Southern Financial Exchange is a Direct Licensed Member of NACHA – The Electronic Payments Association. Our mission is to provide leadership, education and innovative, cost-effective products and services for the mutual benefit of our members and their customers.

Southern Financial Exchange is a not-for-profit payments association serving individuals, financial institutions and corporations primarily in Alabama, Arkansas, Louisiana, Mississippi, and Tennessee.

We provide every member the latest information and highest quality payments related training possible. In addition to being the member resource for training and information, we are also committed to marketing the use of electronic payments and advocating the usage of the ACH Network as a solution for businesses wishing to leverage the use of the ACH as a tool for being even more competitive in the marketplace.

We provide exceptional customer support, quality educational services and active participation on industry initiatives, and leveraging partnerships to strengthen our influence with industry stakeholders.

The Mark of Excellence

This mark signifies that the Regional Payments Associations, through their Direct Membership in NACHA, are specially recognized and licensed providers of ACH education, publications and support. Regional Payments Associations are directly engaged in the NACHA rulemaking process and the Accredited ACH Professional (AAP) program.

Look for this mark as a sign of excellence and commitment to consistency and accuracy in ACH education, publications and support.

NACHA owns the copyright for the NACHA Operating Rules & Guidelines. The Accredited ACH Professional (AAP) is a registered service mark of NACHA.

If you are not a Southern Financial Exchange member

We encourage you to become a member and take advantage of the value that Southern Financial Exchange (SFE) can add to your electronic payments program. This guide describes our member services and how they can benefit your organization. As the movement to electronic payment systems accelerates, as the variety of electronic payment applications multiplies, and as the complexity of related rules and regulations increases, Southern Financial Exchange’s expertise is an asset you cannot afford to be without.

“We believe our excellent regulatory and customer service rating in ACH and Electronic Banking Services is due, in part, to our valued relationship with Southern Financial Exchange. I urge you to take advantage of services provided. You and your organization will benefit through education and improved operations.”

Judy D. Long
President & COO
First Citizens National Bank
Dyersburg, TN
Types of Membership

SFE offers regular memberships to financial institutions. The membership investment for financial institutions is a tiered schedule based on deposit size.

Affiliate and Professional Memberships are available for organizations which are not financial institutions and for individuals employed by these organizations. These members are assessed a flat annual fee. Please contact SFE for specific dues information.

Affiliate Membership - this membership is for organizations which are not financial institutions, such as businesses, government agencies, and payments processors.

Professional Membership - this membership is for individuals not employed by a financial institution. It is especially designed for CPAs, accountants, consultants, attorneys, computer programmers, sole proprietorships, etc.

Member Benefits At a Glance

Being a member of SFE is like having a payments expert on staff

- Access to our toll-free payments hotline for assistance
- Support for a wide variety of departments within an institution – ACH operations, check operations, deposit operations, fraud department, marketing, cash management, treasury sales, risk avoidance
- Full-time payments professionals available to answer payments-related questions
- Banking Law Information Service - Basic questions are answered free of charge and more complex situations are handled by counsel at a discounted-rate basis
- A voice in the national rulemaking process
- Support for candidates preparing to earn the Accredited ACH Professional (AAP) designation and the National Check Certification Program (NCP)

Being a member of SFE is cost effective

- A free ACH Rules book every year, a savings of $97
- A chance to win a full scholarship to The Payments Institute, a $3,000 value
- Complimentary training via our Power Hour Webinars, an $800 value
- Professional Services including: ACH Consulting, ACH Audit, ACH Risk Assessment and Remote Deposit Capture (RDC) Audit, RDC Risk Assessment Services, and Wire Audit - all at discounted rates
- All that NACHA offers is available at the member discount price
- Industry publications and tools, such as the NACHA Rules Book, Audit Workbooks, ACH Policies and Procedures Tools, ACH Risk Assessment Tools – at discounted pricing
- Custom, on-site training for your staff – at discounted rates

