

ACH DEBIT TRANSACTIONS

SUMMARY

This procedure explains how to process ACH Debit transactions. These transactions are done by allowing the bank to systematically deduct (debit) an amount from the Miami-Dade County's (County) bank account (a ZBA- Zero Base Account) using the proper controls described below. Typically, debit transactions are used primarily for recurring transactions such as: to pay the State of Florida for collected sales tax, Department of Motor Vehicle for driver's license background checks, Department of Children and Families for care provider background checks, and other similar transactions, as well as refunds of unused bidder deposits associated with the Tax Collector's annual tax certificate sale. The ACH debit transactions should not be used to pay vendor invoices for goods and services procured and rendered. Vendor payments are to be processed through ADPICS to ensure the invoice document file and contract files are updated for vendor payments, vendors can be paid via ACH (credit), check, or e-payables (commercial credit card).

The various functions of inputting the debit information and approving debit transaction are accomplished by various Sections of the Controller's Division (i.e. the Input/Output Section, Accounts Payable Section, Bank Reconciliation Section), Cash Management Division (for final approval of a debit transfer-out), and the Department. Hence, the below procedure outlines how to process debit transactions by allowing the requesting organization to take funds from the County's designated bank account. This type of debit transaction is limited in its use and needs the prior approval of the Finance Director or Deputy Finance Director.

Departmental Actions

When a Department is requested by a Federal or State agency or another type of non-goods and services vendor that ACH Debit is the only way of paying their organization, the Department will need to contact the Finance Department - Cash Management Division and provide the following documents:

1. Obtain an ACH Debit "Authorization Agreement for Automatic Payments" form (sample form Exhibit A-1) from the outside agency on the organization's letterhead. The Agreement must be signed by an authorized representative requesting to debit the County's bank account. The form will be completed by the Cash Management Division, as authorized by the Finance Director or Deputy Finance Director, and the County's bank Representative. The completed ACH Debit Authorization Agreement needs to be submitted back to the organization; the form will contain the County's bank account number they will be debiting.
2. Obtain the 10-digit Company ID of the organization. This unique ID of the organization is used by the County's ACH Fraud Filter mechanism available via the Commercial Electronic Office (CEO), the County's bank web portal. The established unique ID will allow for the debit(s) to be processed by the outside entity for allowable threshold amount(s).
3. Confirm with the vendor that they will include the name of the County department on the transaction so it can be easily identified on the bank statement. This allows the Finance Bank Reconciliation Section staff the means to quickly identify the debit to the corresponding debit

letter. This way, if there is not an exact match to the approved amount and organization, County staff will readily know which department to contact for further information.

4. Prepare an authorization request via County memorandum (Exhibit A) addressed to the Deputy Finance Director. An authorized signer for the Department must sign the authorization request memo attesting that it is proper to allow a particular vendor debit the County bank. Contact Cash Management for similar/sample memos on file.
5. The authorization request memo must include:
 - (a) Background of the type of transactions and explanation of what is being requested.
 - (b) The written procedures (can be attached separately to the above memo) detailing:
 - i. Controls the Department will have in place including the reconciliation and JE process, as well as the staff that will be responsible for reviewing and monitoring the charges. If a Federal or State application is involved, the application and staff that will be granted security to the application to process and approve the transactions must be included. Segregation of duties within the department between the processors, approvers, and staff reconciling the activity.
 - ii. Include names of reports to be used to reconcile, GL Codes, staff titles, etc.
 - iii. Include an estimate of the daily or monthly debit amount.
 - (c) Memo from organization stating that this type of debit transaction is the only form of payment that they will accept by the organization.
6. Once approved by Miami Dade Finance Department, the ACH fraud filter will be adjusted to allow the 10-digit Company ID provided allowing to debit the bank account, and a dollar limit will also be embedded on the Filter based on the estimated daily or monthly amount provided. This information is required by the County's bank account to allow debits to be processed.
7. Complete a debit transfer request letter (see sample Exhibit B). Must also complete a FAMIS Financial Wire Transfer Coding Entry form (W/T Form) for the debit transaction. For example, transaction code 445 is used to record the wire debit transaction when recording a debit to expenditure and a credit to cash. See Exhibit C for sample of the WT Form (FAMIS FINANCIAL TRANSACTION CODING FORM). A list of all the debit transaction codes is also provided (see Exhibit D).
8. The debit letter must be authorized by an individual at the Department that has been approved by the Department Director to initiate wires. The list of departmental authorized staff is submitted to the Controllers Division annually and updated for any personnel changes. The list is used to verify approval signatures. The departmental authorized signature is attesting that it is proper to pay the organization as per instructions on the debit letter.

A debit letter is not required daily for small debit transactions less than \$5,000; however, daily accountability and reconciliation of such individual items remains very important at the Department level. Frequency of debit letter for cumulative debits less than \$5,000 is left up to the discretion of the Department (e.g. weekly or monthly), but at no time more than monthly. However, Departments need follow the processes outlined above, as it corresponds to W/T Form to properly record such individual items greater than \$5,000 and in aggregate for items less than \$5,000 in FAMIS.

