

Setup and use of ACH payment system

IFS can now handle automated payments to a vendor by creating an ACH (Automated Clearing House) file which can be sent to your county's bank to be processed. Here are the steps to getting set up:

1) Opt 1210 Work with ACH Bank Info

This is a file containing bank names and routing numbers. Set up both the county's bank and the vendors' banks in this file. This option should normally only be assigned to one user who will have authority to use this option. The first character of each routing number should be blank.

2) Opt 1020 Work with ACH System File

This file will contain bank routing numbers to be used in generating the ACH file. This menu option should also only be assigned to one user who will have authority to maintain this information.

The following information is required:

- a) The immediate destination routing number. This is the routing number of the Federal Reserve Bank.
- b) The immediate origin routing number. This is the routing number of the bank sending the file. This may be different than your county's bank if your county's bank is a small bank and is not able to send the file to the Federal Reserve Bank.
- c) The originating bank routing number. This is the routing number of your county's bank.
- d) The account type (checking or savings) and the account number of your county's bank.

All three routing numbers (a,b,and c) need to first be set up in option 1210 in the ACH Bank Info.

3) Opt 5015 Work with Vendor ACH Bank Info

This option should also only be assigned to one user who can enter a vendor's banking account information (routing number, account type, and account number) into IFS. The routing numbers entered here also need to be set up in 1210 in the ACH Bank Info.

Rice County has piloted this system and, in the process, developed a "Direct Deposit Application" form for their vendors to submit if they wish to be paid by direct deposit. They have kindly provided that document for us to pass on to you if you wish to use it as a "template" for setting up your own form. If you would like that document, please contact Herb Dingmann at TriMin Government Solutions: (320)259-5007 or herb.dingmann@triminsystems.com

How the system works:

Option 7010/7110 Work with Vouchers

Key your vouchers in as usual in menu option 7010 or 7110. There are no special fields to enter on the vouchers. The system will assign a warrant form of 'ACH' to the voucher instead of the warrant form that would ordinarily be used.

Opt 7050/7150 Work with Warrants

When option 'A' is chosen to run warrants and register, the system will determine if there are any vendors in the batch who are set up for ACH payments. If any exist, an ACH starting "warrant number" will be requested on the same screen as where the check date and starting check number are entered. Warrant numbers will be assigned to ACH payments using that ACH "warrant number", so it is recommended that you use a different range of numbers than you will use for your checks. Those ACH payments will not have a check printed, but will go into an ACH payment file which can be downloaded and sent to the county's bank. The name of the file to download will print on the warrant register so the user knows what file to look for when downloading. All payments in the warrant batch, both checks and ACH payments, will print on the warrant register. Also a separate remittance advice will print for any vendor being paid through the ACH system.

Important: Note that the first time a payment is made to a vendor that has been set up for ACH payments, a check is still printed, and a zero payment amount is sent through the ACH file (called a pre-note). This is a test run to be sure everything is set up correctly for the vendor. After that, payments will be done through the ACH file and no check will print. If a change is made to the vendor's bank information in option 5015, the system assumes that a pre-note needs to be sent again.