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ACH From Start to Finish

Contents

ACH Setup

Client Setup

The ACH process in Diversified Billing System starts with setup at the bank. When requesting setup for ACH, you will be asked two questions:

1. Does the bank accept a NACHA file?
   A Nacha file is a text file that is uploaded to their bank's website with the bank information of each customer. This file also includes the information of what the bank calls the "originator." The originator is the client's information.

2. Should that file be balanced or unbalanced?
   Nacha files can be balanced or unbalanced. A balanced file includes the transactions for each customer, and an offsetting record of the total amount of the client's bank information. This is called an offset record and is used to balance the file. An unbalanced file includes records for each customer, and no offset record.

System File Setup

Setup begins in the system file under the ACH tab.

Information Required for System File Setup:

1. The client's official bank name
2. The bank routing number – this should always be 9 digits, if it begins with a zero, the system will automatically truncate that digit. You should not be concerned about this.
3. Account number where deposits will be made.
4. Official company name.
5. IRS Employer ID – The client's IRS ID (EIN)

The ACH pay location code will auto populate to your batch when you process your receipts.

If the checkbox for 'ACH for Final Bills' is checked, the system will generate ACH files to send to the bank for final billings. If unchecked, the system will not generate these files.

The checkbox labeled 'Balanced ACH File' is checked if the client noted that their bank wants a 'balanced ach file' (This answer comes from the questions the client asks the bank on setup).

The checkbox for 'Add Account to batch not in original billing' is checked if the client would like to be able to add new people to the ACH batch after the file was created during the billing.
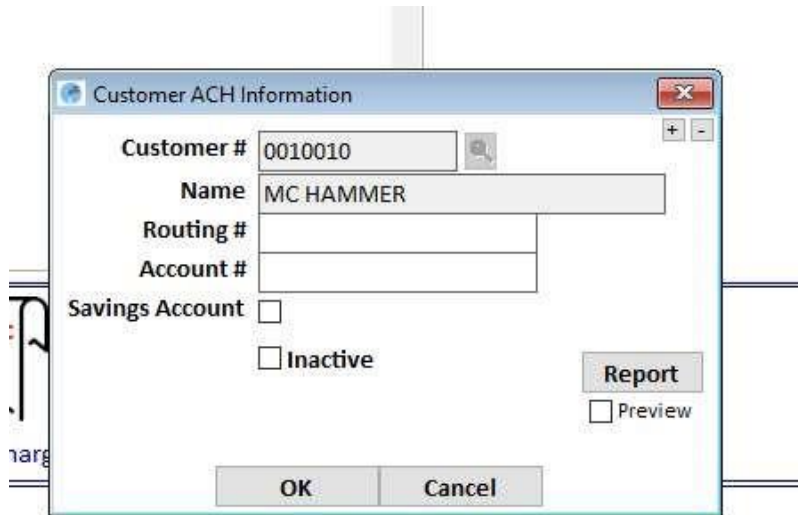
Customer Direct Debit

