

# ACH Positive Pay Agreement



**ACH Positive Pay Service Agreement** helps prevent the clearing of fraudulent ACH transfers. If you sign up for ACH Positive Pay, you will log into iQ's Digital Branch to access the service that permits you to protect your designated account(s) for potentially fraudulent ACH credit entries and/or ACH debit entries. ACH Positive Pay may be used by you to authorize or reject incoming ACH credits or ACH debits against your account(s) via Digital Branch.

1. **Definitions.** Unless otherwise defined in this Addendum, words or phrases shall have the meanings set forth in the Agreement and the Uniform Commercial Code. In addition, the following definitions apply.

*Approved List* is the record describing the ACH credit/debit entire authorized by you to be posted to your business account.

*Authorized business account* means your account(s) maintained at IQ Credit Union to which ACH Positive Pay will apply.

*Exception item report* means an online record provided in the ACH Positive Pay Module describing exception item(s) provided by IQ Credit Union to you.

*Exception item* means a presented ACH entry not listed on the *Approved List* in the online ACH module.

*Presented entry* means an ACH debit or ACH credit entry on an authorized account presented to Credit Union for payment through the collection system.

*Return request* means you select the Return action for an exception item. The default is to pay ACH items not decided by the Member.

2. **ACH Item Decisioning.** ACH Positive Pay permits you to preauthorize ACH entries by designated originators and to view and decision (honor or reject) non-preauthorized ACH entries each business day. You will have an option within the Digital Branch to work with exceptions as they arise. It is your responsibility to decision ACH Positive Pay exceptions no later than 3:00 PM Pacific Time. ACH entries that you choose to Return will be reversed from your deposit account(s) and will be returned to the Originator. Any ACH entry for which you do not decide to Return by 3:00 PM Pacific Time will be paid automatically. ACH debit entries received prior to the setup of ACH Positive Pay may be posted to your deposit account(s) in accordance with NACHA (National Automated Clearing House Association) Rules. Your ADMIN user has/have the authority to grant additional user access to the ACH Positive Pay system. IQ Credit Union may apply other ACH Positive Pay standards and procedures to ACH Positive Pay as IQ Credit Union deems appropriate.
3. **Your Acknowledgements.** (a) You authorize iQ Credit Union to return or to pay any ACH in accordance with your instructions and the established procedure of Credit Union. (b) You acknowledge that IQ Credit Union will have no liability for payment of an ACH that is unauthorized or fraudulent if, (i) the ACH was included in a report of exception items; (ii) You have not selected a return criteria or added the ACH to the Approved list for exception items; and (iii) You did not instruct IQ Credit Union to return the ACH in a timely manner by 3pm Pacific Time. (c) You acknowledge that ACH Positive Pay does not preclude IQ Credit Union's standard processing procedures, which may cause an ACH to be dishonored even if your instructions or the established procedure do not otherwise require IQ Credit Union to return such ACH. (d) You acknowledge that IQ Credit Union has no liability for accepting an ACH for deposit from another IQ Credit Union member, in good faith, even if such ACH would otherwise be an exception item. (e) You acknowledge that you must fulfill your responsibilities in connection with ACH Positive Pay on each business day whether or not you are open for business.

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You acknowledge that failure to use ACH Positive Pay could substantially increase the likelihood of undetected fraudulent activity on your deposit account(s) and that it is neither unreasonable nor unreasonable under the circumstances for us to require you to use our ACH Positive Pay upon request. You agree that failure to implement ACH Positive Pay following our request that you do so, you will be precluded from asserting any claim against iQ Credit Union for paying an unauthorized, altered, counterfeit or other fraudulent item that ACH Positive Pay was designed to detect or deter, and iQ Credit Union will not be required to re-credit your deposit account(s) or otherwise be liable to you for paying such item(s).

4. **Changes to Processing Instructions.** iQ Credit Union may make changes to the instructions for ACH Positive Pay from time to time. In the event changes are made, you will be notified at least thirty (30) days prior to the change(s).
5. **Exception Item Reports.** Exception item information will begin to appear in the ACH Positive Pay module located within Digital Branch within the Transaction History report each day for you to review and process such exception items by 3:00 PM Pacific Time.
6. **Return/Add to Approved List .** You shall review the exception item information each business day and select Add to Approved List or Return for all exception items by 3:00 PM Pacific Time. Exception Items not processed by you by the deadline will default to Pay and will be processed by iQ Credit Union and posted to your designated account. If you wish to return all future transactions from an Originator, please contact Treasury Management for an ACH Stop Payment.
7. **Obligations.** iQ Credit Union shall not be obligated to comply with any pay (default) request or return request received outside of the ACH Positive Pay module after a deadline or at a place not permitted under this Addendum but may instead treat such a pay request or return request as though it had not been received. iQ Credit Union is not responsible for detecting any of your errors contained in any pay request or return request sent by you to Credit Union
8. **Service Interruptions.** The Service may be unavailable at certain times for required maintenance and system upgrades, as well as unforeseen maintenance, natural disasters or extreme weather events, court orders, acts of war, hardware/software failures, electrical outages, and/or internet provider outages. iQ makes commercially reasonable efforts to ensure the ongoing availability of the Service and attempts to notify you of any outage lasting more than 1 hour through a message on the iQcu.com website. However, iQ is not liable for the unavailability or interruption of any portion of the Service. The Business Member shall have reasonable procedures in place to ensure the continuity of its business needs, which could include the issuance of paper checks or utilization of wire transfers to facilitate necessary payments. When and where possible, iQ will assist with portions of the Business Member's continuity plan by providing support through our Member Contact Center, which can assist in finding alternative methods for handling the needs of any impacted account(s).
9. **Monthly Fees.** Monthly service fees are detailed in the Business Services Fee Schedule. Your acceptance of this agreement authorizes iQ Credit Union to debit the associated fees for the service.

By signing below, such person certifies you are at least eighteen (18) years of age, and are additionally an owner, shareholder, officer, director, member, manager, or partner of the Company with the authority to bind the Company to the terms of the Treasury Management Service disclosure(s) or other similar documents.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date