Being a Member of SFE provides you the latest in payments information

- www.sfe.org has the latest on education classes, hot links to relevant websites and industry-specific information – all in one convenient site
- Complimentary subscription to our bi-weekly SFE Member News Link
- In-person access to industry experts and leading service providers at our annual conference
- Peer to peer networking opportunities
- Monthly ACH Volume Reports for ACH Risk Assessment clients to help facilitate reporting to their board of directors
- Education – offered territory wide via in-person classes, webinars, teleseminars, videos, and On-Demand
- Fraud and risk seminars to help members reduce risk
- Topically relevant bulletins delivered on ACH, Check, Fraud and more
- Free subscription to significant news articles covering the payments industry, Requests for Comments, as well as Payments Alerts issued from various regulators, SFE and NACHA
- Access to ACH Operators’ services from the Federal Reserve and Electronic Payments Network (EPN)
- Access to rules for image exchange
- Marketing support for Direct Deposit, Direct Payment and Check Conversion
"BankTennessee has used Southern Financial Exchange’s audit services for ten years. This service has helped the bank to recognize areas within ACH to help implement policy and procedures as well to help with the continued changes as mandated by NACHA. The Bank has engaged the Risk Assessment services for six years and this alone served as time and money well spent. The audit staff is courteous, dependable, and professional when they are conducting audits for the bank. The Bank recommends Southern Financial Exchange for any audit services and will continue to utilize their services."

JoAnne Hamlin
Senior Vice President
BankTennessee
Collierville, TN

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If you are already a Southern Financial Exchange member

We encourage you to become reacquainted with the services of your association as outlined in this guide, to ensure that you are maximizing the value of your membership. You will certainly find something in here to benefit your organization that you did not know was available!

Compliance Services

Expert Consulting by Electronic Payment Consultants

**ACH Annual Audit** NACHA requires that all participating Depository Financial Institutions, Third-Party Senders and Third-Party Service Providers that provide ACH services conduct an Annual ACH Audit to be performed by December 31st of each year (ACH Rules, Appendix Eight, Section 8.1). Who better to conduct your annual ACH audit than your resource for electronic payments information and training? An SFE Accredited ACH Professional (AAP) can conduct your annual ACH audit and examine each facet of your ACH operation.

**NACHA Rules Compliance Audit Service Includes:**
- Pre-audit checklist
- Performance of audit requirements as required by Appendix Eight of the NACHA Operating Rules & Guidelines
- Review of Sound Business Practices and Internal Controls
- Review of balancing and reconciliation functions
- Written ACH Audit Management Report with findings and recommendations for improvement
- Audit Certification form
- Access to auditor for questions after on-site appointment

**ACH Risk Assessment** Each financial institution is required to 1) perform a risk assessment of their ACH activities, and 2) implement risk management programs in accordance with "the requirements of their regulators". Additionally, ODFI’s are further impacted by the requirement to conduct additional risk management practices prior to originating ACH entries and by the requirement to cover specific topics in all Originator and Third-Party Sender Agreements. A financial institution must understand and identify the complexity and nature of their ACH services to effectively perform the risk assessment. An SFE Accredited ACH Professional can evaluate your complexity of services and perform a thorough review of compliance with the required risk management practices and assess your ACH risk.

**ACH Risk Assessment Service Includes:**
- Pre-Assessment Checklist
- Onsite review period (minimum of 1 full day)
- Review of originator agreements to ensure compliance
- Thorough assessment of ACH activities & risk management program
- Formal Written Report including Risk Rating Matrix
- ACH Volume report for 12 months following the assessment
RDC Risk Assessment Does your financial institution offer Remote Deposit Capture? Have you read the FFIEC Guidance on Remote Deposit Capture? In order to analyze your RDC compliance and risk management procedures take advantage of SFE’s RDC Audit Services. Our consultants are trained to perform Remote Deposit Capture Risk Assessments. We take pride in our assessments as they compare to RDC regulator expectations.

