



Bank of Eastern Oregon

2024 Annual Security Reminder:

BEO wishes to send you a friendly reminder of important Cash Management information, deadlines, and security considerations. Please remember, regardless of effective date, **we must receive your files by 3:00 p.m.**, at the latest, to carefully review & verify your file. All files must conform to the NACHA format.

Customers are advised that wire requests received after 1:00 p.m. may not be transmitted until the next business day.

Wires to the Eastern Time zone must be received by the Wire Transfer Department no later than 11:30 a.m. to be sent that day (due to the three (3) hour time difference).

Submission Deadlines

Delivery Method	Deadline	Day of Delivery
Consumer Debit/Credit Transactions		
Transmission (Debit)	* 1:00 p.m.	<u>One</u> day prior to effective date
Transmission (Credit)	2:00 p.m.	<u>Two</u> business days prior to effective date
Pre-notifications **	3:00 p.m.	6 days prior to effective date

*If you choose this option and for any reason the 1:00 p.m. deadline is missed, your transactions may not be received by the RDFI on time. To ensure the receipt of your entries at the RDFI on the effective date, transmitting your file two days prior to effective date is the preferred method.

****Pre-notification.** A Company is required to send a pre-notification for any new payment/payee entries. This helps to ensure the payments will be received without issues. If Company receives notice that a pre-notification has been rejected, Company shall not initiate new transactions for this account until the cause for rejection has been corrected, and another pre-notification submitted to the RDFI.

Transactions must comply with the Operating Rules of WesPay and NACHA which means they must be originated in the correct format, contain accurate information, be authorized by the account holder, and that Company shall cooperate with the Bank in resolving any disputes or errors. BEO shall act as intermediary in any dispute and be a technical resource to Company in understanding their specific obligations under the Rules.

Please reach out to e-banking@beobank.com for an electronic copy of the 2024 NACHA ACH Operating Rules, and we will get you a code to access all the rules and regulations online.

Security Considerations:

- **Administrators are responsible for addition, removal, and permissions of all sub-users within their company.**
- Bank of Eastern Oregon recommends all ACH and wire transfers be initiated under dual control, with a transaction originator and a separate transaction authorizer. Dual control is

Administrative Offices

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critical in protecting the Company from fraudulent activity and failure to operate under dual control places the Company funds at heightened risk.

- Create a strong password with at least 8 characters that include a combination of mixed case letters and numbers. Require strong passwords by all CM users.
- Prohibit the use of shared usernames and passwords for online banking system.
- Use a different password for each website that is accessed.
- Change the password a few times each year.
- Install commercial anti-virus, malware, and desktop firewall software on all computer systems. Free software does not provide protection against the latest threats and places your information at risk.
- Ensure virus protection and security software are updated regularly.
- Ensure computers are patched regularly, particularly operating system and key applications with security patches. Most software products allow for automatic updates.
- Do not use login features that save usernames and passwords for online banking.
- Never leave an unlocked computer unattended while using online banking services.
- Never access online banking from an unsecure location, to include an internet cafe, public library, or hotel lobby, etc. Sophisticated software exists that can remotely scan accounts and sign-on information leaving a customer vulnerable to fraud.
- Your organization will receive notification via out of band call that a file is ready to be verified. **ACH or Wire files will not process without going through the proper verification channels.**
- If you have questions about this process, please contact us.

2024-2025 FEDERAL RESERVE BANK HOLIDAY SCHEDULE

HOLIDAY	DATE
Memorial Day	May 27, 2024
Juneteenth National Independence Day	June 19, 2024
Independence Day	July 4, 2024
Labor Day	September 2, 2024
Columbus Day	October 14, 2024
Veteran's Day	November 11, 2024,
Thanksgiving Day	November 28, 2024
Christmas Day	December 25, 2024
New Year's Day	January 1, 2025
Martin Luther King Jr. Day	January 20, 2025
President's Day	February 17, 2025
Memorial Day	May 26, 2025
Juneteenth National Independence Day	June 19, 2025
Independence Day	July 4, 2025

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*For holidays falling on Saturday, Federal Reserve Banks and Branches will be open the preceding Friday. **For holidays falling on Sunday, all Federal Reserve Banks and Branches will be closed the following Monday.

We hope you find this information helpful! If we can be of any assistance to you, please do not hesitate to call.

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2024 ACH Rule Amendments Summary

As part of our commitment to keeping our ACH origination customers informed of ACH rule changes, we are providing you the following summary of upcoming changes to the Nacha Operating Rules (“Rules”). The rules below are intended to improve Risk Management in the Network for all parties, and your organization may not be directly affected by some or all of these changes. This summary details the impacts of these rule changes on the most common types of corporate origination services but is not intended to replace the detailed analysis needed to determine the impact these changes have on your specific organization.