9. The debit letter needs to be verified and approved by a party other than the one initiating the transaction. The Department will need to obtain a signature from one of the Finance

Department authorized personnel assigned to approve debit transfer. This signature verifies that the debit is properly supported by the department, the vendor is an established vendor in FAMIS, and the federal identification number of the vendor is valid. Individual also verifies that the amount of the transfer matches the backup documentation provided by the Department and reviews the WT entry form to ensure the proper transaction codes are being used, such as FAMIS' bank G/L account code and document prefix used to code the form.

10. Once all required signatures are obtained, the Department representative brings the debit transfer letter to the Cashier's Office (Stephen P. Clark Center (SPCC) Building, 111 NW 1st Street, 26th Floor) where the signatures will be verified against the Authorized Signature Form on file, as provided by the Department Director. If there is not a signature/name match, the Cashier will reject the debit letter. If there is match, the Cashier will stamp the debit transfer letter with the County's signature seal and will handwrite a sequential reference number (a DT number). The DT number is used as the Accounts Payable file document number for storage of the official disbursement record. This DT reference number is also entered in the Document Reference field of the FAMIS Wire Transfer Coding Form (WT Form).
11. Once the Cashier assigns the DT number, the department representative will make two (2) copies of the debit letter, the WT entry form and distribute the originals and copies of the forms as follows:
 - (a) The Original WT entry form and copy of debit transfer letter is given to the Input/Output Section (SPCC Building, 111 NW 1st Street, 26th Floor). The Input/Output Section will enter the financial transaction in FAMIS as soon as the WT Form is received.
 - (b) Original debit transfer letter is submitted to the Cash Management Division Director (SPCC Building, 111 NW 1st Street, 25th Floor). The Cash Management Division Director and Chief Portfolio Manager each have a distinct user ID and password to approve and activate the transfer of funds, as authorized by the Finance Director and Deputy Finance Director. They will verify the 10-digit Company ID and amount thresholds are activated in the bank system to allow the debit to occur.
 - (c) A full documentation package (copy of debit letter, copy of WT form, and original supporting documentation) is provided to the Cashier.

When using courier personnel to deliver the funds transfer documents, please advise them of the above process (steps) in order to avoid any transfers not being processed timely.

Cash Management Division

1. Cash Management will fill out the "Authorization Agreement for Automatic Payments" form submitted by the Federal or State agency (or other organization) to the department and obtain the authorization from the Finance Director or Deputy Finance Director and County's bank.
2. Based on the volume of the transactions and number of departments processing transactions for the organization, a separate ZBA account may be needed for ease of bank reconciliation purposes by both the department(s) and the Finance Department - Bank Reconciliation Unit. Cash Management will coordinate with the Deputy Finance Director, Controller, and bank to establish the new ZBA account at the bank level, if necessary. Cash Management will notify the Controller and Input/Output so that the new GL account can be established in the FAMIS. The Input/Output Section will notify the departments of the new GL account code to ensure the entries are properly coded with the proper GL bank account code.

3. Cash Management enters into the Wells Fargo Commercial Electronic Office (CEO) Bank Portal, and verifies that the 10-digit Company ID and amount thresholds are proper and activated in the Bank system; thus, allowing the debit(s) to occur.

Accounts Payable Section

The Cashier logs the information in a Wire/Debit Transfers Log (manual log) maintained in sequential order by the DT reference number assigned to each wire/debit letter at the inception of the process outlined under the caption titled, "Departmental Actions" (step #10 and #11) .

1. On a daily basis, the Cashier prepares a debit transfer Accounts Payable file with a copy of the debit transfer letter, a copy of the WT Form, and original supporting documentation presented.
2. The debit file is stored by the Accounts Payable Section in sequential order by the assigned DT reference number.
3. The assigned Accounts Payable supervisor will review the daily Detailed Transaction Report for Wells Fargo Wire Transfers Out/Debits and verify that for every debit listed on the detail report, there is a corresponding Accounts Payable file and an entry in the manual log maintained by the Cashier.

Deadlines

Please note that the cutoff time to deliver the funds transfer letter to the Input/Output Section and Cash Management for processing is 3:00 PM on the day before the ACH Debit is expected to occur. Otherwise, the debit may be blocked by the County's Fraud Filter, and the vendor will need to re-submit the ACH Debit.

EXHIBIT A

Memorandum



Date:
To: Blanca Padron
Deputy Director
Finance Department
From: Employee Name
Title
Department
Subject: Request to Access Miami-Dade County Bank Account Information for the
_____ Process

Background

Background information and detail explanation of what is being requested

Purpose and Scope

The purpose of this memorandum is to request approval to allow _____ to electronically debit funds from Account # _____ for the purpose of paying for _____.

