

Will your direct deposit leave the U.S.? (International ACH)

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The Electronic Payments Association (NACHA) requires all direct deposit payments that are sent outside the U.S. to be identified and sent as International ACH Transactions (IATs). If the entire amount of your direct deposit is ultimately deposited to a financial institution outside the U.S. Please complete the form below and/or contact the Payroll Office (518) 276-6926 or Accounts Payable Office (518) 276-6923.

Frequently Asked Questions

What is an IAT transaction? An IAT (International ACH Transaction) is an ACH (direct deposit) debit or credit entry that is part of a payment transaction originating from or transmitted to an office of a financial agency located outside the territorial jurisdiction of the United States. Corporate business and consumer accounts may receive IAT entries. For example, you may have payment instructions with your bank to move the entire amount of the direct deposit received from Rensselaer Polytechnic Institute to a foreign financial institution.

Why the change in regulations? Under US Law, banks are required to screen all ACH payments to ascertain if the funds associated with a payment are being remitted to (or being received from) any party subject to the Office of Foreign Assets Control (OFAC <http://www.treas.gov/offices/enforcement/ofac/>) sanctions. OFAC administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to national security, foreign policy or the economy of the United States. OFAC has authority to impose controls on transactions and freeze assets under US jurisdiction. The IAT rules are intended to assist the banking industry in performing this screening process.

Does the regulation apply to checks or wire payments as well? No. The regulations only apply to ACH transactions. There are already OFAC regulatory screening requirements within the domestic wire transfer networks.

If I am only going to be transferring a portion of my payment do I have to consider my payment an IAT transaction? No. To be considered an IAT transaction the entire amount of the payment would need to be transferred to a location outside of the United States.

Why aren't the banks collecting this information? Banks that transmit funds outside the U.S. already do report to the Federal Office of Foreign Assets Control (OFAC) for security purposes. The new rule is an attempt by OFAC to determine the source of these funds when originally transmitted within the U.S. using the NACHA network. That is why ACH originators (like

Rensselaer Polytechnic Institute) are being asked to identify and properly code IATs.

Where can I see the policy documents that are requiring Rensselaer Polytechnic Institute to obtain this information? The best resource for the International ACH Transaction (IAT) rule is the NACHA IAT resource page, <http://www.nacha.org/IATIndustryInformation/> (see executive summary.)

I think I am affected by these new requirements, what do I do? Complete the following form and submit as instructed.

Rensselaer Polytechnic Institute OFAC Compliance Form

International ACH Transaction (IAT)

As a U.S. entity, the University is obligated to comply with the requirements of the United States Department of Treasury Office of Foreign Assets Control (OFAC), which oversees payments sent outside the territorial jurisdiction of the United States. This includes automated clearing house (ACH) payments, such as electronic funds transfer (EFT). Effective September 18, 2009, the Institute is obligated to identify as an "International ACH Transaction" (IAT) any EFT of a payment that are (1) made by Rensselaer Polytechnic Institute to a financial institution located outside the U.S., or (2) made by Rensselaer Polytechnic Institute to a domestic financial institution if that financial institution immediately transfers the full deposit amount to a financial institution outside of the US in a "back-to-back" transaction.

If you think you are affected by these new requirements, please fill out the information requested below.

Yes, I will transfer *all* of the funds outside the U.S. in a "back-to-back" transaction.

Employee or Student or Vendor Name: _____

Vendor contact person and title: _____

RIN or SSN or TIN: _____

Current Address: _____

Phone Number: _____

E-mail Address: _____ Date completed: _____

Please Mail, Email, or Fax to:

<u>Payroll</u> Darcey Pickett Payroll Manager Rice Bldg 110 Eight St Troy, NY 12180 518-276-6926 (phone) 518-276-2151 (fax) picked2@rpi.edu	<u>Vendors</u> Susie Palluti Accounts Payable Manager Rice Bldg 110 Eight St Troy, NY 12180 518-276-6923 (phone) 518-276-2151 (fax) pallus@rpi.edu
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