

AUTOMATIC CLEARING HOUSE (ACH) PAYMENT PROCEDURES

SUMMARY

This procedure explains how to process payments for vendors through the ACH (Direct Deposit) method.

PROCEDURE

1. Submit and process the ACH Authorization Agreement.
 - a. Vendors who wish to be paid via ACH (direct deposit) must fill out the "Authorization Agreement for Automatic Deposit of Miami-Dade County Warrants" available at website: http://www.miamidade.gov/finance/library/ach_form.pdf and submit it to the Accounts Payable Section, Finance Department. The vendor is responsible for ensuring their financial institution completes Section 2 of this form. The vendor must also re-submit a new form should the information in Section 1 or 2 of this form change, 15 days prior to change occurring.
 - b. Accounts Payable will ensure the vendor exists in the Single Vendor File and is in active status in the system and forward to Cash Management Division for review.
 - c. Cash Management will review the form to ensure banking information i.e. routing is valid, approve it and return it to the Accounts Payable Section.
 - d. The Accounts Payable Section will send an e-mail to the Systems Section noting the number of forms being forwarded for updating in vendor file.
 - e. The Systems Section will update/change the vendor maintenance file to ACH disbursement type (number 2) and bank account information, as well as make a notation on the "Note Pad" of date and initials of individual updating the vendor file.
 - f. Form is forwarded by the Systems Section to Accounting and Reporting for final auditing and filing of original form in a secure location.
2. Vouchers for ACH Payment are inputted into ADPICS/Accounts Payable Module in the same manner as all other vouchers that generate a check. The voucher will not be picked up for ACH processing until the Finance Department Accounts Payable clerk authorizes the voucher for posting and the payment 'due date' is reached, as automatically assigned by the system per contract terms. This is the same as the method used when processing a voucher for a check request (refer to procedure for Processing a Check Request).
3. After the vouchers have been audited, posted and corrected if necessary, they are forwarded to assign ACH Clerk who will match the approved voucher to the "Direct Deposit Notification Report", FAMIS Report Number 165K when payment becomes due. The Direct Deposit Notification Report will reflect all of the individual transactions (vouchers) for payout on a given day. Report is summarized by vendor/bank account dollars to be transmitted to the County's bank by 4:00 P.M. daily. The bank will process the (daily) transmission to the Federal Reserve who in turn makes the monies available to be 'picked up' by the recipient's bank account within 48 hours (i.e. two business days) from the date of the transmission (effective date).
4. After the vouchers are matched to the Direct Deposit Notification Report, the ACH auditing review process is performed:

- a. If no corrections are needed, the Accounts Payable Supervisor or designee will transmit the information to the bank via ITD. A scanned image of the ACH transmittal form is sent to ITD on-call personnel and Cash Management Division to release the ACH Transmission by 4:00 PM (it must be no later than 8:00 PM), this information consists of the amount of money, the total items transmitted, the name of this organization, and where to deposit the funds. ITD will confirm to the Finance Department via email that the ACH transmission file has been released to the bank acknowledging receipt of the file.
Note: The information on the ACH transmittal form comes from FAMIS Report Number 165M "Transmittal Register."
 - b. If corrections are necessary (individual ACH voucher lines that fall into error file from the previous day's ACH nightly transmission), ITD must be contacted, via email, first thing in the morning to re-run the ACH process after corrections are posted. This procedure takes approximately one hour and will produce a new Direct Deposit Notification Report. The new report is once again matched to the vouchers and subsequent transmission processes followed are the same as those noted in 4a. If errors are still present and cannot be corrected timely, the transmission is cancelled for that day and ITD is notified via email that the transmission will not be made and transmission job is not to be run.
5. Accounts Payable will file invoices and individual Direct Deposit Notification Reports by their ACH Treasurer Number, which is assigned by FAMIS. The ACH transaction code is 765, which will automatically generate transaction code 367, (the ACH clearance transaction in the bank file, refer to FAMIS screen FAML 6480). The document prefix assigned to ACH payments is "WTCW".
 6. After the auditing process is finished, a "Direct Deposit Notification" is also sent to the vendor. This notification can currently be sent via email or US mail, depending on the selection made by the vendor. The "Direct Deposit Notification" contains the invoice(s) paid, the amount(s) of each invoice and the grand total of the payment to be received by the recipient, the date the funds are available (deposit date), and the treasurer number (equivalent to a check number).
 7. If an error is found at the recipient's bank and monies are returned, an ACH Return Item Activity Summary is sent to the bank reconciliation unit via email, who will in turn forward same to the Accounts Payable Unit Supervisor and Cash Management Division I. At this point, the Single Vendor File's disbursement type is changed to "check" (1) and vendor is notified of return via telephone and/or by email (if available). The original ACH disbursement is canceled with transaction Code 779, which will automatically generate transaction code 366 (the ACH reversal transaction in the bank file FAML 6480) and the voucher is reinstated and paid via check on the next check run or as an emergency check if necessary. When ACH monies are returned by the County's General Operating Account Bank, a notification email is forwarded by the A/P Supervisor to the Customer Service Staff (in the A/P Section) so a new form can be requested from the vendor, and to the Systems Section so the disbursement type can be changed from ACH (2) to check (1). The note pad (F11) for the vendor is updated (Note Pad includes date and initials of person updating system and reason for update). Update is made in the header screen (9510) and in vendor detail screen (9520) for the appropriate vendor suffix.

CONTACT(S):

Department/Division

Finance Department/Controller's Division/Accounts Payable