Controls

- Describe the controls the Department will have in place, including the reconciliation and the JE process
- Include names of reports to be used to reconcile, GL codes, staff names and titles, etc.
- Written procedures can be attached separately to this memo as support to control structure

Estimated Dollar Value

- Include an estimate of the amount and frequency the bank account will be debited

Attachments

EXHIBIT A-1



Terry L. Rhodes
Executive Director

2900 Apalachee Parkway
Tallahassee, Florida 32399-0500
www.fhsmv.gov

Authorization Agreement for Automatic Payments		
Batch Process		
<p>I (We) hereby authorize the DEPARTMENT OF HIGHWAY SAFETY and MOTOR VEHICLES, hereinafter called COMPANY, to initiate debits to the bank indicated below, hereinafter called BANK, to debit with the amounts from my our _____ checking ___/savings ___ account indicated below.</p>		
BANK:	ADDRESS:	
OFFICE:	CITY:	
ACCT. NUMBER:	STATE:	
<p>This authority is to remain in full force and effect until BANK has received written notification from me (or either of us) of its termination in such time and in such manner as to afford BANK a reasonable opportunity to act on it (subject to my right to stop payment) or until BANK has sent me (or either of us) ten (10) days written notice of BANK'S termination of this arrangement.</p>		
COMPANY NAME:		I.D. Number
STREET ADDRESS:		
CITY, STATE ZIPCODE:		
DATE:	SIGNED:	SIGNED:
TO: BANK		
<p>As provided above, your depositor has authorized us to initiate debits to and you to debit his account as specified. So that you may comply with this authorization, we agree that these arrangements shall be subject to the Automated Clearing House rules, as they may be in effect from time to time and we recognize your status as a participating bank.</p>		
<i>Company ID: SOF-DHSMV Company ID# 4596001784</i>		
<i>Dept of Motor Vehicles & Highway Safety</i>		<i>Steve Burch, Chief of Accounting</i>
Company Name		Authorized Signature/Title
TO BE COMPLETED BY BANK		
TO: COMPANY		DATE: _____
<p>As authorized on this form, we shall, as a Participating Bank and subject to the Automated Clearing House Rules as they may exist from time to time, accept debits to the checking ___/savings ___ account indicated below. In addition to the Company ID Number shown on this form, such debits submitted must contain the following:</p>		
TRANSIT ROUTING NUMBER		ACCOUNT NUMBER
F R A B A		
BANK NAME _____	OFFICER _____	
OFFICE _____	TITLE _____	

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EXHIBIT B



Finance Department
Office of the Controller
111 NW 1st Street • Suite 2620
Miami, Florida 33128
T 305-375-5080 F 305-375-1730

miamidade.gov

December 01, 2017

Mr. Stephen Lenehan, Sr. Vice President
Relationship Manager
Government and Institutional Banking
Wells Fargo Bank, N.A.
450 S. Australian Ave., 7th Floor
West Palm Beach, FL 33401

RE: Miami-Dade County General Operating Account #2696206696688
Amount of ACH Debit \$13,476.22
For: _____

Dear Mr. Lenehan:

You are hereby authorized and directed to debit the above reference account at your bank in the amount shown above.

Upon receipt of this letter, please debit these funds through Wells Fargo so that the funds will be received at:

Company Name: Wells Fargo Bank, N.A.
Company ID: 10 DIGIT COMPANY ID

Thank you for your cooperation in processing this debit transaction.

Very truly yours,

Name and Title of County Department
Authorized Signer

Name and Title of Finance Department
Reviewer (only)

EXHIBIT C

MIAMI DADE COUNTY
 FAMIS FINANCIAL TRANSACTION CODING FORM

WIRE/LOCKBOXES/DEPOSIT CORRECTIONS



DEPT/ DIV:	FEN/TC	375-XXXX
		PHONE
PREPARED BY:	JANE DOE	1/30/2018
		DATE
PRINT NAME AND SIGN		
REVIEWED BY:	J DOE BOSS	1/30/2018
		DATE
PRINT NAME AND SIGN		

Dept. Prefix	Document Number
DD FN	

Document Amount	Lines	Trans. Hash	Treasurer's #	Doc Date
10,000.00	1	445		2/1/18

LINE NUMBER	TRANS CODE	DOC. REFERENCE	TRANSACTION AMOUNT	INDEX CODE	SUB OBJECT	USER CODE	GRANT	GRANT DETAIL	PROJECT	PROJECT DETAIL	GL ACCT	SUB-SIDARY	BANK #
1	445	76223	\$10,000.00	FNTCATDISTAT	29045								108
DESCRIPTION (58 SPACES) DOR INTEREST ON INVESTMENT POOL 10/2017-12/2017											VEND.# 59XXXXXXXX 02		
2													
DESCRIPTION (58 SPACES)											VEND.#		
3													
DESCRIPTION (58 SPACES)											VEND.#		
4													
DESCRIPTION (58 SPACES)											VEND.#		
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DESCRIPTION (58 SPACES)											VEND.#		
9													
DESCRIPTION (58 SPACES)											VEND.#		
10													
DESCRIPTION (58 SPACES)											VEND.#		

EXHIBIT D

DEBIT TRANSACTIONS	
<u>Transaction Code</u>	<u>Description</u>
441	Debit Bk Acct Transfer Out Debiting a G/L Without Subsidiary
445	Debit Bk Acct - Increase in Expenditures
447	Debit Bank with a Decrease in Revenues
453	Wire Transfer-Out debiting a G/L with Subsidiary.