

<p align="center">GUAM POWER AUTHORITY STANDARD OPERATING PROCEDURE</p>	<p>Prepared by:</p> <p><u>Winnie Sharma</u> / <u>Winnie Sharma</u> Signature / Print Accountant III</p>
<p>TITLE: PROCEDURES FOR CUSTOMER DIRECT PAYMENT OR ACH (AUTOMATED CLEARING - HOUSE)</p>	<p>Reviewed by:</p> <p><u>Lenora M. Sanz</u> / <u>Lenora M. Sanz</u> Signature / Print Controller</p>
<p>SOP NO: 127</p> <p>Supersedes: 09/22/2005</p>	<p>Concurred by:</p> <p><u>John J.E. Kim</u> / <u>John J.E. Kim, CPA</u> Signature / Print Chief Financial Officer</p>
<p align="center">Page 1 of 7</p>	<p>Approved by:</p> <p><u>John M. Benavente</u> / <u>4/12/2023</u> John M. Benavente, P.E., General Mgr. Dated</p>

1.0 PURPOSE

- *1.1 To establish the procedures and guidelines in processing payments of customers with automatic debit arrangement through Automated Clearing House (ACH).

2.0 SCOPE

- *2.1 Applicable to all customers with "Direct Payment" authorizations subject to the terms and conditions as set forth by a financial institution and the Authority.

3.0 DEFINITIONS

- *3.1 Automated Clearing House: A U.S. financial network used for electronic payments and money transfers. Also known as "Direct payments", ACH payments are a way to transfer money from one bank account to another without using paper checks, credit card networks or cash.
- *3.2 Direct Payment Authorization (DPA): A form that authorizes Guam Power Authority to deduct recurring payments from a customer's bank (checking account) when the customer's power bill is due.

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4.0 **PROCEDURES AND GUIDELINES - CUSTOMER SERVICE**

- *4.1 Customers shall fill out and submit a completed Direct Payment Authorization "DPA" (Exhibit 1) form and a "Voided" check to any of our GPA Business Offices.
- *4.2 The Customer Service Representative (CSR) ensures the submitted DPA form has all the necessary information (i.e., Customer's Name, GPA account number, bank information, mailing address, and contact phone number(s) and affixed account holder's signature).
- # Customers requiring an ACH revision will be required to fill out first a cancellation for the old bank account and a new DPA form for their new account. For cancellations, an ACH Cancellation form should be completed and submitted (See Exhibit 2). Upon completion of the review of completed forms and requirements, the CSR shall sign and date the authorization.
- *4.3 Each customer must be informed by the servicing CSR of the following: 1) Initial deduction from the customer's bank account shall take effect on the next billing cycle after the receipt date of the DPA form and 2) Current balance on one's account must be paid in full (zeroed out) to avoid disconnection of service prior to the initial ACH transaction.
- *4.4 The completed "Original" DPA form and supporting documents shall be delivered by the CSR to Cash Management, Finance Division. In turn, a photocopy must be acknowledged or initialed by Cash Management. Additionally, a photocopy is also to be submitted by the CSR to Records, Customer Services Division for file retention in the customer's account file for future reference.
- * 4.5 Direct Payment Authorization is a non-transferrable document. If customer's account is terminated, the DPA authorization is also terminated. If the customer applies for another service and a new account is created, the customer is required to fill out another Direct Payment Authorization for the new account.

5.0 **CASH MANAGEMENT**

- #5.1 Cash Management personnel will review the DPA prior to setting up the Auto Pay in the Customer Care & Billing system (CC&B). The following information must be verified: Customer Name and Bank account name must be the GPA account holder; Bank information on the DPA must match the voided check provided.

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- #5.2 The customer must provide an Authorization Letter and Identification card when authorizing an individual on behalf of the customer to enroll for Direct Payment.
- #5.3 A customer bank statement or certification indicating customer bank account number and bank routing number from their bank institution will suffice if customer cannot provide a voided check.
- #5.4 Cash Management personnel must request to IT department the creation of Auto Pay Source if not existing in CC&B file.
- #5.5 Maximum withdrawal Amount can be revised based on the customer's monthly average bill.
- #5.6 Cash Management process the Direct Payment authorization and shall notate the customer's account with the following information: date of DPA received and the effective date.
- #5.6 All DPA's are then filed and retained in the Accounting's designated ACH filing locked cabinet.