After ACH details are recorded in the System File, customer accounts can then be added to this payment option. Customer direct debit is the client's way of adding their customer base to ACH as they sign up.
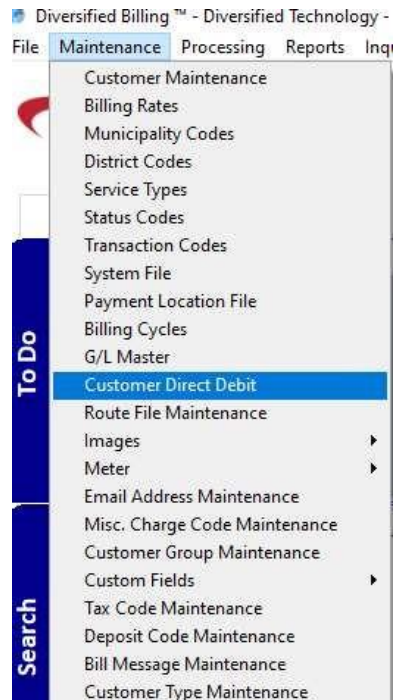
Use the magnifying glass to select a customer. If the customer is not currently signed up for ACH, the system will ask you if you would like to add a record for the customer.
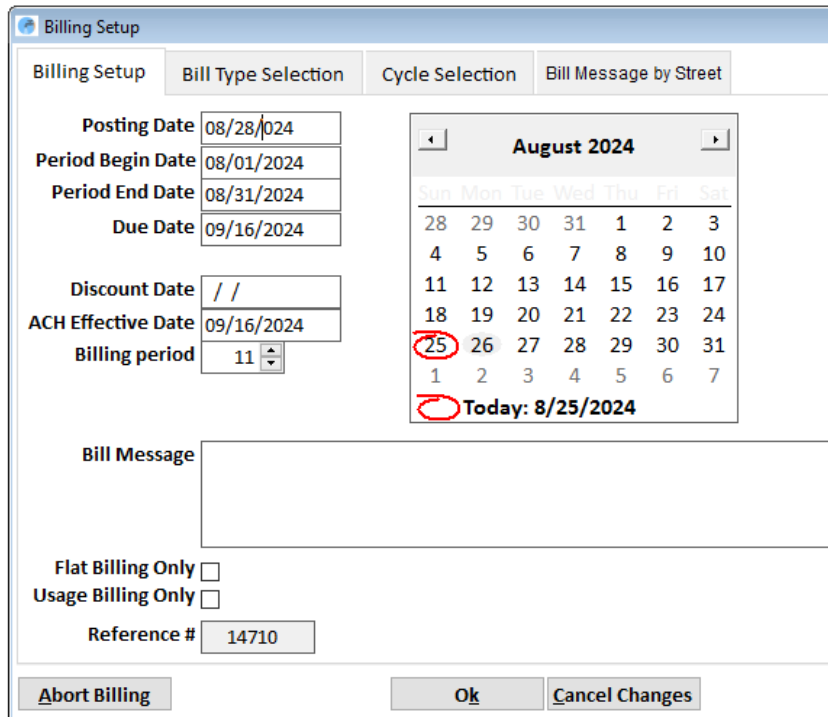
In the following screen, you can add or edit the routing number and account number. Check the box for savings account for savings, leave it unchecked for checking account.

If the customer is active in Customer Direct Debit and selected to receive a bill during the billing process (based on billing cycle, service type, etc.), they will be included in the ACH file that is created during the bill process.

Billing

ACH DATE - The ACH date is the date you plan to have the ACH file clear the bank. This date is originally established in the job setup on the billing process and will be verified as a valid date when the file is sent to the bank.


ACH File Creation

During Step 6 – Calculate Bills, the billing system creates the ACH file that is sent to the bank. The ACH file is properly called a NACHA file because of the structure but can be plainly viewed in notepad.
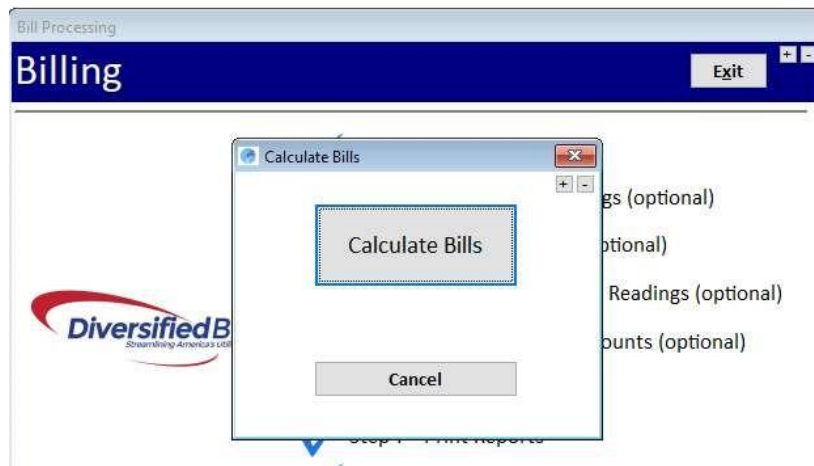
ACH File Maintenance

After the billing is updated in Step 9, the only way to edit the ACH transactions is through ACH file maintenance on the Utilities tab.
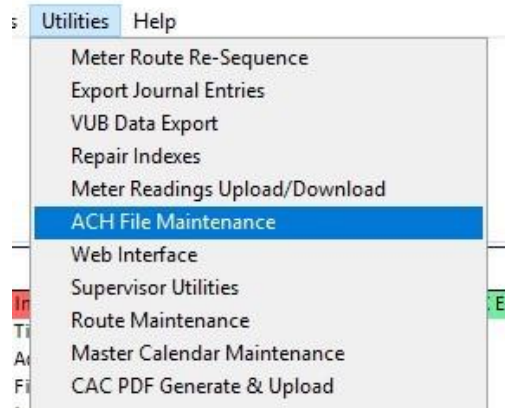
In ACH File Maintenance:

You can type directly in the amount field to change the amount that will be withdrawn from the customer's bank account.

