LET'S STAY CONNECTED

We believe in the value of strategic partnerships and a collaborative approach to supporting our industry through long-term relationships, the beneficial exchange of insights, and excellence in service. Follow us on social media for updates or set up a quick call to talk in more detail.

Strategic Treasurer

linkedin.com/company/strategic-treasurer-llc

@StrategicTreasurer

@StratTreasurer

Strategictreasurer.com/podcast
or wherever you listen to podcasts

ctmfile.com

TREASURY ROADMAP:

ADDRESSING 2026 ACH FRAUD RULE CHANGES THAT IMPACT YOUR COMPANY

WHAT

Discussing what the fraud rule changes mean for your team, your processes, and your banking relationships.

WHEN

Wednesday, November 12, 2025
2:00 PM - 3:00 PM EST

WHERE

Live online presentation
Replays at StrategicTreasurer.com

TAYLOR NEMETH
VP Product, PaymentWorks

MARK DIXON
Senior Consultant, Nacha Consulting Services

CRAIG JEFFERY
Founder & Managing Partner, Strategic Treasurer

Strategic Treasurer

PaymentWorks

Certified Treasury Professional®

This presentation is provided by Strategic Treasurer and PaymentWorks.

PaymentWorks

STRATEGIC TREASURER

TODAY'S SPEAKERS

TAYLOR NEMETH
VP Product, PaymentWorks

MARK DIXON
Senior Consultant, Nacha Consulting Services

CRAIG JEFFERY
Founder, Managing Partner, Strategic Treasurer

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS & ANALYSIS

VENDOR FRAUD

LANDSCAPE AND SIZE OF THREAT

RULE CHANGES

DETAILS AND AFFECTED PARTIES

IMPLICATIONS OF CHANGES

VENDOR-RELATED PROCESSES

FIGHTING FRAUD

THROUGH MULTIPLE LAYERS

TIME TO COMPLIANCE

APPROACHING DEADLINE

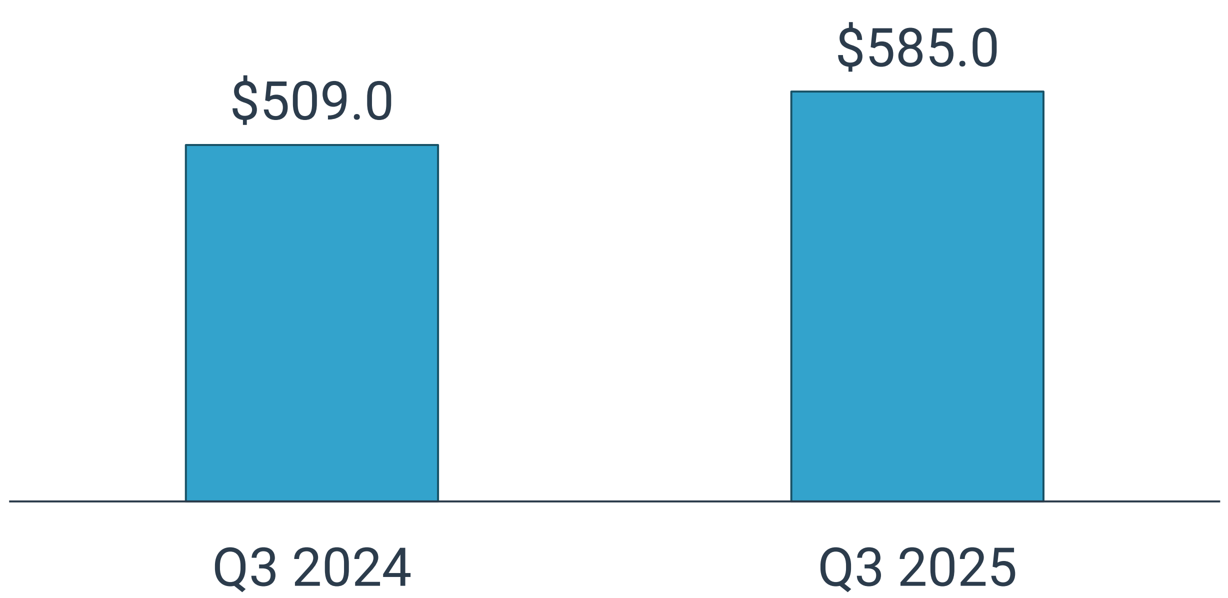
KEY TAKEAWAYS

AND FINAL THOUGHTS

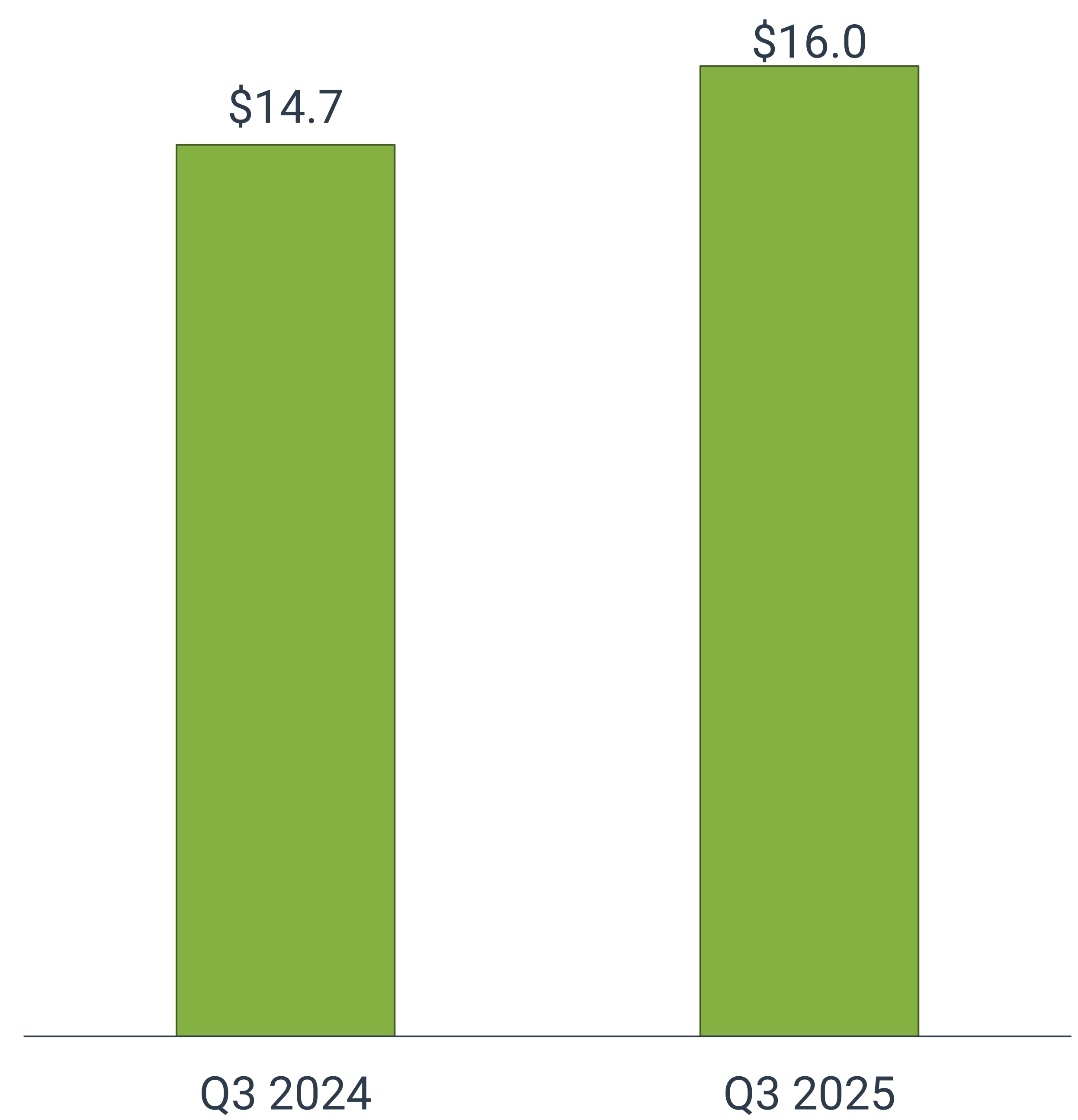
ACH NETWORK GROWTH

SAME DAY ACH VOLUME INCREASES YEAR OVER YEAR AS VALUES RISE

B2B VIA SAME DAY ACH (USD BILLION)



B2B OVERALL (USD TRILLION)

