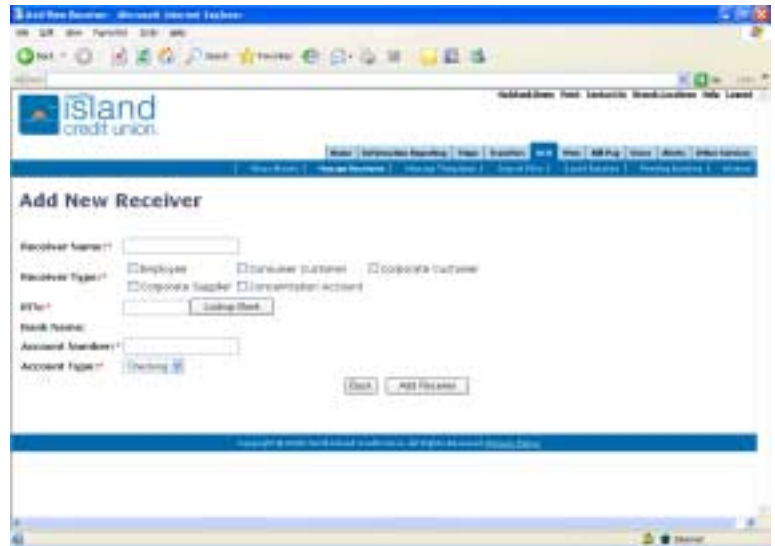
### CREATING ACH RECEIVERS

Receivers are similar to contacts in an email contacts list. Before creating an ACH Batch Template, you must create the receivers that will populate the batch. To create receivers, click **ACH** on the main toolbar, then **Manage Receivers**. The **Manage Receivers** screen appears showing all current receivers.



Click **Add Receiver** at the top of the screen and complete each field as specified:

- **Receiver Name** that will display on the batch
- **Receiver Type**—each check box relates to which type of batch the receiver will be allowed to be placed on (Payroll, Consumer Collections, Corporate Collections/Payments, Cash Concentrations, Returned Check Re-Presentation, and Tax Payments).
- **RTN**—this is the banks routing number
- **Account Number**—the receiver's account in which the funds will be deposited
- **Account Type**—checking or savings



Click **Add Receiver** and remember to confirm on the verification screen. This adds your receiver to your online database.

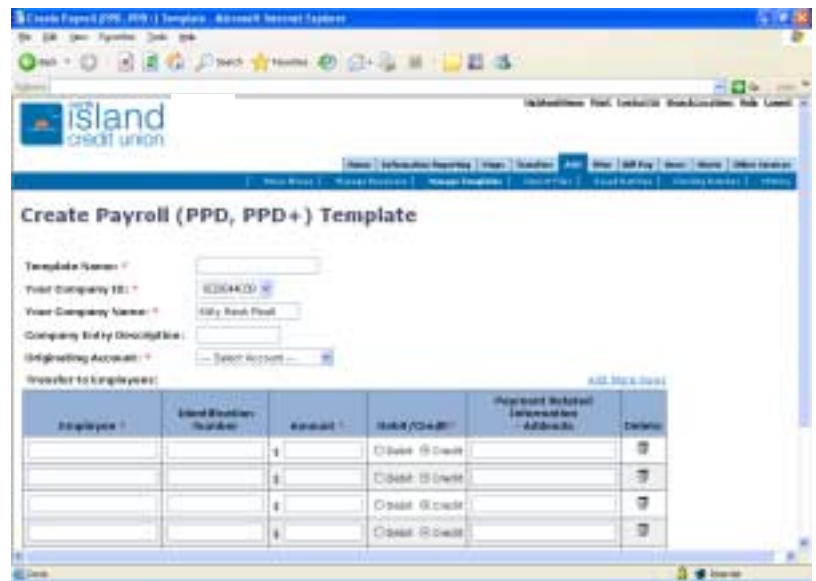
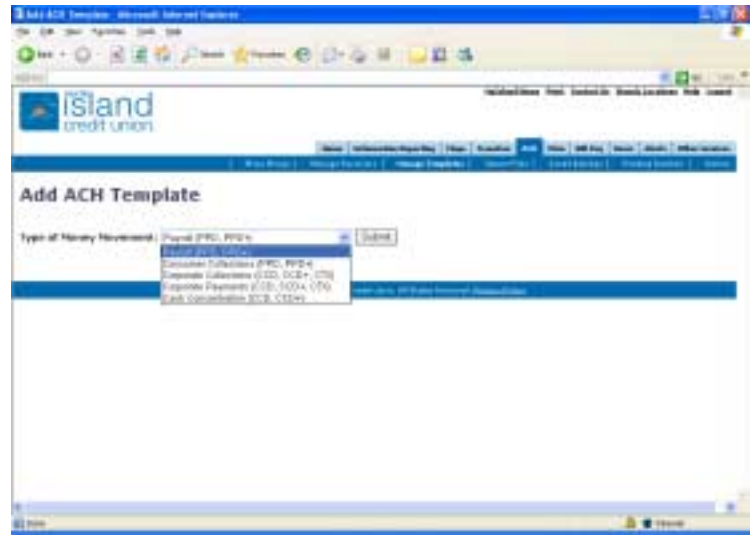
## CREATING A BATCH TEMPLATE

