

# Processing Direct Deposit Checks

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Agvance can help manage direct deposits through participating banks. After establishing direct deposit capabilities with your bank, complete the information specific to the bank and the account at *Payroll / ACH Data Management* on the *Setup* tab.

## Set Up Bank Information for ACH File

The ACH file created for direct deposit payroll is written in an NACHA file format. The following are suggestions for completing the *ACH Data Management* screen however certain banks have different requirements. These suggestions are a starting point for the file, and then adjustments can be made based on the bank's specifications.

**Note:** The processing bank may or may not be the bank where the net wages are withdrawn. Contact the bank for this information.

- **ACH Destination ABA Routing #** – This is the Federal Reserve Bank's Routing number that the processing bank reports.
- **ACH Destination Name** – Enter the Federal Reserve Bank's name that the processing bank reports.
- **Originating Bank ABA Routing #** – This is the routing number of the processing bank.
- **Originating Bank Name** – The name of the bank that originates the transaction is entered here.
- **Company ID # (FEIN#)** – This is the company's Federal Employer Identification Number. This number typically should be entered without the hyphen.
- **Company Bank ABA Routing #** – Enter the routing number of the bank where the net wages are withdrawn.
- **Company Bank Acct #** – The account number where the net wages are withdrawn is entered here.
- **ODFI ABA Routing #** – The Originating DF Identifier is only filled in if required by the bank.
- **Pay from Company Savings Account** – Check this option if the payroll funds are drawn on a savings account instead of a checking account.
- **Do Not Create Offsetting Record** – Some banks do not want the offsetting record included in the ACH file. Select this option only if the bank advises to do so.

## Set Up Employee for Direct Deposit

The employee's ACH information is stored on the *Pay* tab of the employee file which is found in Accounting at *File / Open / Employees*. Direct deposit paychecks are processed for employees marked *Direct Deposit/ACH*. Setting the *Payment Method* to *Direct Deposit/ACH* causes the *Direct Deposit Account Information* grid to display.

- **ABA Routing #** – Enter the routing number of the employee's bank.
- **Bank Account #** – The employee's bank account number is entered here.
- **Acct Type** – Select from *Checking* or *Savings* for the account type.

- **Amount** – Enter the percentage or flat dollar amount to be deposited to that account. If this account is the *Balance* type account, this amount may be left blank or entered as a zero.
- **Amount Type** – Select from *Balance*, *Percent*, or *Dollar*. *Percent* is a percent of the net pay. *Dollar* is a set dollar amount. *Balance* is the account that will have the remaining funds deposited after percent type and dollar type are calculated. One account must be specified as a *Balance* account.

**Note:** Up to 12 accounts may be specified on the employee file if the employee chooses to split the paycheck among multiple bank accounts.

Payroll is processed in the same manner as those receiving a paycheck but no check prints. In the payroll check detail, these checks are assigned check numbers ACH1, ACH2, ACH3, etc. Later, the ACH checks are printed from the *Payroll / ACH Data Management* screen based on a specified date range. Also, an ACH file can be created to send to the bank.

ACH checks are available at the *Post to G/L* screen. They can be posted separately or along with the printed paychecks.

A summary report of the ACH payroll can be printed from *Payroll / ACH Data Management* on the *Print ACH 'Checks'* tab based on a check date range.

## Create Payroll ACH File

The following describes how to create an electronic file of the direct deposit checks for the bank. The resulting file is the NACHA standard format.

1. After processing a payroll that includes ACH checks, print the batch from *Payroll / ACH Data Management* and choose the *Print ACH 'Checks'* tab. Review the check run for accuracy.
2. Go to *Payroll / ACH Data Management* and select the *Create ACH File* tab. Enter the *Check Date* of the paychecks. This displays the number of ACH checks not yet exported to the bank processed with that check date.
3. The *Path for ACH file* should be a folder on a secured area of the hard drive or can be written directly to an external media drive.
4. The *Name for ACH file* defaults to the computer's system date. The name of the file may be edited to reflect the check date.
5. The *# of Untransferred Paychecks* displays based on the *Check Date*. It is recommended to select the *Print Summary Report* option to have information about the contents of the ACH file.
6. The *Create Prenotification File* is used to create a test file for the bank. This is useful when first setting up ACH with the bank or when new employee ACH information is added. This file contains an entry for every employee with ACH information but has a zero dollar amount for everyone. If only certain employees should be included in the Prenotification file, then choose **Select** by *Select Employees* to specify those employees.
7. Printing or saving a PDF of the Summary Report is recommended. This report contains information on the checks included in the ACH file.

8. Once information on the screen has been completed and the number of checks to be transferred is correct, choose **Create File**. The Export File Summary report previews to the screen signaling that the file has been created. It is recommended to print or save the report.

**WARNING:** The resulting ACH transmittal file is a text file which can easily be read by any text editor (i.e. Word, WordPad, Notepad, etc.). Care should be taken to either write the file to a secured area of the hard drive or to write the file directly to an external media drive.

9. A screen confirming that the file has been created displays but the checks have not yet been marked as transferred. Select **Yes** to mark the checks as transferred so they won't be included in any future ACH transmissions.