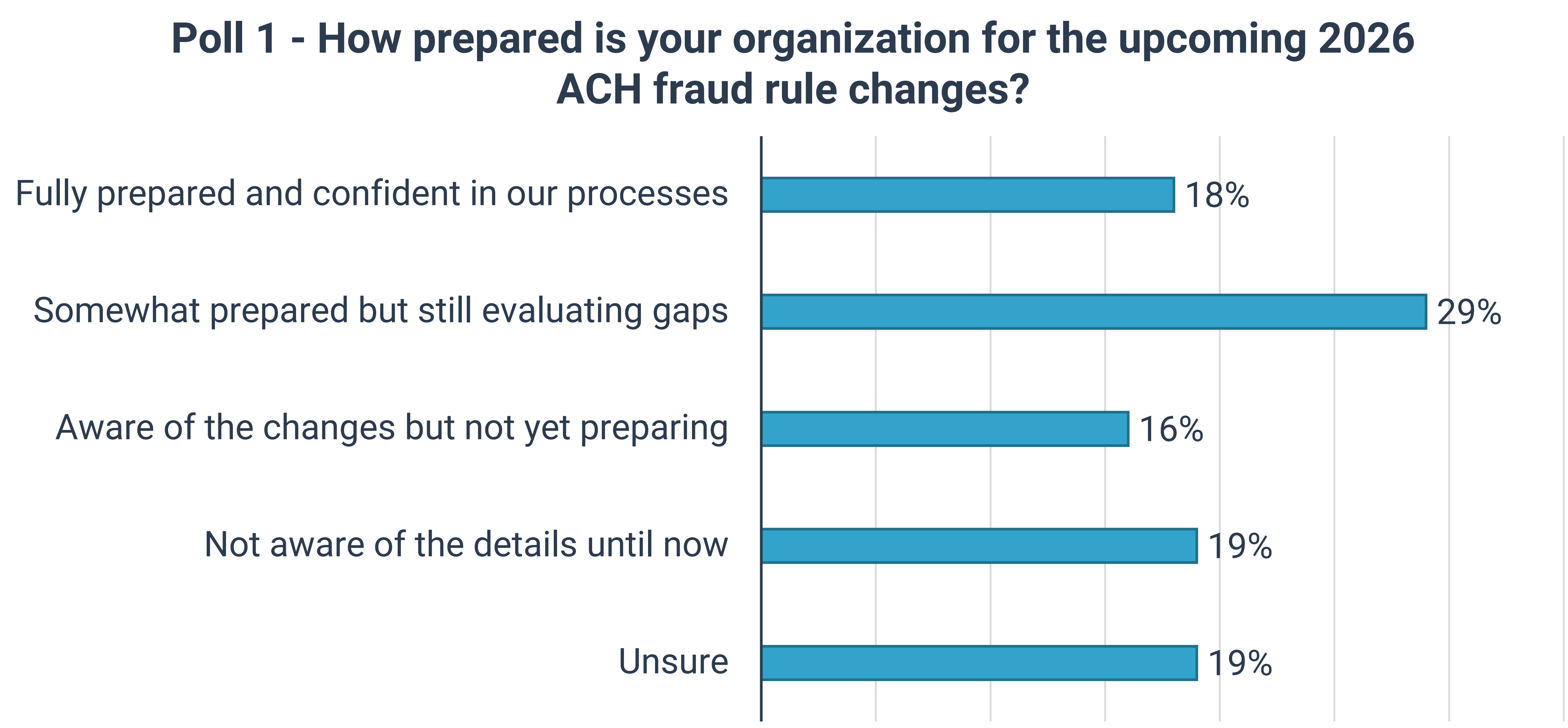


Q3 2025 total ACH network volume: 8.8 billion transactions

- 4.9 billion debits
- 3.9 billion credits

Source: Nacha

POLL QUESTION



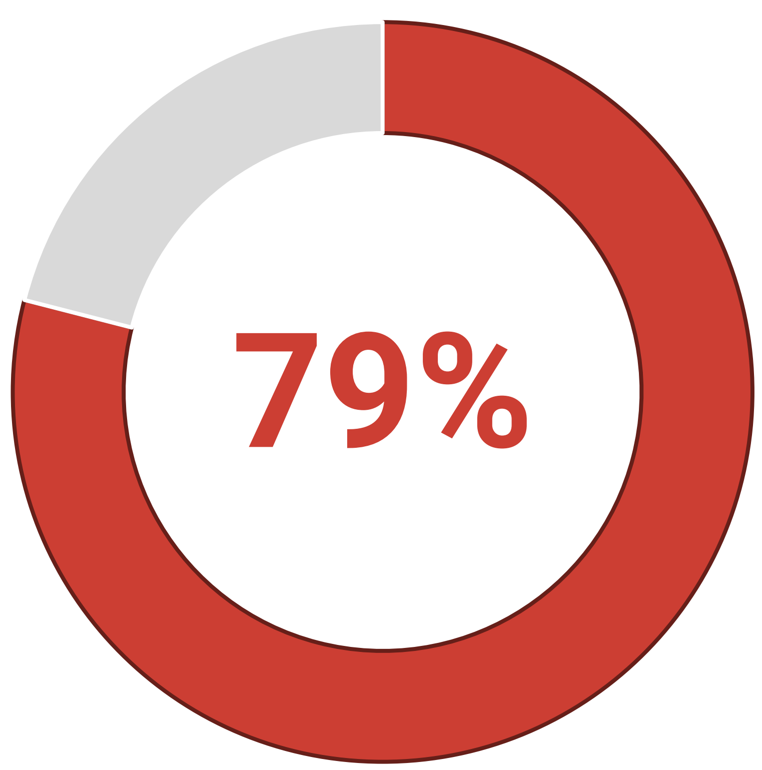
PaymentWorks

Strategic Treasurer

PUSH PAYMENT FRAUD

PROBLEM OF GREAT MAGNITUDE

Percentage of respondents who experienced fraud attempts in 2024



International scope
- Cross-border collaboration
- Organized crime syndicates
- Rapid shifts in industries targeted

AI = Speed and volume increases
- Size of opportunity no longer an issue for criminals

