



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CREDIT UNIONS

P.O. Box 41200 • Olympia, Washington • 98504-1200

Courier Address: 150 Israel Rd. SW • Tumwater, WA • 98501-6456

Telephone (360) 902-8701 • TDD (360) 664-8126 • (800) 372-8303 • FAX (877) 330-6870 • <http://www.dfi.wa.gov>

Month DD, 201X

Sent by e-mail

XX XX, President/CEO
XXX Credit Union
PO Box
City, WA Zip

Dear XX XX:

Your credit union's Electronic Payment Systems (EPS) examination is scheduled during the regular safety and soundness examination beginning on **Month DD, 201Y**. The EPS exam will last for a week or less. Glenn Ross will be performing the EPS exam for the DCU.

The EPS examination process will be similar to our safety and soundness exam process. You should expect an opening meeting with senior management who are responsible for the EPS function. Then examiners will review documents and reports, and have discussions with management over policies, procedures and credit union practices. An exit meeting will be scheduled to discuss the examiner's findings and concerns.

The enclosed Summary of Information Request will also expedite the EPS exam process. For your information and reference, the EPS Questionnaires the examiner will be using during your upcoming EPS examination are available on our website at <http://www.dfi.wa.gov/credit-unions/forms>.

Please have the information requested in this letter available on Box two weeks prior to the beginning of the EPS exam. Any significant changes to your computer information systems should be brought to the examiner's attention. Please feel free to contact Glenn Ross by phone at (360) 481-2551 or glenn.ross@dfi.wa.gov if you have any questions.

Respectfully,

Myriam Powers

Myriam Powers
Financial Examiner Supervisor

cc: Glenn Ross, DCU IT/EPS Examiner

Electronic Payment Systems (EPS) Summary of Information Request

This information is the property of the Division of Credit Unions and is received from the credit union for our confidential use.

Under no circumstances may any recipient of this examination information use, disclose, or make it public except as authorized relating to credit union regulation. The law provides penalties for unauthorized use or disclosure of any such information, which is not otherwise publicly available. If any subpoena or other legal process is received calling for the production of such information, you should notify the DCU immediately.

General Directions

Reports and information should be the most recent available. If you cannot provide the documents requested, please indicate why. If a particular area is not applicable, simply indicate N/A.

Supporting Documentation

The EPS examiners will be examining the Credit Union for a variety of EPS controls. The information request below comprises the standard documentation required by the examiners for their exam review. Additional documentation and information may be required during the course of the exam.

Item Number	Electronic Payment Systems (EPS) (General)
EPS01	All policies/procedures related to EPS . This should include at least the following: <ul style="list-style-type: none"> • ACH (origination and receipt) • Wires (incoming / outgoing – domestic / international) • Remote deposit capture • HR policies governing employee onboarding and termination practices • Business continuity
EPS02	Organization chart for EPS operations and business units (include name and title).
EPS03	Most recent risk assessment of ACH, item processing/RDC, and wire transfer operations and systems.
EPS04	Description of any significant changes in policies, personnel, products, and services since the previous safety and soundness examination as it relates to EPS.
EPS05	Thorough description (include narratives and/or logical flow charts where applicable) of each EPS product and service, operational activities, and the systems and applications used to facilitate processes. Include a description of outsourced services and third-party product applications and systems.
EPS06	Description of all reports and logs reviewed by management to verify appropriate staff access to EPS application(s) and secure operational areas. Provide user access and authority reports for all applications and most recent documented review by management.
EPS07	Documentation of EPS related staff training. Include cross training and rotation of duties logs.
EPS08	Strategic and business plans specific to EPS.

EPS09	List of any EPS related projects/conversions in progress or planned.
EPS10	Documentation of material operational or credit losses related to EPS products and services. Include the dollar amount of loss, reasons for the loss, and actions taken by management to prevent future loss.
EPS11	Member agreements related to EPS products and services (for example, Electronic Funds Transfer agreement, ACH Origination agreement, remote deposit capture agreement)
EPS12	Business Impact Analysis (BIA), Business Continuity Plan (BCP), and results of the most recent BCP testing for all EPS activity. Include BCP testing with any third parties utilized for processing.
EPS13	Most recent audits performed related to any aspect of EPS activities including NACHA compliance audit. Include management's response to any exceptions noted. Include status report used to track progress made on correcting exceptions (status tracking report).
Item Number	Automated Clearing House (ACH)
ACH01	Report of originators and exposure limits for which the credit union is the Originating Depository Financial Institution (ODFI).
ACH02	Due diligence (including risk assessments) performed on originators for which the credit union is the ODFI. Provide explanation of how ACH exposure limits are established and description of monitoring processes.
Item Number	Remote Deposit Capture (RDC)
RDC01	List of business members with RDC agreements (merchant capture).
RDC02	Due diligence (including risk assessments) performed on members qualifying for RDC products. Provide explanation of how members qualify for RDC, and procedures for monitoring members' RDC activity.
Item Number	Federal Reserve Bank Services - Systems and Applications
FRB01	A list of individual(s) (name, title, and department) fulfilling the roles of primary and secondary End User Authorization Contact(s) (EUAC) and Technical Support Liaison
FRB02	A list of PCs with FedLine Advantage software installed. Include the name of the user and the department.
FRB03	Copy of the Official Authorization List, Subscribers and Roles Report, Event Tracker Report, EUAC Listing, Application Audit Log. Provide most recent documented review of these reports by management.
FRB04	From FedLine application, screen print of Fed Payments Manager – Funds Processing Options: Settings and Verification Tabs.