To create a template, click **ACH** on the main menu, **Manage Templates**, then [Add a New Template](#). Any existing templates may be edited on the **Manage Templates** screen by clicking on the corresponding link.

Click [Add a New Template](#) and begin by choosing the proper type of Money Movement and then click **Submit** (keep in mind that the available receivers for the batch will depend on the type of money movement or batch type):

- **Template Name**—(also the name for all batches created with this template) - maximum 10 characters
- **Your Company ID**—choose a TIN from the drop down menu
- **Company Name**—appears only if you are originating ACH batches for more than one company
- **Company Entry Description**—information to help you identify this template
- **Originating Account**—choose an offset account from the pull down list

Begin to enter the receivers in the first field on the template. If you have already created a receiver, the software will populate the information as you begin to type. [Add More Rows](#) if necessary to complete the template. Click **Save Template** and continue onto the verification screen. The screen will return to the **Manage Templates** screen where you can view and edit the templates.



You “populate” the template’s transaction grid by: (a) entering information in the grid as described here, or (b) importing an ASCII file that holds the required data (see boxed instructions, below):

### IMPORTING AN ASCII FILE

If you already have a spreadsheet or text file with the information you need, you can import it directly into your template. Just save the original file in **comma delimited ASCII format**, with fields in this order:

- Name - 22 characters maximum
- Account No. - 17 characters maximum
- Routing No. - 9 characters
- ID - 15 characters maximum
- Amount - 10 characters maximum
- Transaction Code - 2 characters maximum

#### Example:

*Tom Smith,555654654,081915004,555-99-888,1525.00,22*


- Receiver’s **Name**
- Receiver’s **ID**
- **Transaction** amount—if this will vary, enter “0.00” and edit at release
- **Debit/Credit** radio buttons determine the transaction type
- Payment related Information – Addenda

### EDITING AN EXISTING TEMPLATE

If you need to edit an *existing* template, use the **Manage Templates** screen and click on the template that you wish to make changes to. Once you are in the template several changes can be made:

- **Edit Batch Header** – change the Template Name, Your Company ID, Your Company Name, Company Entry Description, and Originating Account
- **Add Transaction** – add another receiver to the ACH template
- **Edit/Delete** – allows the originator to edit or delete a current receiver on the template.