Improved cyber defense does not stop social engineering
- Staff training is essential

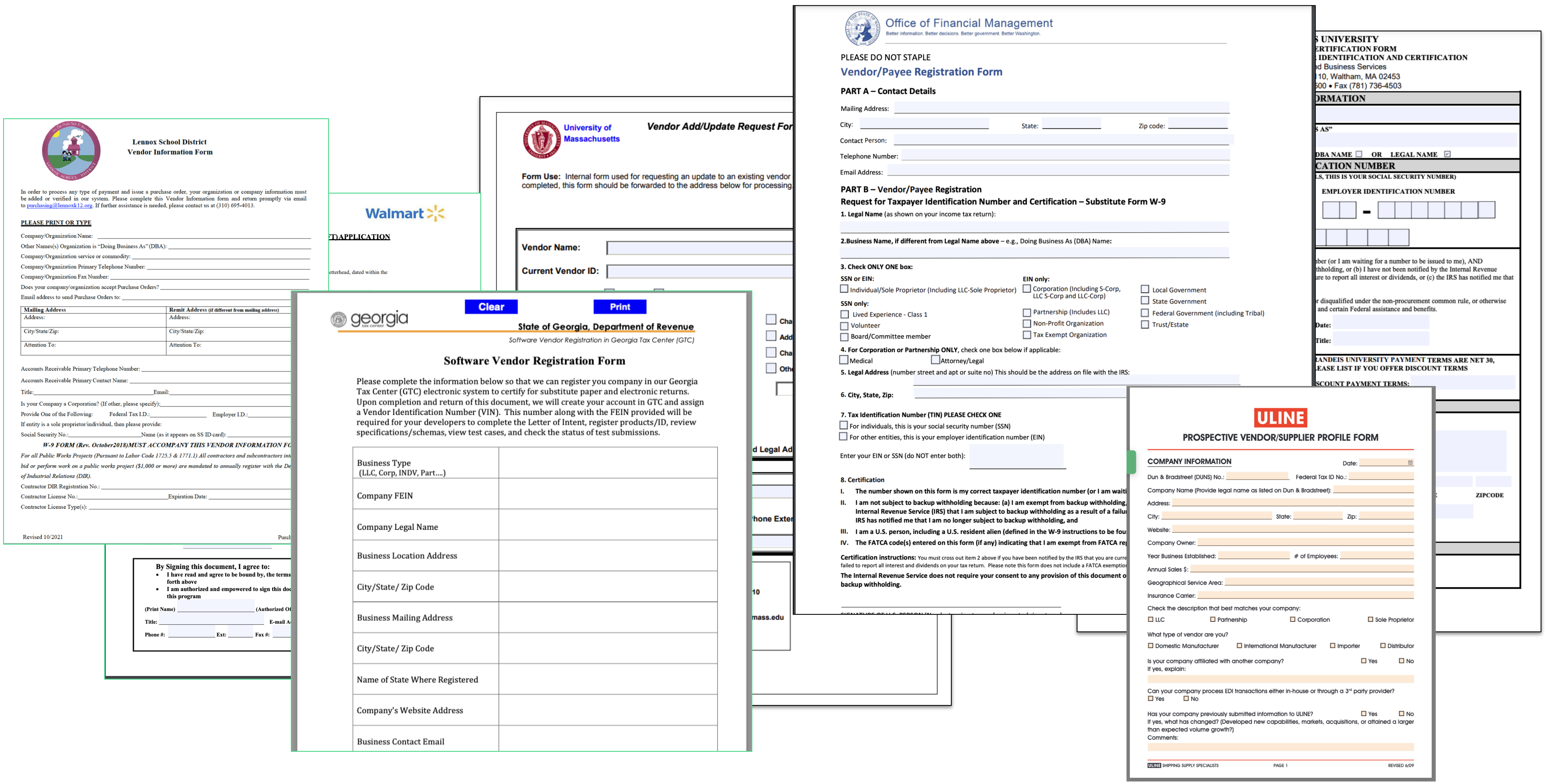
Source: AFP 2025 Payments Fraud and Control Survey

PaymentWorks

STRATEGIC TREASURER

DOING BUSINESS WITH A VENDOR

MANY ACCOUNTS TO KEEP UP WITH



PaymentWorks

Strategic Treasurer

FALSE PRETENSES

NEWLY DEFINED TERM IN NACHA'S RULE AMENDMENTS

"The inducement of a payment by a person misrepresenting:

(a) that person's identity,

(b) that person's association with or authority to act on behalf of another person, or

(c) the ownership of an account to be credited."

"This definition covers common fraud scenarios such as business email compromise (BEC), vendor impersonation, payroll impersonation, and other payee impersonations, and complements language on 'unauthorized credits' (account takeover scenario)."

