

# Risk & Compliance Pitfalls for Payroll Processors:

Insights from  
NPG Audits & Risk  
Assessments



As pioneers in payments consulting, NEACH Payments Group (NPG) has meticulously analyzed our extensive audit and risk assessment data from our payroll clients over the past two years.

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**Our Goal:**

To unravel the regulatory nuances of payroll systems and share insights that can propel your operations to new and safer heights. The following information encapsulate a subset of findings to help you benchmark against your peers.

**Payroll Processors are Third-Party Senders according to the ACH Rules and are obligated to complete an annual ACH audit and periodic risk assessment.**

# How Do You Compare?

## ACH Audits and Risk Assessments



**63% OF PAYROLL COMPANIES FAILED** to conduct or retain proof of an annual ACH audit for the required 6 years.



**70% OF PAYROLL COMPANIES HADN'T PERFORMED OR INCONSISTENTLY CONDUCTED** an ACH risk assessment as mandated by Nacha.



**THE PITFALL:** Neglecting ACH compliance jeopardizes your operations, leaving you vulnerable to potential risks and fines for non-compliance.



**NPG SERVICES:** NPG audits and risk assessments identify vulnerabilities and areas of non-compliance with recommendations to improve payment processes.

## Client Education and Identification



**PAYROLL FIRMS WITH LESS THAN 10 EMPLOYEES FAIL TO KEEP CLIENTS INFORMED** about ACH Rules requirements, neglect to include the necessary Rules language in their ACH Origination Agreements and have no formal or Written Information Security Policy.



**THE CONSEQUENCES** Exposes your business to unnecessary risks, Rules violations and potential fines.



**NPG SERVICES** NPG can help ensure you are equipped to keep your clients updated on their Rules requirements as well as firm up your ACH Agreements and Written Information Security Policy to fortify your defenses against potential threats.

## ACH Operations



**100% OF NPG PAYROLL CLIENTS FULLY COMPLY** with Rules requirements related to exposure limits and prenotes, reversals, Notifications of Change (NOC), and returns processing.



**THE NPG ADVANTAGE** Our team of seasoned professionals provides tailored guidance and crafts solutions to ensure you understand your compliance obligations and make them an integral part of your operational success.

## Elevate Your Payroll Game with NEACH Payments Group!

In the dynamic payments landscape, having a skilled strategic partner is crucial for meeting compliance obligations and minimizing risk and fraud. NPG's team of payments experts bring over 200 years of payments experience to each engagement. Take the next step towards payroll compliance by contacting us today for a complimentary quote.

[www.neachgroup.com](http://www.neachgroup.com)

781-321-1011

[info@neachgroup.com](mailto:info@neachgroup.com)

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