# Direct Deposits

The FOUNDATION Payroll Module is capable of creating direct deposits in place of paper checks. The direct deposit feature assists clients with distributing their direct deposits from the bank into employees' accounts.

## How Do Direct Deposits Work?

After you post payroll, the direct deposits are translated into the Automated Clearing House file format, which is commonly referred to as ACH. ACH is a network for processing large numbers of payments, and most of them use the exact same type of filing format, which is why it is called ACH.

\*You may sometimes hear this referred to as a NACHA file as well. NACHA, the North American Clearing House Association, creates the rules that govern automated clearing houses that operate in the USA.

With the correct setup in FOUNDATION, you can produce an ACH file to send to the bank, which allows them to process direct deposit transactions, including payments to vendors.

## Where Do I Set Up a Direct Deposit?

You need to set up direct deposits in two places; (1) your employees' accounts and (2) the clients' bank/checking account. By setting it up on your employees' accounts, you are telling FOUNDATION where the money is being sent. By setting it up on clients' bank/checking account, you are telling FOUNDATION where the money is being sent from.

#### Setting Up Direct Deposit for an Employee

Follow the steps below to tell FOUNDATION where to send an employee's paycheck:

- 1. From the Main Menu, go to *Payroll > Maintenance > Employees > "Direct Deposit" tab.*
- 2. Enable the *Pay by Direct Deposit* checkbox. This tells FOUNDATION that this employee will be paid by direct deposit.
- 3. In the table, right-click and select "Add" to create a new line where you will enter the employee's banking information.
- 4. In the *Description* field, enter the name of the employee's bank, or a general description for your own reference.
- 5. In the Bank Routing No field, enter the employee's bank account routing number.
- 6. In the *Bank Account No* field, enter the employee's bank account number. **Note:** It is recommended that the employee provide a voided check to verify the account information.
- 7. In the Acct Type field, classify the account as a "Savings" account or a "Checking" account.
- 8. Determine how much money should be sent to each bank account.
  - If the employee only has one account, in the % or \$ field, select "Remaining."
  - If the employee has multiple accounts to which parts of their paycheck will be direct deposited, in the % or \$ field, make the appropriate selection, then in the Amount field, enter the appropriate amount. The account that receives any remaining amount should be the last account.

9. Determine if you want to run a prenote report. A prenote is an opportunity to send a "test file," which allows you to create a file without having to complete a real transaction for testing. Some banks may require a prenote to verify the banking information.

If you want to run a prenote report, in the *Prenote* field, select "Yes." If you do not want to run a prenote report, select "No."

General Deductions A	ddl 1 Addl 2 Histo	ry ER Contribution	Extra Burden	Direct Deposit	Divisions	Accruals	Recurri	ng UDF
Pay by Direct Deposit: 🔽	This employee's	next payroll will gene	rate a paycheck.		8	9		
4 Description	5 Bank Routing	Nc6 Bank Account	No Acct Type	% or \$	Amour	nt Prenote	e	Cut
Savings Acct. Bank Nam	e 1234567890	9876543210	Savings 💌	S .	139	00 Yes 💌	· ]	Conv
Checking Acct. Bank Na	me 9876543210	1234567890	Checking 💌	Remaining	•	.00 Yes 🔻	- I	Paste
								Select All
								Insert
							3	Add
						Drink Commonwe	1	Delete
Based on the account inf	ormation above, the	e following distributi	on will occur:			Enric Summary	1	Restore
		Direct Deposit Su	mmary					Conv Pour
Employee: adfvads sdfasf						1/30/2015		Соруком
	2 2						•	Scroll
1. Apply 139 dollars of the	check amount to sav	ings account 9876543	210 at bank 1234	567890.				Sort
<ol><li>Apply any remaining che</li></ol>	eck amount to checki	ng account 12345678	90 at bank 987654	13210.				Filter
								Redo
								Print

10. Repeat for each necessary account.

### Setting Your Company's Account Information

Follow the steps below to tell FOUNDATION where the money for your employees' paychecks is coming from:

- 1. From the Main Menu, go to *General Ledger > Maintenance > Accounts.*
- 2. Switch to Modify Mode.
- 3. In the Account field, select the account from which the direct deposit will be produced/credited.
- 4. In the Account No field, enter the account number.