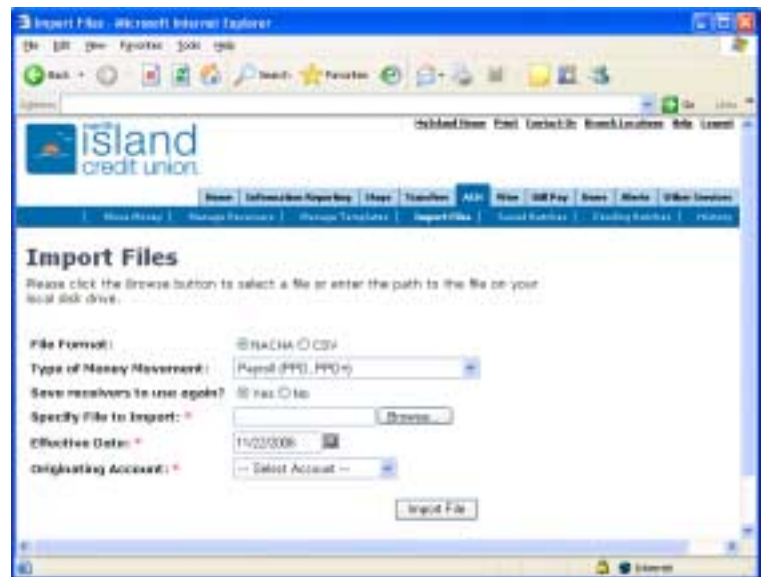
### DELETING A TEMPLATE

When a batch template is no longer being used, you can delete it by clicking the  icon to the right of the corresponding template name. This will not affect any in-process batches, nor any batches previously processed.

### IMPORTING A NACHA FILE AS TEMPLATE, BATCH OR BOTH

If you have NACHA files from other uses, you can import them to Online Banking to: (a) create a batch, (b) create a template for future batches, or (c) create both a template and a batch simultaneously.

- On the **ACH** tab, click **Import File** on the toolbar
- Choose the Type of Money Movement from the dropdown
- Specify the NACHA file's location using the **Browse** button
- Enter the Effective Date of the Batch
- Click on **Import File**.



# 4 Batch Originations

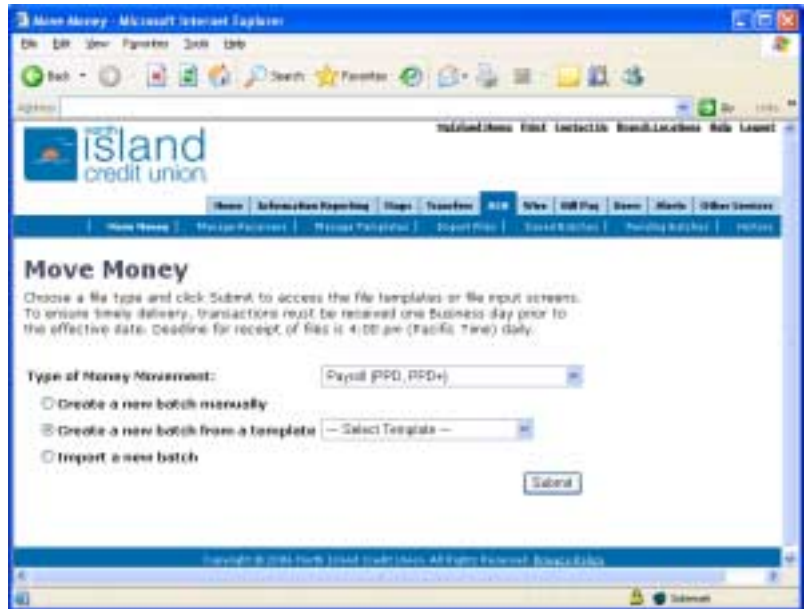
After creating a template, you are ready to produce a “batch” or group of related ACH transactions. The origination process involves four steps:

- Creating (adding) a batch
- Editing a batch, if any required information is missing from the template or needs updating
- Securing the required internal approvals
- Releasing a batch to North Island for processing

## ADDING A BATCH

When you are ready to create a batch based on a template:

- Click the **Move Money** menu tab
- Select the Type of Money Movement and the template you wish to use for your batch.
- Click **Submit**



The **View/Edit Batch** screen appears.

