

BOARD & SENIOR MANAGEMENT REPORTING CHECKLIST FOR ELECTRONIC PAYMENTS

1. Governance & Oversight

- Payments activities are included in regular board or committee reporting (e.g., quarterly)
- Roles and responsibilities for payments oversight are clearly defined (management vs. board)
- Payments align with the institution's strategic plan and risk appetite
- Emerging payments (e.g., RTP®, FedNow®) are formally acknowledged in governance discussions

2. Payments Portfolio Overview

Summary of active payment channels:

- ACH (Origination and Receipt)
- Wires
- Remote Deposit Capture (RDC)
- Instant Payments (RTP®, FedNow®)
- Other electronic payment services (if applicable)

High-level explanation of how clients use each channel

Identification of material changes since the prior reporting period

3. Volume & Trend Analysis (Core Board Focus)

- Quarterly volume trends for each payment channel
- Separate tracking of originated vs. received payments where applicable
- Trending analysis presented visually (graphs, bar charts, line charts)
- Identification of notable increases or decreases with management commentary
- Comparison of current-period trends to prior quarters or years

Tip: Static totals inform; trends engage and encourage board-level questions.

4. Client & Market Insights

- Evidence of shifting client payment preferences
- Growth or decline in specific client segments (e.g., business ACH originators, RDC merchants)
- Indicators of unmet client needs (e.g., growth in received instant payments without send capability)
- Impact of payments trends on product offerings and competitive position

5. Instant Payments Oversight (If Applicable)

- Status of institution's instant payments participation (receive-only or send/receive)
- Volume trends for RTP® and/or FedNow® received payments
- Management's rationale for current participation level
- Identified opportunities or risks related to instant payments expansion

6. Risk Management & Exposure Monitoring

Summary of key risks by payment channel (operational, credit, fraud, compliance)

Aggregate exposure levels for:

- ACH Originators
- Wire Beneficiaries
- RDC Merchants
- Instant Payment Senders

Confirmation limits are reviewed periodically

Documentation that full client relationships are considered when setting limits

7. Audit & Risk Assessment Reporting

Payments audit and/or risk assessment completed within the required timeframe

Board-level summary provided (not full audit report)

Clear identification of:

- Key strengths
- Significant weaknesses or gaps
- Risk ratings (if used)

Management action plans and timelines included

Status updates on prior findings and remediation efforts

8. Compliance & Regulatory Considerations

Confirmation of compliance with applicable payments rules (e.g., *ACH Rules*, operating circulars)

Summary of material regulatory or rule changes impacting payment channels

Management assessment of compliance risk trends

9. Cross-Functional Alignment (Operations & Lending)

Evidence of coordination between payments/operations and lending teams

Lender involvement in exposure limit approvals and reviews

Escalation process defined for exceeded limits

Board awareness of challenges related to limit exceptions or approvals

10. Strategic & Forward-Looking Discussion

Identified technology gaps or enhancement needs

Planned investments or changes in payments infrastructure

Impact of payments trends on liquidity, fraud strategy or client experience

Key questions or decisions requiring board input

11. Management Attestation

Management affirms the accuracy and completeness of payments reporting

Reporting reflects current risks, not just historical activity