Source: Nacha

PaymentWorks

Strategic Treasurer

ACH FRAUD FRAMEWORK

STRENGTHENING MONITORING, RETURNS, AND COMMUNICATION STANDARDS

FRAUD MONITORING

- Originator
- Third-Party Service Provider (TPSP) / Third-Party Sender (TPS)
- Originating Depository Financial Institution (ODFI)

Standardized descriptions

RECEIVING DEPOSITORY FINANCIAL INSTITUTION (RDFI)

- ACH credit monitoring
- Exemption from funds availability
- Expanded use of R17 RRC (Return Reason Code)

EXPANSION OF ODFI REQUEST FOR RETURN

PaymentWorks

Strategic Treasurer

NACHA RISK MANAGEMENT RULES

SCOPE OF RULE CHANGES

WHO

- Fraud monitoring by originators, Third-Party Service Providers (TPSPs), and Originating Depository Financial Institutions (ODFIs)

WHEN

- Phase 1: March 20, 2026
  - Fraud monitoring by all ODFIs, as well as non-consumer originators, TPSP/TPS, and with annual ACH origination volume of 6 million or greater in 2023
- Phase 2: June 19, 2026
  - All other non-consumer originators, TPSP, and TPS

WHAT

- Establish and implement risk-based processes and procedures reasonably intended to identify ACH entries initiated due to fraud

MONITORING FRAUD

EXPECTATIONS AND RECOMMENDED ACTIONS

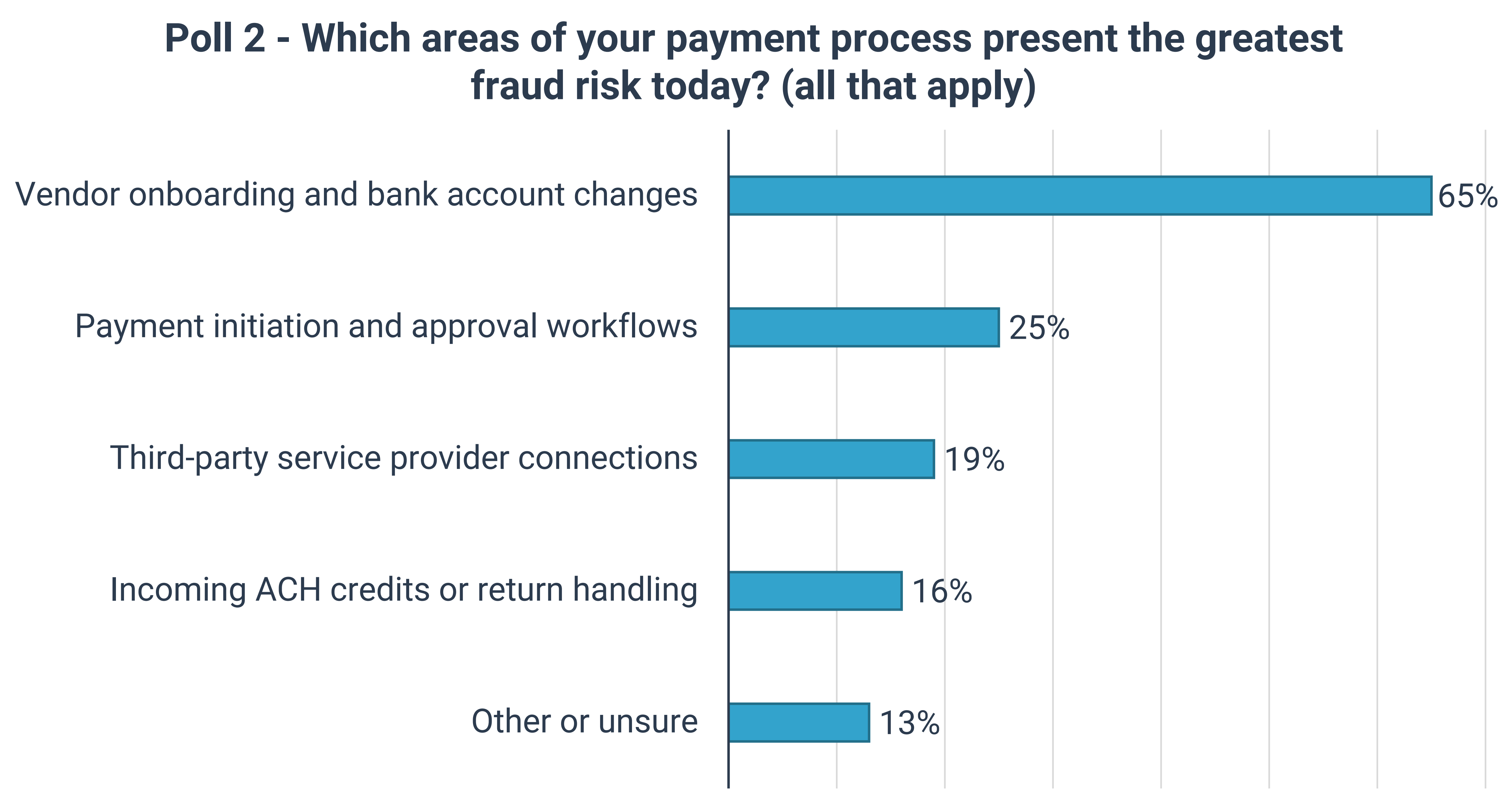
A risk-based approach cannot be used to conclude that no monitoring is necessary at all; at a minimum, an entity should conduct a risk assessment to identify and differentiate higher-risk from lower-risk transactions

