ACH Payment Methods

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Agenda

• Background
• Payment Trends
• Why ACH?
• ACH Related Functionality
• Email Advice Options
• Troubleshooting
• Electronic Format
Background

• Per State Accounting Office Policy:

The State’s policy is to pay for goods and services in the most efficient, effective, and least costly manner possible while providing adequate controls over the processing of vendor invoices and payments.

http://sao.georgia.gov/accounts-payable-0
Background

• SAO Policy applies to all State Organizations, including University System of Georgia.

• Shelley Nickel sent email 4/15/2016 with highlights of the policy to pay attention to:
  – Vendor payments should generally be accomplished by ACH, purchasing card or e-Payables as these are the most cost-effective means of payment
  – Vendor payments by check or wire transfer should be done on an exception basis only
  – Wire transfer should be used as a payment means of last resort
USG’s Payment Trends

• FY2016 - 214,898 of 270,899 payments were checks
• 21 of 27 Institutions paid suppliers via ACH or EFT in 2016
Check Payments by Year
Why ACH?

• FY2016 Year-End Workshop Presentation by SunTrust “Fraud Update: What We All Should Understand”

62% of companies were targets of payments fraud in 2014.

Most Targeted Methods:
- Checks: 77%
- Credit/Debit Cards: 34%
- Wires: 27%
Why ACH?

• By converting to ACH, we can reduce costs for:
  – Printing
  – Postage
  – Check Stock

• Over 800,000 active suppliers. 64,023 suppliers are currently configured to be paid via the ACH/EFT payment method (8%).
v9.2 ACH Related Functionality

• For electronic payments, Institutions have the option of enabling ACH email notifications.
• This process sends the supplier a copy of the advice and lets them know they can expect a direct deposit to their bank account in 1-2 business days.
Dear Customer,

Attached is the Payment Advice that we have processed. The payment date reflects the date at which the payment is processed by our bank. Prior to utilizing the funds, please check with your bank and ensure that the funds have been deposited.

This email is intended only for the individual or entity to whom it is addressed and may be a confidential communication privileged by law. Any unauthorized use, dissemination, distribution, disclosure, or copying is strictly prohibited. If you have received this communication in error, please notify us immediately and kindly delete this message from your system. Thank you in advance for your cooperation.
## Payment Advice

**To:**
- **Supplier Name:** Atlanta Lightning Protection, Inc.
- **Supplier Address:** 5292 Oakdale Road SE
  - Suite #9
  - Smyrna, GA, 30082
  - USA

### Payment Information
- **Payment Reference:** 017712
- **Payment Date:** 06/29/2016
- **Payment Method:** Automated Clearing House

### Bank Information

<table>
<thead>
<tr>
<th>Bank ID</th>
<th>Bank Name</th>
<th>Branch ID</th>
<th>Branch Name</th>
</tr>
</thead>
</table>

### Invoice Details

<table>
<thead>
<tr>
<th>Invoice Number</th>
<th>Invoice Date</th>
<th>Voucher ID</th>
<th>Gross Amount</th>
<th>Discount Taken</th>
<th>Late Charge</th>
<th>Paid Amt</th>
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</thead>
<tbody>
<tr>
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<td>20.00</td>
<td>0.00</td>
<td>0.00</td>
<td>20.00</td>
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<td>multiple payments email advice test. should be combined in 1 email</td>
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<td></td>
<td></td>
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</tbody>
</table>

**Total:** 2,330.00 0.00 0.00 2,330.00 USD
v9.2 Enhanced Functionality

• ACH Payment Notification Metrics
  – Process has been ran 319 times by 13 different Institutions
  – 13,220 active suppliers set up with e-mail for payment advice
How to Setup ACH Payment Notifications

• Navigate to Suppliers > Supplier Information > Add/Update > Supplier.
  – Select Correct History
  – Click on the Location Tab
  – Find the ACH location (REMITACH)
  – Click the payables link
  – Scroll down to Payment Notification and enter the Email information.
  – Click Save
eMail Advice

• Multiple e-mail addresses added
Email Advice Options

– Can put multiple e-mails in the payment advice
– Can include team AP mailbox as the supplier e-mail
– Can view the e-mails that were sent out in the process monitor
– Make sure you turn on pay cycle preference to Print Email ACH/EFT Advice
– Expenses has separate option for EFT notifications
Email Advice Options

• Quick way to see which suppliers are set up for your Institution.
  – Query the VENDOR_PAY table in PeopleSoft. EMAILID is the field that the email address will be in.

• Institutions can change the email address for their own CAT suppliers.
  – Any SHARE updates will not overwrite changes you make to your CAT supplier e-mail.
Troubleshooting

• If supplier doesn’t get e-mail advice:
  1. Confirm their firewall will allow e-mails from your Institution and from all usg.edu e-mail addresses.
  2. e-Mails are routed through different servers here at ITS. The from e-mail that each Institution sets up is not the e-mail address the notification is coming from. That is only the reply to e-mail should the supplier have questions about the payment.
  3. Contact ITS. We can have an e-mail sent again to a certain supplier if needed.
Pay Cycle Preferences

[Image of a Pay Cycle Preferences screen from Oracle software, showing details such as Pay From Date, Pay Through Date, Payment Date, Credit Options, Notification, Bank Replacement Rule, Minimum Amount Limits, and Check Payment Message.]
Successfully completed for SetID: 21000, VNDR ID: 0000403735, LOC: MAIN, Email ID: jullien@newhigher.com. (7015,410)
End Email Payment Advice. 1 email(s) send, 0 error(s). (7015,372)
File Formats Available

• PPD (Prearranged Payment and Deposit)
  – EFT Payments
    • Used only for payments to individuals like Expenses/Employee reimbursements
    • When switching to a new bank, they will expect you to be paying suppliers via ACH
CCD+ v/s CTX Format

• Two ACH formats
  1. CCD+ - Cash Concentration or Disbursement
  2. CTX - Corporate Trade Exchange

• Difference between the formats:
  – You can have up to 9,999 addendum records in CTX format, where as CCD can support one addendum record
  – Character limitations with CCD+ format
  – CTX should be used if you have multiple vouchers being paid in one payment and you want to include all of the detail from each voucher being paid in the file