#6.0 PROCESSING OF ACH PAYMENTS

- #6.1 The Cash Management personnel will extract an ACH file from CC&B that is generated and saved in FTP drive at 8:00 AM every day. The file contains all accounts with automatic deduction arrangement that are due for payment.
- #6.2 Cash Management personnel must verify the ACH file and compare it to the customer's current balance. If there is a discrepancy, a manual correction in the file and in CC&B is required and will be performed by Cash Management personnel prior to uploading in the bank. After the review, effective date of the file is updated to the next business day.
- #6.4 ACH file will be forwarded to Cash Management Supervisor for review prior to uploading in the bank. This is to ensure that all customers scheduled for ACH are accounted for.
- #6.5 After the ACH file is successfully uploaded in the bank, the file will be forwarded to the Controller to approve the Batch for payment collection. After approval, the Cash Management supervisor will download a Detailed Collection Report for the day to be forwarded to Head Cashier and GL section for recording purposes.

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#7.0 RETURNED ACH AND CANCELLATION

- #7.1 The Cash Management personnel must download daily ACH returned/ reject report from the bank.
- #7.2 An ACH return is essentially a returned e-check payment for the following reasons: Insufficient funds, Account Closed, Stop Payment, Account cannot locate. All ACH return will be processed by Cash Management personnel with \$30 returned fee (See SOP 71).
- #7.3 Direct Payment Cancellation- Customer must fill out the Cancellation form if they wish to discontinue the direct payment of their electric bill. Cash Management Personnel will update the end date of the Auto Pay in the system.
- #7.4 Cash Management personnel may cancel the customer Direct Payment Authorization in CC&B with the approval of the Cash Management Supervisor for the following reasons for returned item from the bank:
 - A) Closed Account
 - B) Account cannot locate
 - C) Account Holder Deceased
 - D) Stop Payment
 - E) Non-sufficient funds after 3 or more consecutive returns
- #7.5 Stopped SA Exist- Cash Management Accountant may cancel the customer Auto Pay enroll in CC&B when customer account has a Stopped SA Exist and did not provide an ACH Cancellation Form. Cancellation will be effective after the last billing of the customer is collected.
- #7.6 An email will be sent out to CSR to notify customers on the Cancellation of Auto Pay in their GPA account as indicated on 7.3
- #7.7 If a customer account with direct payment authorization is subject for disconnection, CSR should verify with Cash Management before disconnection.

Attachment: EXHIBITS

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EXHIBIT 1**GUAM POWER AUTHORITY**

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

DIRECT PAYMENT AUTHORIZATION

I authorize **GUAM POWER AUTHORITY** to automatically deduct monthly payments from my account with the financial institution named, thereby also giving authorization to the financial institution to charge my account for those deductions.

This authorization will remain in effect until revoked by me in writing to the company. I understand that the company and / or financial institution reserve the right to end this payment plan and my participation therein.

GPA CUSTOMER DATA:

NAME:	
ADDRESS:	
PHONE NUMBER:	
GPA ACCOUNT NUMBER:	

FINANCIAL INSTITUTION DATA:

ACCOUNT HOLDER NAME:	
ACCOUNT NUMBER:	
FINANCIAL INSTITUTION NAME:	
BANK ROUTING NUMBER:	
ACCOUNT HOLDER SIGNATURE:	
DATE:	

#Processed by: _____ Date Received: _____
Print Name/Signature

(Please allow 2-3 weeks for processing)

Important Note: A “Voided” check depicting complete Account Number with the above named financial institution is required as part of this Direct Payment Authorization submission.

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EXHIBIT 2**GUAM POWER AUTHORITY**

ATURIDÅT ILEKTRESEDÅT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

DIRECT PAYMENT CANCELLATION

I authorize **GUAM POWER AUTHORITY** to automatically discontinue the deduction of my Automated Clearing House (ACH) monthly payments from my account with the financial institution named below.

GPA CUSTOMER DATA:

NAME:	
ADDRESS:	
PHONE NUMBER:	
GPA ACCOUNT NUMBER:	

FINANCIAL INSTITUTION DATA:

ACCOUNT HOLDER NAME:	
ACCOUNT NUMBER:	
FINANCIAL INSTITUTION NAME:	
#BANK ROUTING NUMBER:	
ACCOUNT HOLDER SIGNATURE:	
DATE:	

Cancellation Received by: _____ Date Received: _____
Print Name/Signature

Accounting Use Only:

Cancellation Processed by: _____ Date Processed: _____
Print Name/ Signature

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