Monitoring transactions prior to processing provides the greatest opportunity for detecting and preventing potential fraud, but it is not required

For transactions in which monitoring identifies a high potential for fraud, the originator should consider some action based on the monitoring results. Actions may include, but are not limited to:

- Stopping further processing of a flagged transaction
- Consulting with the receiver, using previously verified communication methods, to determine the validity of the transaction
- Consulting with other internal monitoring teams or systems to determine if the transaction raises other flags
- Using the results of account validation methods completed prior to ACH origination to determine if characteristics of the receiver's account raise additional red flags

POLL QUESTION



ROLE OF YOUR BANK

AND HOW IT IMPACTS YOUR RESPONSIBILITIES AND WHAT YOU SHOULD DO

Your banking partner (ODFI) is ultimately responsible for ensuring the ACH entries it sends through the network meet all applicable requirements.

The ACH agreement with your banking partner drives your responsibility. This includes ACH Rule compliance!

What should you do regarding the new rules?

- Talk to your banking partner relationship manager. Understand what they expect from you.
- Review your current process with them and ask for feedback.
- Document your program, include the elements they requested, and share it with the bank.

PaymentWorks

Strategic Treasurer

POLICY VS. PROCEDURES

FRAUD POLICY SETS EXPECTATION, WHILE PROCEDURES DEFINE ACTION

NACHA REQUIREMENT:
Establish and implement risk-based processes and procedures reasonably intended to identify ACH entries initiated due to fraud