The 'Print Balance differences' button will show you any customers that have a different balance on their account than they did when the ACH file was created. After viewing the report, the

system will ask you if you would like to update the amounts with what is on the balance difference report.

You can also change the ACH date on this page and update the file with a new date before sending it to the bank.

Using the 'add' button will allow you to add new customers who have signed up for ACH after the billing processing.
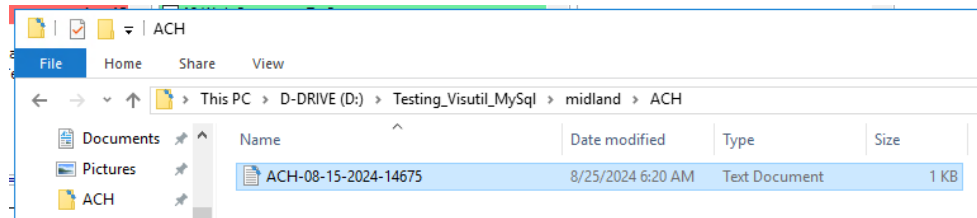
You can click the refresh button to view your changes. You must click the process button to regenerate the ACH file and save changes.

By default, the ACH file is created in the client's data folder, in a subfolder called ACH.
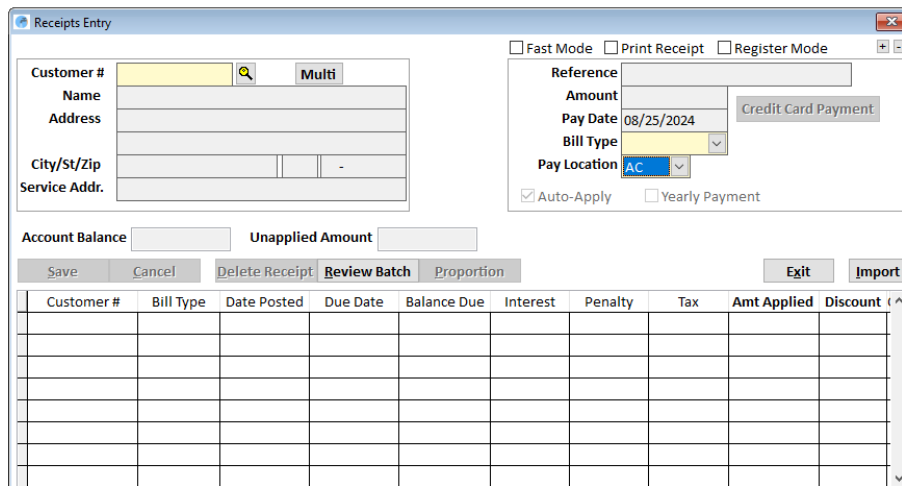

The client will select this file to upload on their bank's website, typically 1 to 2 days before the ACH date. The bank will respond, indicating the file was accepted and what the total deposit is.
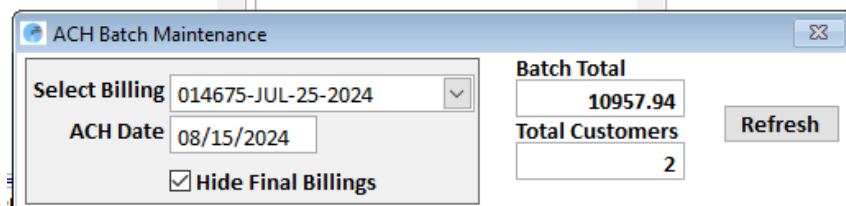
Payment Processing

Payments should be processed in the billing system after you receive notification that the bank indicates they have accepted the NACHA file and responds with the total of the deposit. This allows you to verify the total amount accepted by the bank matches the billing system.

It is important to select the current Pay Location. In the example below AC stands for ACH. Remember this is important for looking up information in the future by Pay Location.

Use the import options in step 2 of receipts entry to import the ACH payments.