General Direct Deposit Addl UDF
(3) Account: 1100  _
Description: Checking
Force Job Costing: Do Not Allow Job
Bonding Class:
Debit or Credit: <sup>©</sup> Debit <sup>©</sup> Credit
Apply Subdivision
Account Type: Checking
4 Account No.: 1234567890

- Click on the "Direct Deposit" tab. On this tab, you will set up any ACH file variations the bank may want. In this example, you will see how we would set up the client if they were using direct deposits with our Payroll Service. You should copy this setup.
- 6. In the Format field, select "ACH."
- The remaining fields on this tab vary by the financial institution to which the file is sent. When working with a client, we recommend they print a screen shot of this window and/or print out the current help (<Shift> + <F1>), then coordinate with their financial institution.

For training purposes, please fill in the information in your database based on the data below.

General	Direct Depos	sit Addl UDF						
6 Format:	Generic	Export Template:	Condense on Cash Acct Rec	•				
	• ACH	Export Filename:						
	Cre	ate Balanced File: Yes 💌						
Federa Routing	l Reserve Info g No. (Immed	ormation liate Destination): 1234567891	Use This For Balanced File's Receiving DFI					
Name (	Immediate D	estination Name): Fifth Third E	Bank					
Financ	ial Institution	Information						
Immed	Immediate Origin: 1234567891 🔽 Routing No. COther 🔽 Use This For Balanced File's Receiving DFI							
Name	(Immediate C	rigin Name): FCPS						
	Refe	erence Code:	(optional)					
Compa	ny Informatio	n						
Name o	f Payer (Com	pany Name): FCPS						
		Company ID: 987654321	Originating DFI ID: 12345678					
Deposi	t Information		Payment Information					
Reasor	n For File (En	try Description):	Reason For File (Entry Description):					
Pa	yroll		Payroll					
Specia	I Instr. (Com	pany Discretionary Data):	Special Instr. (Company Discretionary Data):					

8. After all information is entered, click [OK].

#### Running a Prenote Report

A prenote report allows you to test the ACH file you will upload to your bank without having run an actual payroll. Follow the steps below to run a prenote report:

- 1. From the Main Menu, go to Payroll > Daily > Payroll Functions > General > Export Direct Deposits.
- 2. In the Include groupbox, disable all checkbox except for the Prenotes checkbox.
- 3. Click on the "Report" tab.

Criteria Report 3		
Pay Period	No: W - 01/01/11 to 12/31/14	
Check Date Ran	nge: To	T
Employee No Ran	nge: To	-
	✓ For Multiple Deposits Per Employee Apply Distribution Separately	
2Include:		
Direct Deposits	□ Voids □ Positive Adjustments	
Prenotes	Revised Stubs Regative Adjustments	
ACH File Informatio	on:	
Estimated Deposit [	Date (Descriptive and Effective Date): 9/10/2014	
	Batch Number: A	
	Sequence (Trace No): 1 (optional)	

The Direct Deposit Export List will be generated.

- 4. Review the list and verify that all of the necessary employees are on the list, and that their banking information is correct.
- 5. When you are ready to export the test file to ensure your direct deposit will work, click on the floppy disk icon.

File Edit	View Report A/P A/R	E/Q F/A G/L I/	N J/C P/C P/R	P/S S/D T/M U/P	Log a Call	Alerts & Updates
🐬 🖃 🖈	6 6 5 0		4 4 🕨 🕨 🗎	🗏 🕞 😓 🔂	🗸 🕽 🕨	
Criteria Rep	oort		5			
02/02/2015 09:02	:48 AM	21	nd Chances			Page 1 of 1
		Direct D No Date	Direct Deposit Export List No Date Range Specified		Exported On: Batch No:	
Employee No	Account Description	Bank Routing No	Bank Account No	Account Distribution Type Method	Distribution Amount	Deposit Amount
Employees with 1 - Rambo, John B	h Prenote Verification: E.					
	Pay Day Bank	5954525625	5214524555	Checking Remaining		Prenote
2 - Dubois, Blanc	he R. Tenn. Williams Bank	9638520741	7539518621	Checking Remaining		Prenote
3 - Kent, Clark S.	Matana la Caulana	0000440047	4450445044	Carriera C	050.00	Descate
	Metropolis Savings Krypton Credit Union	8962148647 7898412563	1452145214 7852410001	Savings S Checking Remaining	850.00	Prenote

FOUNDATION will inspect the direct deposit information to ensure you have the minimum standards for exporting a direct deposit. If there are any errors on your cash account or an Employee Record, you will receive an error report that details what needs to be corrected.