DOCUMENTED PROCEDURES
Organization has written vendor verification procedures

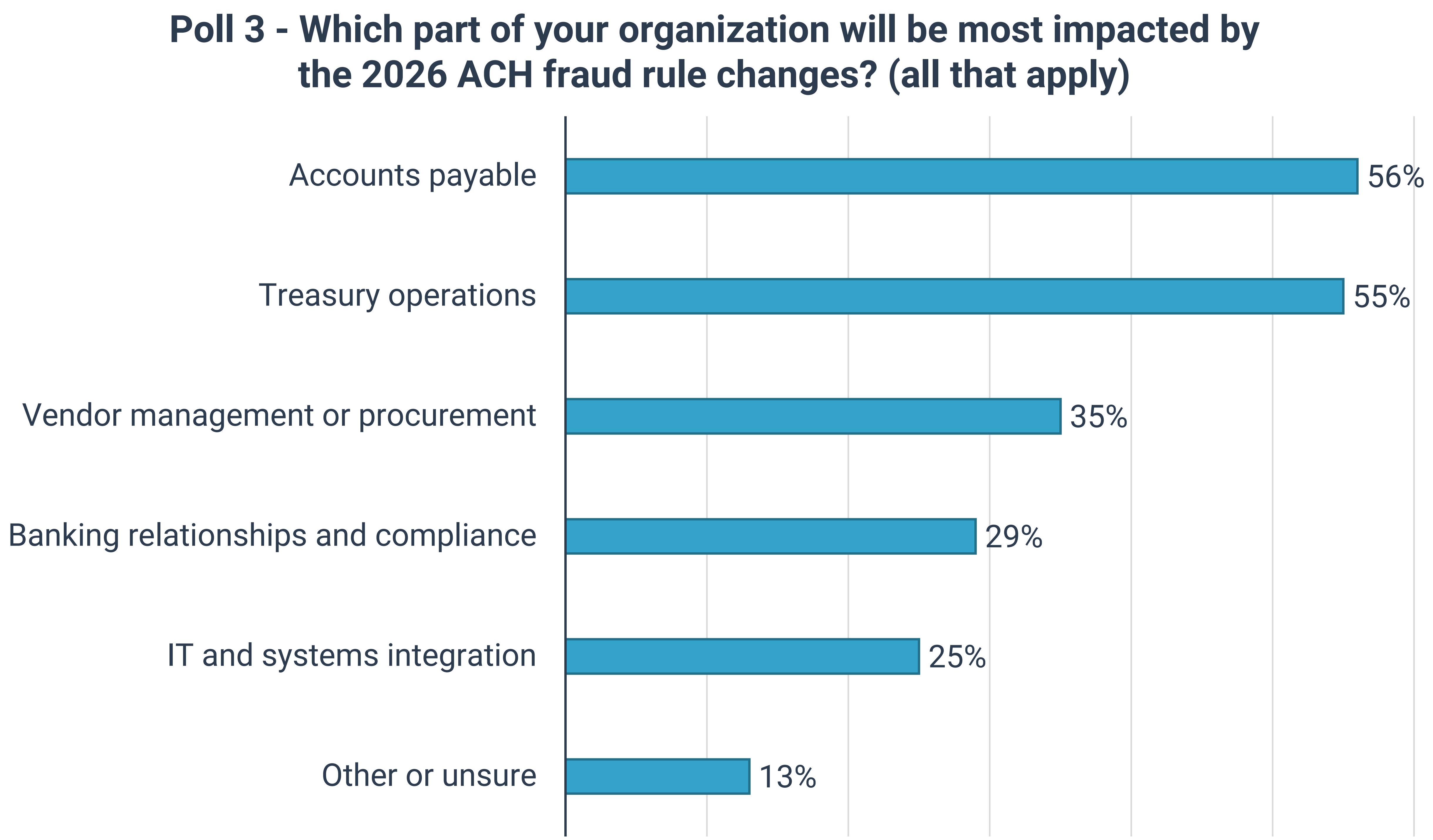
→

REVIEWED AND TESTED
Procedures are actively implemented and verified

→

LOCKED DOWN PROCEDURE
Audited, role-based, continuously monitored

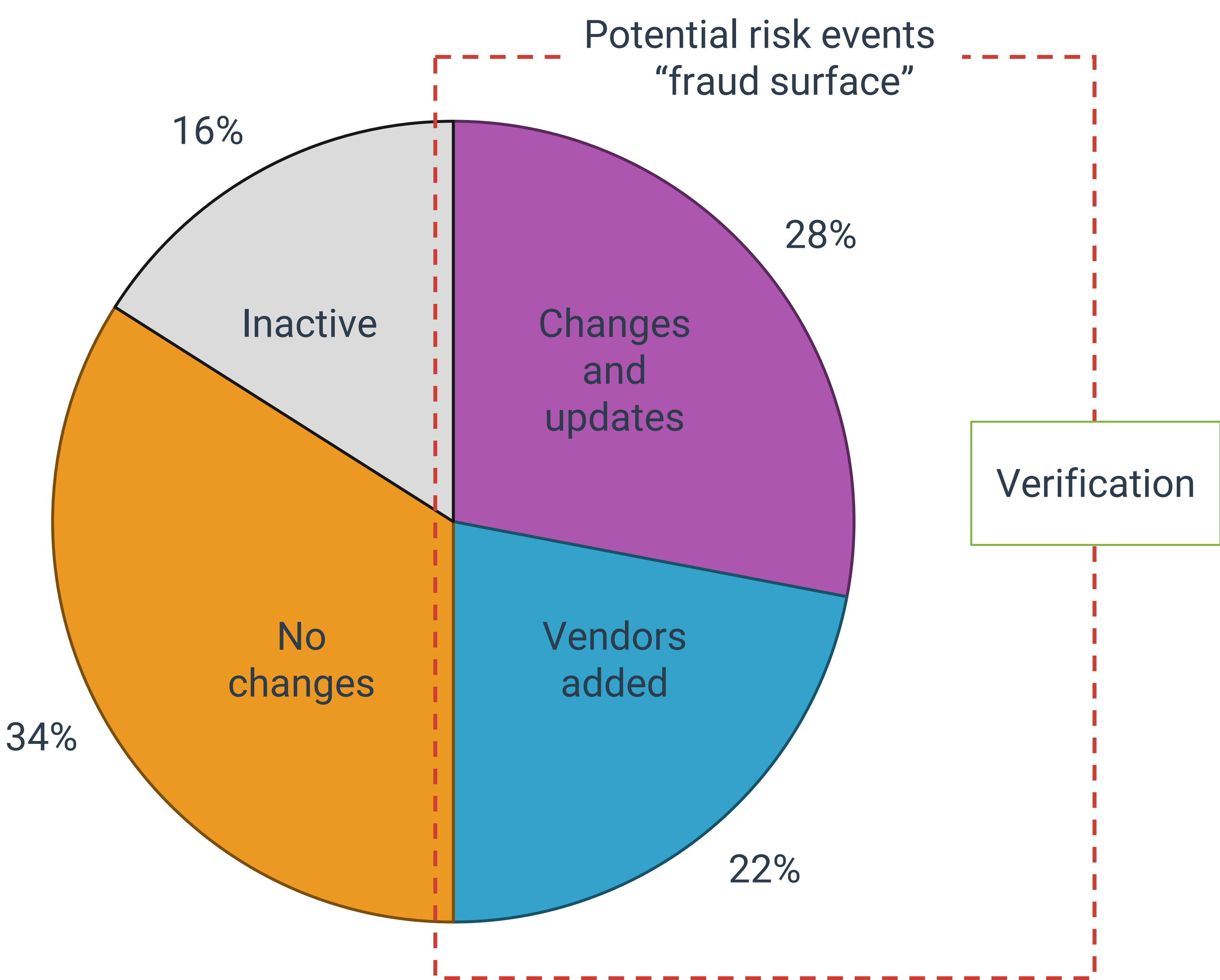
POLL QUESTION



VENDOR CHANGES

KEY RISK EVENTS

Vendor management is no longer just a clerical process



BANK ACCOUNT VERIFICATION PROCEDURE

VERIFICATION COUNT		VERIFICATION EFFORT
50%	Third-party lookups	10%
50%	Phone verification	90%

