MVECA

Best Practices Round Table

Thursday, 10/22/26, 1-3pm

Presented by: Jill Martin, Head Bookkeeper

@ **Xenia Community Schools**

Vendor/ACH Best Practices A Field Guide

Mitigating fraud in the financial arena has become a daily struggle. In response, Xenia Community Schools has developed a best practices field guide that provides a rigorous multi-layered framework to validate information to insure a safe transfer of funds. Below are the steps that we use to protect ourselves when setting up vendors for and paying by ACH.

Best Practices we'll cover today…

This discussion will focus on practical steps and strategies that can be adapted by other school districts, including:

- **Sample ACH Agreement Form** – Capturing and documenting vendor ACH information
- **Vetting ACH Information and Vendors** – Processes used to verify vendor information before payments are established
- **Preventing Fraudulent ACH Activity** – Steps and safeguards used to reduce the risk of fraudulent transactions
- **Moving Toward ACH Payments** – How Xenia Community Schools transitioned toward ACH payments and achieved an **89% ACH payment rate**
- **ACH Maintenance** – Ongoing procedures for maintaining and verifying ACH information
- **Inactivating Vendors** – Best practices for reviewing and inactivating vendors when appropriate

ACH Agreement Form

(See Attachment 01)

ATTACHMENT 01 - SAMPLE ACH FORM

ACH Agreement

Xenia Community Schools
Treasurer's Office
819 Colorado Drive
Xenia, OH 45385

Vendor Information

Company Name:
Address:
State:
City:
Zip Code:
Bank Name:
Bank Address:
Bank Acct. Number:
Routing Number:
ACH Email:
Company Tax ID #: (Always 9 digits)
(Email you'd like to be alerted of payment)
Date:
Name:
Signature:
Phone:
Email:
I am not an employee, spouse of an employee or Board Member of Xenia Community Schools

Authorization Agreement

I hereby authorize Xenia Community Schools to initiate automatic deposits to the account at the financial institution named above.
I also authorize Xenia Community Schools to make withdrawals from this account in the event that a credit entry is made in error.
Furthermore, I agree not to hold Xenia Community Schools responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution(s), or due to an error on the part of my financial institution in depositing funds to above account.
This agreement will remain in effect until Xenia Community Schools receives a written notice of cancellation from me or my financial institution(s), or I submit a new ACH Agreement.

Please email this completed form to: invoices@xeniaschools.org

T:/Treasurer Office Forms/Vendor ACH Form - REV 261008.pdf

Revised: 10/08/26

SAMPLE

ACH Agreement Form

- To obtain ACH information we email an ACH Agreement Form that is a fillable pdf, to capture all information regarding their Bank and Organizational Information. (see Attachment 01 – SAMPLE ACH FORM)
- This includes all of the usual organizational information including Name, Address, and Phone but also vital information to confirm a successful ACH Payment. Bank Name, ACH Email, and Company Tax ID# are all helpful in vetting this organizations ACH Information.
- Check box affirming they are not an employee, or spouse of an employee or Board Member ensures no conflict of interest.
- Authorization Agreement adds another layer of protection for both parties.
- "Please email this completed form…" ensures they will send back to the correct email.
- "Revised:" date helps in not only staying current but changing your ACH Form annually allows you to instantly recognize older or leaked versions.

Vetting ACH Information, Vendors & Emails

(See Attachment 02)

- When we receive information whether it is the completed ACH Form with ACH Information, or Vendor Information, or an email with a request for a change we vet information in the following ways.
  - Check the email in which the completed ACH Form or a change request is coming from. Is that email the accepted email domain name? **Eg. – (See Attachment 02)**
  - Type into a trusted internet search engine the name of the Vendor you are vetting and get the phone number for that vendor and call them or use the trusted number you have contacted before, ask for the Accounts Receivable Department and verify with that department the voracity of the Acct. # and the Routing #. Occasionally we run into someone who is leery of our intentions and so we will provide the last four digits of both the account and routing number and ask them to confirm. We also ask them to verify their EIN number.
  - Verify that the EIN# they provide on the ACH Form is the same EIN# that they sent to you in their W9.

Vetting ACH Information, Vendors & Emails

- Does the Signature of the person sending the ACH Form match the signature of the W9 if the same person? (Especially for smaller vendors this is often the same person and yet another way to verify)
- Does the phone # and the email on the ACH form match what you have in their Vendor Profile in USAS?
- If and when you receive and email or are mailed a notice of change of address or change of banking information, always take the time to search the company and phone number (NEVER use the phone number that they provide to you) and call to verify any new information that's been sent.
- BoneFish Systems and EVAS (Electronic Vendor Audit System) can precheck a Vendor by logging in and going to "Compliance" on the ribbon and then "Vendor Compliance" and "Vendor Pre-check" and looking up Vendor's not yet in your system to identify potential compliance risk or reputational concerns in advance.

Preventing Fraudulent ACH Activitiy

- Check into the current safeguards you have available through your bank (ACH Debit Block and POS PAY for paper checks) and do quarterly checks to see if there are any advanced or improved procedures from your bank.
- All outgoing ACH payments originating from our office require two distinct and separate team members to create and approve ACHs. (One person initiates the payment and the other reviews and approves the payment)

Moving toward ACH Payments

- In February 2024 our Treasurer Thomas Massie challenged us to turn as many Vendors as possible to ACH payments. By the end of 2024 we were able to obtain a 49% of each check run to be paid via ACH over the 28% ACH payment rate from 2023.
- Today we have a 89% ACH payment rate.
- How did we achieve that astounding rate?
  - Every new Vendor we created we required the W9 and ACH be sent together to create the vendor. A difficult request at first but purchasers got used to it and assisted very quickly.
  - Any existing Vendors were sent out an email requesting their most current W9 and were sent the pdf fillable ACH Form.
  - We tracked every ACH Form that went out and what came back in on a spreadsheet. We also noted on this spreadsheet the few existing vendors (usually smaller company's) that refused to be paid via ACH.

ACH Maintenance

- With every new and confirmed legitimate invoice we get we spot check that the address is the same on the invoice as the Vendor profile in USAS. If there are changes in the banking information we reach out to the vendor to confirm that those changes were made.
- So far we have never received a fraudulent invoice with changes in Vendor information on it that would lead to fraud but we always take a critical eye to every invoice that comes in to be sure.

Inactivating Vendors in USAS

- In USAS under >CORE and then >VENDORS
- Under "Active" set it to "= True" this will pull all of your "Active Vendors" up on the grid.
- Cast an electronic net to capture all VENDORS who have been inactive since a certain time. (eg. "<12/31/2019" when searching "Last Activity" will pull all Vendors who have been "inactive" since 1/1/2020)
- Click on "REPORT" and then change "Format" to "Excel – FieldNames"
- MVECA can provide directions to upload this excel file then to "inactivate" these Vendors that you have decided to parse out as a batch and makes the process quick and relatively easy.

Contact Information

If you have any further questions please feel free to reach out:

XENIA COMMUNITY SCHOOLS

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