

Automated Clearing House Transfer Agreement with First State Bank

Background:

An Automated Clearing House (ACH) Agreement sets the terms by which a financial institution and its partner clients conduct business. It is important for financial institutions to have a legal agreement in place with their financial business clients.

An ACH is an electronic fund transfer made between banks and credit unions across what is called the Automated Clearing House network. ACH is used for all kinds of fund transfer transactions, including direct deposit of paychecks and monthly debits for routine payments.

An ACH Transfer Agreement states the rules under which financial transfers proceed.

The school board approved an updated ACH Origination Agreement with First State Bank last September.

The ACH Transfer Agreement appears in the EXTRAS section of BoardBook.

Recommended Action:

I recommend the board move to approve the ACH Transfer Agreement with First State Bank.