Source: PaymentWorks

AUTOMATION REQUIRED

FIGHTING FRAUD REQUIRES FOUR LAYERS OF DEFENSE

Continuous validation, monitoring, and risk review

IDENTITY VERIFICATION

- User level, entity level
- Validate name, address, phone, and email
- Verify SSN/TIN against government data
- Screen against sanctions and watchlists

SCREENING AND ANALYTICS

- Use machine learning to flag unusual or suspicious activity
- Device and user geolocation intelligence
- Apply advanced controls to high-risk payments

PAYMENT MONITORING

- Segment and scrutinize high-value payments in real time to ensure appropriate controls have been applied

ACCOUNT VERIFICATION

- Confirm bank account details match legal entity records
- Verification phone calls
- Exception approval workflow

TIMELINE TO READINESS

KEY MILESTONES AND ACTIONS ALONG THE PATH TO COMPLIANCE

2024 — GAP ASSESSMENT AND IDENTITY VERIFICATION

Pre 2025:

- Assessment of existing vendor management processes
- Identification of weaknesses and gaps
- Understanding of regulatory requirements

2025 — TRANSITION TO RISK-BASED PROCESSES

Transition to risk-based processes:

- Implement multi-layered identity verification
- Adopt automated verification techniques
- Reduce phone call verification effort

2026 — AUTOMATION AND INNOVATION

Automation and continuous innovation:

- Continuous monitoring of vendor identities
- Technical iteration of prevention methods
- Reduce fraud surface area through advanced identity platforms

FINAL THOUGHTS

HOW TO PROCEED

DETERMINE SCOPE OF WORK

- Look at the size of your existing supplier file

GATHER KEY STAKEHOLDERS

- Treasury, finance, procurement, risk
- Risk-assessment process

ENGAGE YOUR FINANCIAL INSTITUTION

- What are they expecting?

LET'S CONNECT

DON'T LET THE LEARNING END HERE…
CONTACT US WITH ANY FUTURE QUESTIONS

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.

STRATEGIC TREASURER

Craig A. Jeffery,
Managing Partner

craig@strategictreasurer.com

+1 678.466.2222

PAYMENTWORKS

Taylor Nemeth,
VP Product

info@paymentworks.com

paymentworks.com

NACHA

Mark Dixon,
Senior Consultant

mdixon@nacha.org

nacha.org/consulting

Your source for treasury insights and news in the car, at the gym, or wherever you decide to tune in.

Listen

Strategic Treasurer

PRACTITIONERS

CORPORATE TREASURY & FINANCE

We help treasury do more of the right work with less of the waste.
Learn from our experience. Leverage our expertise.

ADVISE Major Projects

- Treasury Structures
- Liquidity & Risk
- Banking Services
- Treasury Technology

ASSIST Outsourced Services

- Fee Management
- Employee Security Training
- Compliance Services
- Connectivity & Onboarding

RESEARCH Market Data

- Survey Participation
- Research Report Access
- Industry & Peer Benchmarking
- Critical Treasury Assessment

INFORM Industry Insights

- Technology Analyst Report
- Webinars (CE Credits)
- Podcasts & Videos
- eBooks & White Papers

Feenix SMS SPEND MANAGEMENT SOLUTIONS | SecureTreasury™ PAYMENTS SECURITY TRAINING | FinTech HOTSEAT | THE TREASURY UPDATE PODCAST | CTMfile

Learn more or schedule an introduction today at strategictreasurer.com/practitioners

STRATEGIC TREASURER

PROVIDERS

BANKING, FINTECH AND INVESTMENT

We help providers engage treasury with smart marketing solutions.
Extend your reach. Strengthen your impact.

ADVISE Major Projects

- Go-to-Market Advising
- Product Design & Roadmapping
- Messaging Optimization
- Investment Validation

ASSIST Outsourced Services

- Sales Optimization & Training
- Marketing Team Support
- Content Amplification
- SME Speaker Bureau

RESEARCH Market Data

- Treasury Insights (Data Services)
- Tailored Market Research
- Survey Program Sponsorship
- Client Benchmark Reporting

INFORM Industry Insights

- Expert Content Creation
- Platform Access & Distribution
- Targeted Demand Generation
- Custom Campaign Programming

Treasury Insights | FinTech HOTSEAT | THE TREASURY UPDATE PODCAST | CTMfile | TREASURY COALITION

Learn more or schedule an introduction today at strategictreasurer.com/providers