RDC Risk Assessment Services include:
- Pre-audit checklist
- Review of compliance with FFIEC Guidance
- Review of Sound Business Practices and internal controls
- Review of balancing and reconciliation functions
- Written RDC Risk Assessment Report and recommendations for improvement
- Risk Assessment Certification Form
- Access to auditor for questions after on-site appointment

RDC Audit
The FFIEC released guidance on Remote Deposit Capture in 2009. Although the guidance and subsequent IT booklet do not require an annual audit, as with ACH, most financial institutions choose to have an expert assessment of risk and compliance prior to regulatory examinations. What must your organization do to implement the recommendations? Your expert consultant will cover the guidance and help providers understand what they must do to ensure they are in compliance. As RDC acceptance and use continues to grow, solutions providers must be aware of both the risk and benefits of this payment mechanism. It only makes sense to hire an industry expert to evaluate RDC operations.

RDC Audit Services include:
- Pre-audit checklist
- Performance of audit requirements utilizing the FFIEC Retail Payments System IT Booklet
- Review of Sound Business Practices and Internal Controls
- Review of balancing and reconciliation functions
- Written RDC Audit Report with findings and recommendations for improvement
- Audit Certification form
- Access to auditor for question after on-site appointment

Wire Transfer Audit of Internal Controls
The FFIEC indicates an internal audit of the wire transfer function should be conducted periodically. Wire transfers are utilized for large dollar, irrevocable funds transfers. These two characteristics combine to make wire transfers a significant risk. How well does your organization mitigate these risks? SFE compliance experts have created a Wire Transfer Audit of Internal Controls. Let our payments expert complete a comprehensive assessment of your wire transfer program to ensure your program is in compliance with regulatory guidelines.

Wire Transfer Audit Service includes:
- Pre-audit checklist
- Review of compliance with FFIEC Guidance
- Review of Sound Business Practices and Internal Controls
- Review of balancing and reconciliation functions
- Written Wire Transfer Audit Report with risk mitigation recommendations
- Access to auditor for question after on-site appointment
Payments Support Hotline
(504) 525-6779 and info@sfe.org

Out knowledgeable, professional staff is standing by to assist our Members. This is a complimentary service! All payment related questions are welcome:

- Rules Interpretation
- REGs
- Operations
- Risk Management
- Mobile
- Cards
- Wire
- Checks
- Remote Deposit
- ACH and more...

Disputes? SFE will assist our Members with dispute handling by utilizing our national network of contacts. Don't take a loss, call us for support!

Our toll free number is available to Members upon request.

Banking Law Information Service

SFE has established, for our Membership, a relationship with an Attorney who specializes in electronic payments affairs. Members can utilize the Attorney complimentary for basic questions. Escalated questions or scenarios with the Attorney will be provided at the SFE Membership discounted rate. For more information please contact info@sfe.org.

Education Services

The ACH Network is all about growth. Electronic transaction volumes are getting higher every year; the variety of ACH payment applications is continually increasing; and the rules that govern these transactions can change several times a year! To keep up with this growth, minimize risk exposure, and ensure compliance, you need to stay educated.

SFE provides the electronic payments education you need to keep current. Classroom workshops are either full- or half-day, and are taught by Southern Financial Exchange’s Accredited ACH Professional staff and other industry-recognized experts.

Continuing Education Credits

Our education events are approved for AAP re-certification credits as allowed by NACHA, and may also qualify for CPE and CCM/CTP credits granted by the National Registry of Certified Accountancy and the Association for Financial Professionals respectively.
Annual Conference
Southern Financial Exchange’s Annual Conference & Expo is held in the March – May timeframe each year. With a focus on electronic payments, this multi-day event is designed to provide attendees with the strategies to maximize business efficiencies, improve payment processes, reduce risk, and increase client satisfaction. It is also a great chance to network with industry peers and payment technology providers.

Classroom Workshops
Our annual calendar of workshops covers our service area and typically includes sessions such as:

- What’s New in Payments: ACH Rules Implementation
- ACH Audit & Compliance
- ACH Payments Summit
- ACH Fundamentals
- Advanced ACH Rules Review & AAP Review Course
- Bits-N-Bytes
- Customer Service & ACH: Fundamentals for Branch Personnel
- ODFI Responsibilities & Compliance
- RDFI Responsibilities & Compliance
- Treasury Day

Workshops being offered may vary based on needs of the SFE membership. Our entire training schedule can be found at www.sfe.org. We encourage you to check our website frequently for additions and changes to the calendar.