		Direct Deposit Export Error List
Employee No	Employee Name	Error
	G/L Cash account 1100	The Federal Reserve Information Routing No. (12485458) must be 9 or 10 digits.
	G/L Cash account 1100	The Financial Institution Information Immediate Origin (12485458) must be 9 or 10 digits.
558	Moleman, Hans	Bank Routing No (999999999) is incorrect based on the LUHN (modulus 10) formula validation.

If everything is correct, you will not receive an error report and the Export Direct Deposits dialog box will open.

- 6. In the *Export Filename* field, select where on your computer or network you want to store the file. Please note that you can set a default for this on the "Direct Deposit" tab of the G/L Account Record.
- 7. In the *Clear Prenotes* field, select "Yes." This will change the prenote setting to "No" for each employee on the list.
- 8. Click [Export].

Export Direct Deposits	×
Export Template: ACH Format	
Export Filename: C:\Users\bta\Desktop\Weekly	y PR Folder'
Clear Prenotes: Ves -	
8 Export Cancel	<u>H</u> elp

## Running a Direct Deposit

The steps for sending your actual direct deposit to the bank are similar to those for running a prenote. *After* your payroll is complete and all of your direct deposits are correct, follow the steps below:

- 1. From the Main Menu, go to *Payroll > Daily > Payroll Functions > General > Export Direct Deposits.*
- 2. In the Pay Period No field, verify the correct pay period is selected.
- 3. In the *Check Date Range* field, verify the correct check date for your direct deposit run is selected.
- 4. In the *Include* groupbox, disable all of the checkboxes except for *Direct Deposits*.
- 5. Click on the "Report" tab. The Direct Deposit Export List will be generated.

Criteria	Report (5)						
2	Pay Period No	: W - 09/03/14 to 09/0	9/14 💌	[			
3 Ch	eck Date Range	e: 9/10/2014	•	То			•
Emp	oyee No Range	ə:	•	То			-
		For Multiple Dep	osits Per Employe	e Apply D	istribution Se	eparately	
Includ	e:						
<b>4</b> Dire	ect Deposits	Voids	Positive Adju	stments			
🗆 🗆 Pre	notes	Revised Stubs	🗆 Negative Adj	ustments			
ACH F	le Information:						
Estima	ted Deposit Da	te (Descriptive and Ef	fective Date): 9/10	/2014 💌	[		
		Ba	atch Number: 🗛				
		Sequenc	e (Trace No):	1 (	(optional)		

6. Review the list. If everything is correct, click on the floppy disk icon to export the ACH file.

7 E 👂 占 🖉 🕲 🕲			E 🖵 🖓 🔂 💉 🔉	
Criteria Report		6		
2/02/2015 10:17:33 AM	21	nd Chances	Page	l of 1
	Direct D	0eposit Export List For 09/10/14	Exported On: Batch No:	
Employee No Account Description	Bank Routing No	Bank Account No	Account Distribution Distribution Depos Type Method Amount Amou	it nt
I - Rambo, John E.	5054525625	5244524555	Chapting Demaining	40.52
Pay Day Dalik	5954525625	5214524555	Direct Deposit No: 16 3	40.52
Damba Jaha S			Direct Deposit No. To 5	+9.02
Pay Day Bank	5954525625	5214524555	Checking Remaining	51 36
ruy buy buik	0004020020	0211021000	Direct Deposit No: 20	51.36
- Dubois Blanche P				
Tenn, Williams Bank	9638520741	7539518621	Checking Remaining 8	45.21
			Direct Deposit No: 17 8	45.21
- Kent Clark S				
Metropolis Savings	8962148647	1452145214	Savings \$ 850.00 8	50.00
Krypton Credit Union	7898412563	7852410001	Checking Remaining 5	16.76
			Direct Deposit No: 18 1,3	66.76
-Wayne, Bruce A.				
Gotham National	4965666961	5525252569	Checking Remaining 1,4	31.13
			Direct Deposit No: 21 1,4	31.13
58 - Moleman, Hans				
Springfield Savings and Loan	9999999990	99999999999	Checking Remaining 1,1	00.05
			Direct Deposit No: 19 11	00.05

The Export Direct Deposits dialog box will open.

- 7. In the *Export Filename* field, select where on your computer or network you want to store the file.
- 8. Click [Export].

Export Direct Dep	osits	×
Export Template:	ACH Format	
Export Filename:	C:\Users\bta\Desktop\Week	y PR Folde 🛄
8	Export Cancel	Help

9. To upload the ACH file to your bank, go to the folder to which you saved the ACH export and proceed with the steps required by your financial institution.