



## NACHA Webinar Follow-Up Q&As

### 1. Does this apply to just EFT or credit/debit card sustainers also?

This all applies to EFT only.

### 2. When referring to “timing” on authorization forms, does that mean using vague language like “monthly” or a specific date?

Timing should be as specific as possible. If you know when your processing date is, you should try to reference that. (i.e. “The first deduction will occur on or shortly after XX/XX/15”)

**Follow Up:** Using “on or shortly after” does not imply the same thing as using “about” or “around;” Does this mean you can’t do it a day early?

It is recommended to use language that implies a “not before” time line.

**Follow Up:** How would you confirm a start date if you are sending a generic form for authorizing EFT? (i.e. if you use a vendor who charges on or about the 20th of the month)

One recommendation is to include a date line for the donor to fill in when they are sending the response and include a static message below that line about expected processing time based on your vendor’s schedule.

**Follow Up:** Why can’t the language authorize a transaction “once each month”?

That language is technically “too vague”

### 3. Do you need a new authorization form for any upgraded amounts?

Yes

**Follow Up:** Does the new authorization replace the original or should both be kept for their full 2 years?

The new authorization can replace the original. The authorization needs to be retained for the life of the contribution while it’s actively deducting, and for two years after it’s been canceled/stopped.

### 4. Can authorizations be retained by vendors or at the station level?

They can be kept at either, but ensure that your processes allow for access within 10 Banking Days. When developing a plan, keep vendor turn-over/transition in mind and ensure your vendor contracts include appropriate language regarding custody.

### 5. Can you accept the first payment from a TEL call, and start the ongoing processing once you receive a signed form?



No, the authorization must match the channel and SEC Code of that channel, which means the authorization from a TEL must be in a recorded format and the recording must be retained.

**6. Is call recording required if electronic signature is obtained from pledge call?**

If the bank account information is collected on the telephone then the authorization must also occur on the telephone and be recorded. You cannot collect the account information on the phone and then push the authorization to a web or mail form.

**7. Our office line isn't recorded. Does that mean we cannot take EFT pledges over the phone?**

Yes, that is technically correct.

**8. Is the audio recording something that is required?**

Yes, for any gift that will be coded as TEL then the proper recording authorization must be in place.

**9. Should we consider something like DocuSign to document authorization?**

As long as your DM forms and web forms have required information in place, then it's not necessary to use an outsourced solution like DocuSign.

**10. What are the best audio archival systems to retain that recording? Asking the vendor to retain it creates some continuity issues when you change vendors.**

We haven't investigated any archive systems to retain recordings. Even though vendors may change, we feel it is better to adjust contracts to ensure access to recordings in perpetuity. Vendors already have systems in place for long-term storage, security, and identifying specific files, so the easiest course is to leverage their systems but just ensure your ongoing access to them. Taking custody of the audio files yourself would be very complex, if for no other reason than having to come up with a way to match each recording to a donor. The risk is minimal that you will ever need those recordings, so we recommend doing what you can at the contract level. It's unlikely that you'd experience a compliance problem even if the vendor closed its doors and you lost access to those recordings because you'll be able to show through your contract that you did your due diligence – no system is perfect.

**11. So now we are required to take bank account by phone instead of having them mail it in later, as we have done in the past. Right?**

If you are acquiring the EFT pledge by phone, then you must take the bank account by phone (the account number can be masked) and have the donor verbally authorize during the call. The call must be recorded and you (or vendor) have to retain the recording. If you are acquiring the EFT pledge by direct mail, then the donor must mail you the account information and sign their name to the direct mail reply piece, which would serve as their authorization. You then have to retain the signed reply.

**12. Can you obtain that authorization for a phone pledge immediately via email?**



No, you cannot.

**13. If a volunteer takes a call and recording is not financially feasible, could a follow up email with restated terms serve as a means of e-signature?**

No, technically the authorization must match the channel and SEC Code rules of that channel.

**14. Couldn't a non-recording office just say "Thanks for desire to pledge by EFT, we will send you an authorization form in the mail."?**

Yes, that is the best way to manage if it's not feasible (economically or otherwise) to set-up a recording system. Just make sure you are not acquiring the account number over the phone. You can secure all of the information about the pledge (how much, when they want to start, how often to deduct) and write that up in a form that includes a signature line and a request for their voided check.

Ensure that you are tracking these requests closely, as you may find the cost in non-returned EFT authorizations are a problem and you may want to consider a "Third Party Verification" provider (google that phrase to find lots of available services)..

**15. Does ACD record pledge calls? How long do they keep the recordings?**

Yes, they are currently working through the details of how this affects their part in the process and will follow up with their clients soon.

**16. So, overall you can't document authorization AFTER the gift whether OA, DM, TM, WEB?**

Yes, that is correct. The COMPLIANCE is to capture authorization when the gift is made, though you also have to acknowledge all of the terms of the gift/authorization afterwards by either email or mail.

**17. If someone calls and wants to give via EFT and you can't record the call, can you stop the transaction there and complete the gift via mail? Would that be compliant?**

Yes, that is compliant as long as your mail has the necessary authorization in place and you are only securing the account information through the mail.

**18. Isn't the "pre-noting" process sufficient for verifying bank routing number?**

Pre-noting is the process of sending a \$0 transaction to verify the bank account information. While the intent of the Rules is to verify the routing number at the point of collection, we believe that pre-noting is a sufficient method of verifying bank routing number.

**19. Is anyone using secure EFT via Sage? I don't believe that makes use of prenote – is that a problem?**

It's not a problem if you don't prenote. A prenote is not a requirement, but you should have a way to verify routing numbers like a check-digit calculation.

**20. Are there recommended routing number look up services?**



These services probably exist, but it is fairly easy to incorporate a check-digit calculation into your process. For more information on check digit routing number calculation, [use this link](#).

**21. Do Allegiance or Secure EFT via Sage do check-digit proofing on EFT numbers?**

We believe that Allegiance only confirms there are 9 digits, but please consult Allegiance or your specific provider directly for more information on their processes.

**22. When is/was NACHA compliance effective?**

NACHA has been writing ACH Rules since 1974, but have become an increasing point of focus with recent data breaches and other fraud. As an industry, we are a very small player in this field, and it has not been a priority, but we should be doing our due-diligence to protect ourselves and our members.

**23. Would you recommend going back and making all EFTs compliant or would it be okay to start compliance say, April 1?**

Use these guidelines for moving forward. It's going to take time to thoroughly review all of your collateral, systems, and processes, and then institute changes if needed. Neither NACHA nor the banks/processors would expect that all to happen overnight. If you were presented a warning today for a specific violation, the expectation is that you would rectify the process within a year. So don't stop what you're doing today even if you know it's not compliant, just work towards getting compliant.

**24. As an EFT sustainer to many organizations (including my station) I really don't like them telling everybody to record my bank account information. Is this dangerous?**

Yes, we wouldn't recommend recording the actual account number, and most call vendors will mask or pause that portion of the call (they don't want to hold credit card or bank account numbers). You only need to record a phrase like: "... the bank account number you provided me earlier will be deducted..." and include the donor name, transaction amount, timing, that it can be stopped, and how to stop it.