Webinar and On-Demand Training
Webinars are a very convenient and cost-effective way to learn. No travel is required and one registration fee covers as many attendees as you want to share a single phone line. Webinars are simply a presentation that you view over your computer’s internet connection. Webinars are interactive by allowing you to chat with the presenter, take online polls and watch your presenter’s pointer as key issues are addressed. The interaction of these webinars continues while you listen to a live presenter through either your computer speakers or over a telephone connection.

Accessing education seminars is now easier with education On-Demand webcasts. This service allows attendees to participate in computer-based archived seminars that can be accessed at your convenience. You are able to start, pause, rewind or fast forward through presentations so that you do not miss any of the information due to an interruption.

Dozens of subjects are offered via Webinars or On-Demand. If you do not see the topic you are looking for, contact the SFE office for assistance. SFE staff will be available to take questions after each viewing and beyond! Some of our Webinar and On-Demand topics include:

- ACH
- Cards
- Check Rules
- Mobile Deposits
- Operations
- PCI Compliance
- Remote Deposit Capture
- Risk Management
- Vendor Management
- Wire Transfer

“Being a member of SFE is like having a payments expert on our payroll without the cost of an additional employee. SFE has excellent training, they keep us abreast of changes, they answer questions about regulations, and they tell us how to handle individual problem transactions. Their response is always prompt and satisfactory.”

Bart Greene
Senior Vice President, ISO
First National Bank of Wynne
Wynne, AR

“SFE has provided excellent on-site training seminars for our employees on numerous occasions. We appreciate the convenience of having SFE staff on-site because it allows more of our employees to attend the training. We also know that we are receiving quality training from experts in their field at a significant cost savings to our bank. We look forward to many more years of working with Southern Financial Exchange as our partner in banking.”

Chris Harley
Chief Information Officer
The Commercial Bank,
Meridian, MS
Customized Training Classes

Any electronic payments topic and even those presented on our scheduled education calendar can be presented and altered to meet your individual organization’s needs. Customized training can be presented in a half-day, full-day, multiple-day or in an hourly format. You may choose an on-site visit or a webinar/teleseminar format.

Complimentary Power Hours

Always Industry Current Hot Topics!

Included in your Membership Dues, is a telephone registration to attend periodic Power Hour Webinars. These live education events are conducted over the internet and/or telephone, similar to a scheduled Webinar. No travel is required and one registration covers as many attendees as you want to share a single phone line. Presentations are interactive – many allow you to chat with the presenter, take on-line polls and watch your presenter’s pointer as key issues are addressed.

William A. McLarty Scholarship
The Payments Institute

Named in memory of William A. McLarty, a longtime supporter of SFE and dedicated board member, this scholarship offers a unique opportunity for a deserving individual to attend The Payments Institute, a one-week comprehensive, in-depth education program for the financial services industry.

The non-transferable, annual scholarship award will pay up to $3,000 towards the registration fee and travel-related expenses.

The Payments Institute

Hosted by NACHA, The Payments Institute is a university-style program focused on continuing education for industry professionals, providing targeted education on the payments industry’s most important topics.

From developments in payments fundamentals to emerging opportunities, TPI provides education to prepare payments professionals for what is to come. Attendees leave with knowledge and tools to help them more effectively mitigate risk, remain in compliance, deploy innovative solutions, and add to their company’s bottom line.

Scholarship Eligibility

- The nominee must be employed by an SFE member company.
- The nominee must have worked a minimum of three years in the financial industry.
- Primary consideration will be given to nominees who work in the payments industry.

SFE accepts nominations online at www.sfe.org and more information is available there.
Information & E-mail Notification Service

Knowledge is power, and a steady flow of vital information is the key to that power. Southern Financial Exchange strives to keep its members informed of developments in the rapidly-changing arena of electronic payments through a variety of means. Our website, www.sfe.org, is updated frequently with the latest in education and marketing opportunities, as well as up-to-the-minute compliance alerts and other payments developments that you need to be aware of. If you like receiving updates via email, our optional members-only bulletins provide a convenient way to stay informed. Visit our website at www.sfe.org and sign up today!