1. Minor Rules Topics

Effective June 21, 2024

Summary

There will be several minor rule changes to address minor issues.

Details

- The definition of “Originator” will now identify the Originator “as the party authorized by the Receiver to credit or debit the Receiver’s account at the RDFI.”
- Originators will now have the discretion to make changes when they receive a Notification of Change (“NOC”) of any single entry.
- Nacha’s security requirements will now clearly state they apply to Originators exceeding more than two million entries annually. Originators that cross that threshold for the first time must comply with the Rules by June 30 of the following year.
- The Rules will clearly state Originators are allowed to use prenotifications to revalidate accounts, even if they have already transmitted entries to the Receiver’s account.
- The Rules previously used the term “subsequent entry,” which is now a term with a specific definition in the Rules in some instances. The Rules will no longer use the term except for instances where it meets the new definition.

Impact

These rule changes will have little or no impact on your organization.

2. Minor Risk Management Topics

October 1, 2024

Summary

Several rule updates will attempt to codify common industry practices and address minor network issues.

Details

- The Rules will allow RDFIs to use the R17 return reason code to return entries that they identify as potentially fraudulent. RDFIs are not responsible for detecting fraudulent entries, but this change will give RDFIs directions for action when they do so, which may improve the return of fraudulent entries.
- ODFIs will be able to request RDFIs return entries for any reason and require RDFIs to respond to the ODFI within ten banking days. This will also help recover fraudulent entries and provide greater visibility into the request status. However, RDFIs will not be required to comply with the return request.
- RDFIs will have additional exceptions to delay posting funds to Receiver accounts if they reasonably suspect a received entry is fraudulent. There may be instances in which Receivers experience a delay in their deposits as the RDFI investigates an issue.

- RDFIs will be able to return a fraudulent debit entry prior to the settlement date. Originators may receive returns quicker in these instances, though the volume will likely be low.
- The Rules will require RDFIs to return debits by the sixth banking day after the RDFI reviews a Receiver's WSUD. This will have little impact but may enable quicker return of fraudulent entries.

Impact

These will likely have little impact on your organization but may lead to small changes.

3. Origination Fraud Monitoring

Phase 1 – Effective March 20, 2026, for all ODFIs, Originators, Third-Party Service Providers, and Third-Party Senders with ACH volume greater than 6 million in 2023

Phase 2 – Effective June 19, 2026, this will apply to all ODFIs, Originators, Third-Party Services Providers, and Third-Party Senders

Summary

This rule will require all parties on the origination side of entries to have risk-based processes to identify fraudulently originated ACH entries.

Details

The Rules do not currently require Originators to have fraud monitoring processes, except for WEB debit entries. This rule will have requirements for all entries with the goal of detecting and preventing fraud from scams such as business email compromise and fake invoices.

Impact

Originators may already have processes such as anomaly detection or other "flags" that detect and prevent fraudulent entries. Each organization will need to review its processes and procedures to determine if it needs to make updates to meet these new requirements.

4. RDFI Fraud Monitoring

Phase 1 – Effective March 20, 2026, for all RDFIs with ACH receipt volume greater than 10 million in 2023

Phase 2 – Effective June 19, 2026, for all RDFIs

Summary

This rule will require RDFIs to have processes to review received credit entries to identify potential fraud.

Details

The Rules will not prescribe how RDFIs review entries and will not require RDFIs to review each entry; each RDFI will determine how to comply with this requirement based on its environment.

Originator and Third-Party Sender Impact

This rule, along with the additional exception for funds availability and use of the R17 return reason code, will likely result in more returns of fraudulent entries, reducing losses for Originators, Third-Party Senders, and ODFIs.

5. Company Entry Descriptions

March 20, 2026

Summary

The Rules will require specific company entry descriptions for payroll entries and online purchases of goods.

Details

Originators will be required to use the description "PAYROLL" for PPD credits to pay wages, salaries, and other compensation.

Originators will be required to use the description "PURCHASE" for e-commerce purchases, which will be defined as "a debit Entry authorized by a consumer Receiver for the online purchase of goods"

Originator and Third-Party Sender Impact

Originators will need to review the company entry descriptions they use in ACH files and ensure they update these descriptions as required by the Rules. These standardized descriptions will help improve processes to monitor entries for potential fraud. Originators can begin using this description anytime but must comply with the requirements by the implementation date.

The ACH Network and Nacha Operating Rules continue to evolve to meet the needs of businesses, governments, and consumers who use the network to initiate over \$50 trillion in transaction value each year. The Rules can be difficult to understand, but we can assist with questions to help your company better utilize the ACH Network. Feel free to call Bank of Eastern Oregon at 541-676-0201. Corporate resource center www.nacha.org/corporates