- Please follow the instructions below if any edits must be made before submitting the batch.
- Click **Save as a Template** to save the batch for further processing OR
- Click **Release** to send the batch to the Pending file where North Island will continue the processing at 3:30 p.m. Pacific Time before the effective date.

The new batch appears in the grid on the **Pending Batches** screen. Always remember to click **Confirm** on the Verification screen.

## EDITING AN EXISTING TEMPLATE

If you need to edit an *existing* template, use the **Manage Templates** screen and click on the template that you wish to make changes to. Once you are in the template several changes can be made:

- **Edit Batch Header** – change the Template Name, Your Company ID, Your Company Name, Company Entry Description, and Originating Account
- **Add transaction** – add another receiver to the ACH template
- **Edit/Delete** – allows the originator to edit or delete a current receiver on the template.

## RELEASING A BATCH

Your **User Role** may have a limit required to release a batch for processing—at minimum, this will be your Online Banking ACH Administrator. Each approver:

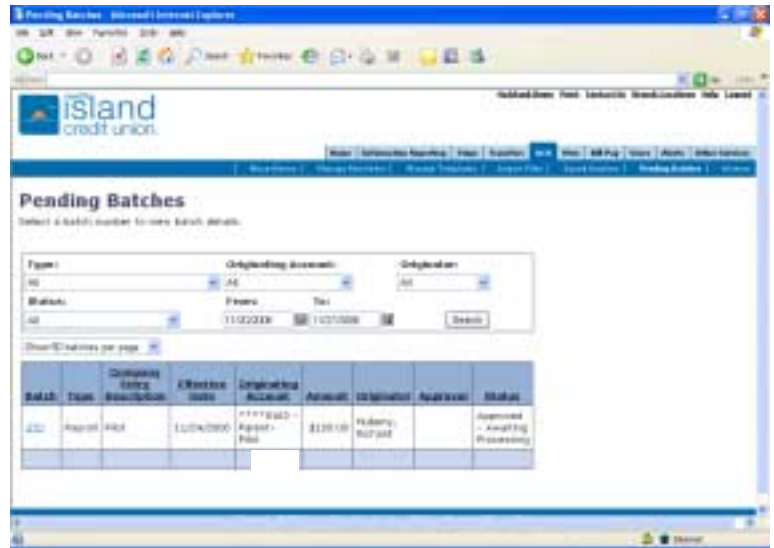
- Clicks the **Release** button alongside the batch name

The batch status then changes to **Pending**.

## CANCEL A PENDING BATCH

If you have released a batch that remains in *pending until 3:30 p.m. Pacific Time before the effective date*, and want to hold or edit the batch, you can change the status back to **Saved** by:

- clicking the **Save Batch** button at the bottom right of the screen



## VIEWING RELEASED BATCHES

Until a batch is released, it is controlled by your company and is not visible to North Island. Once it is released, control shifts to North Island and both parties are able to view the batch online. Once the batch is processed by North Island (at 3:30 p.m. Pacific Time) no more changes can be made to the batch.

## BATCH REJECTION

If you need to cancel a released batch prior to the 3:30 p.m. Pacific Time cutoff, call our Online Banking Support Team at 800/848-5654 and press option “7”. Depending on where it is in the processing cycle, it may be possible to manually reject the batch. Batches may also be rejected automatically during processing for a variety of reasons.

When a batch is rejected, you will see the online status change to **Rejected** in the **History** screen.

## ACH HISTORY

To view batch history; click on **History** in the **ACH** toolbar. You may view the batch by clicking on the batch number on the left side of the row. The Status column will help you determine if the Batch was Processed/Not Processed and give any reasons such as Canceled or Rejected.