ACH Professional Certification

The Accredited ACH Professional (AAP) certification is awarded annually by NACHA and is designed to be both efficient and flexible. NACHA partners with PSI for computer-based testing facilities around the country to provide opportunity for choosing the exam time and locale service area. Candidates for the certification examination, which is given each October, must register directly with NACHA. The registration fee includes a study guide. The pass rate for the exam has historically been about 50% nationwide, indicating the complexity and depth of the information covered. It is recommended that an eight-to-ten month study plan be considered, to include appropriate Southern Financial Exchange educational opportunities and supplemental publications. SFE conducts review courses in multiple locations along with a summer reading program prior to the exam to help guide your preparedness.

National Check Professional Certification

Let SFE Help Move Your Career to the Next Level

The National Check Payments Certification Program is intended, in part, to recognize an elevated level of payments expertise among payment professionals.

Since 2005, the check payment system has undergone sweeping changes unlike anything previously seen in U.S. payments history. The processing of paper checks is now truly inconsequential and the check system has only a small transition left to become a fully electronic payment system. According to the 2013 Federal Reserve Payments Study, during 2012 approximately 3% of checks were cleared as paper transactions. This means 97% of forward collection is now accomplished using image exchange.

Through the certification process, National Check Professionals (NCPs) will demonstrate a working knowledge of every significant aspect of the new check payment system including products and operations, relevant rules and laws that govern checks, industry standards and fraud and risk mitigation considerations. Additionally, NCPs will explore those characteristics of check payments that make checks unique among payments and that continue to provide lasting value for tens of billions of payments each year valued at tens of trillions of dollars.

Register for the exam or learn more at: www.eccho.org/ncpc.
For more test prep info visit www.sfe.org.
Publications

In conjunction with NACHA and the other Regional Payments Associations, we are proud to offer our members significant discounts on a wide variety of payments-related publications developed by nationally-recognized experts. Printed publications are available online at discounted pricing to members at www.sfe.org. All of our member institutions receive a complimentary copy of the updated ACH Rules book each year. Each copy includes free access to a searchable on-line version of the rules.

Let’s face it – the ACH Rules book is not light reading, and sometimes you just can’t find what you are looking for in there, or you’re not sure you understand what you are reading. That is where Southern Financial Exchange can help. We have a toll-free number so that you can reach an Accredited ACH Professional to help you with those NACHA rules interpretation questions, or questions about Regulation E, the Treasury Green Book, and other regulations. When in doubt – don’t guess. Call Southern Financial Exchange for a quick answer.

Advocacy and National Representation

Southern Financial Exchange is your voice at the national level. Through participation in the national ACH rules-making process, we represent the interests of our members as the operating rules of the network are developed and submitted for approval. Our staff participates in NACHA’s Payments Innovation Alliance and education work groups. The depth of knowledge our staff gains through participation in these cutting-edge groups adds further value to your membership.

In the event that a participant in the ACH Network does not adhere to the ACH operating rules, the National System of Fines may be used to sanction a party for violation recurrences and willful disregard of the operating rules. SFE members submit Rules Violation Reports to NACHA and they are monitored by SFE. Consulting and education alternatives are often recommended by SFE to avoid repetitive incidents.

Payments Services

Regular members participate in Automated Clearing House (ACH) services as Receiving Depository Financial Institutions (RDFIs). Regular members are eligible to participate in ACH services as Originating Depository Financial Institutions (ODFIs). ACH Operator processing is available through the Federal Reserve ACH services or the Electronic Payments Network (EPN).

Affiliate members may participate in all payments services through account relationships with regular members.
Image Exchange Rules

Since existing check law does not address check image exchanges, every institution engaged in check image exchange needs to be covered by an image exchange agreement. The best coverage is obtained through clearinghouse rules such as the ECCHO rules.

Through a sponsorship agreement with ECCHO, Southern Financial Exchange members can join ECCHO to use its rules for exchanging images.

ECCHO is the only national clearinghouse with a comprehensive set of image exchange rules. ECCHO is recognized and supported by many organizations, including SFE, as the national provider of ECP and image exchange rules.