TEXAS
The University of Texas at Austin

National Automated Clearing House Association Rules

eChecks

July 2025

Office of Internal Audits
UT Austin's Agents of Change

Executive Summary

National Automated Clearing House Association Rules

Project Number: AUS25RQ0004

Audit Objective

The objective of this audit was to determine compliance with the *National Automated Clearing House Association* [1] *2024-2025 Operating Rules for Internet Initiated/Mobile Entries (Nacha Rules).*

Conclusion

The University of Texas at Austin's (UT Austin) eCheck payment option complies with the *Nacha Rules,* eCheck access is controlled, and appropriate processes are established and supported by UT Austin Enterprise Platforms (EP).

Scope and Methodology

The scope of this audit included current controls for the eCheck payment option, including physical security, personnel controls, access controls, and network security.

To achieve the audit objectives, we reviewed *Nacha Rules;* UT Austin policies, procedures, and guidelines; the current list of users with access to *DEFINE related eCheck information; and supporting documentation. In addition, we conducted interviews and performed limited testing on information systems.

Background

UT Austin allows for online payments (e.g., tuition, housing, and dining) through an eCheck. Monetary transfers via eCheck rather than by debit or credit card are processed through the Automated Clearing House (ACH) Network. Because UT Austin creates ACH entries, it is considered an Originator.

Audit Observations

No recommendations were provided. See Additional Risk Consideration.

[1] Nacha is a trade association responsible for overseeing the ACH Network. Nacha requires an annual audit of each Originator to ensure financial information is protected. Nacha Website - https://www.nacha.org/

Additional Risk Consideration

During the FY23 Nacha Rule review, UT Austin self-identified that it was not in compliance with the WEB Debit Account Validation Rule. This rule requires the use of a check fraud detection system to screen online debits for fraud prior to using an account number. Noncompliance with the rule could result in a formal warning or monetary fines.

As of May 2025, it was noted that while it has taken longer than expected to engage with JPMorganChase (Chase) for addressing this issue, most of the internal system development needed to connect with Chase's validation service has been completed. However, UT Austin is still awaiting a technical contact from Chase to finalize this integration. UT Austin is hopeful that the entire project will be completed within the current fiscal year.

Engagement Team[2]

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Report Submission

We appreciate the courtesy and cooperation extended throughout the audit.

Respectfully Submitted,

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[2] This project was co-sourced with EAG Gulf Coast, LLC