You will need the posting date and reference number of the billing batch. This information can be found under Utilities and ACH File Maintenance.
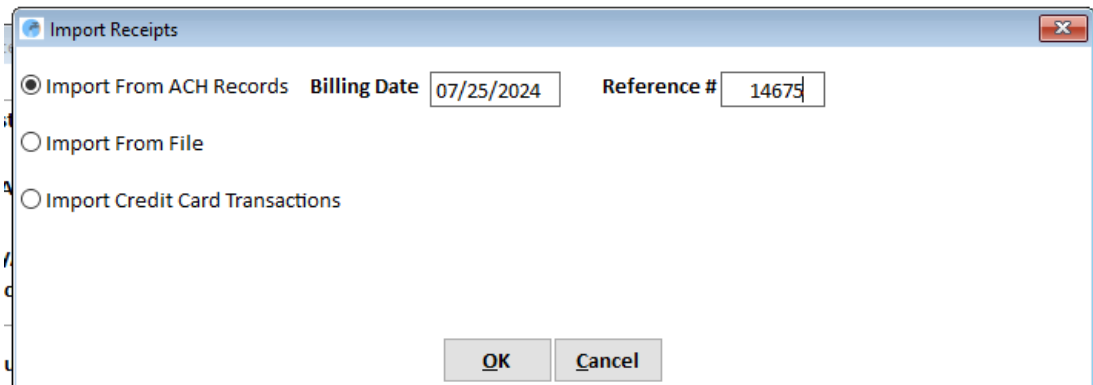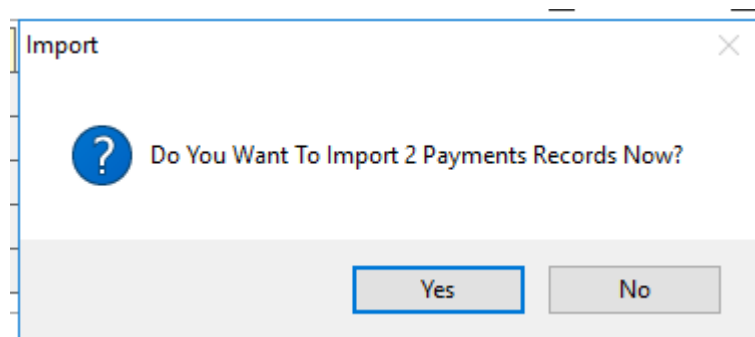
The system will tell you the total number of payments and ask if you would like to import.
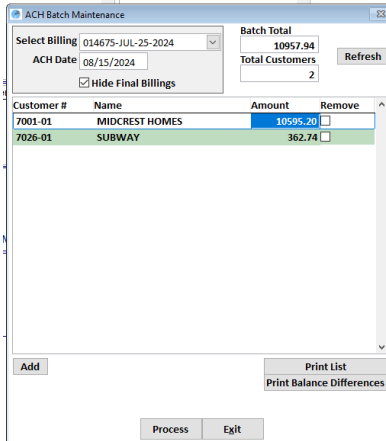
ALWAYS verify the amount on your receipt register matches the amount that was sent to the bank before updating.
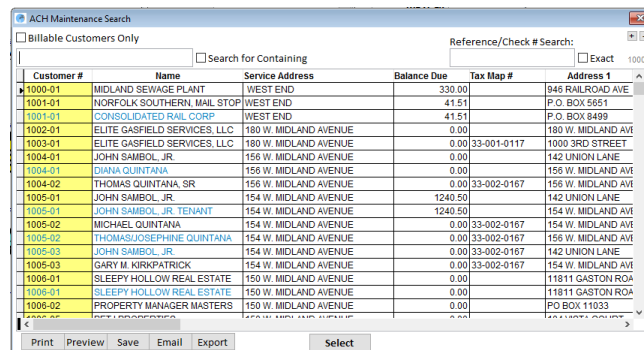
Changing ACH File Before Submitting to the Bank

The ACH file can be changed before submitting the file to the bank and processing the payments in the billing system. You can do this under Utilities – ACH File Maintenance. Make sure you have selected the correct ACH file to change.
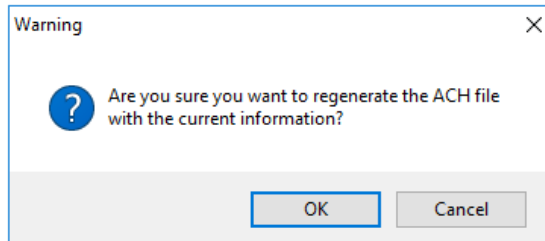

Adding a customer to the ACH File

Select the Add button and select the customer that you want to add to the ACH file. Once added you will want to process. A message will show asking if you are sure you want to regenerate, and this will change the ACH file that will be submitted to the bank. Make sure you select okay to change the ACH file.
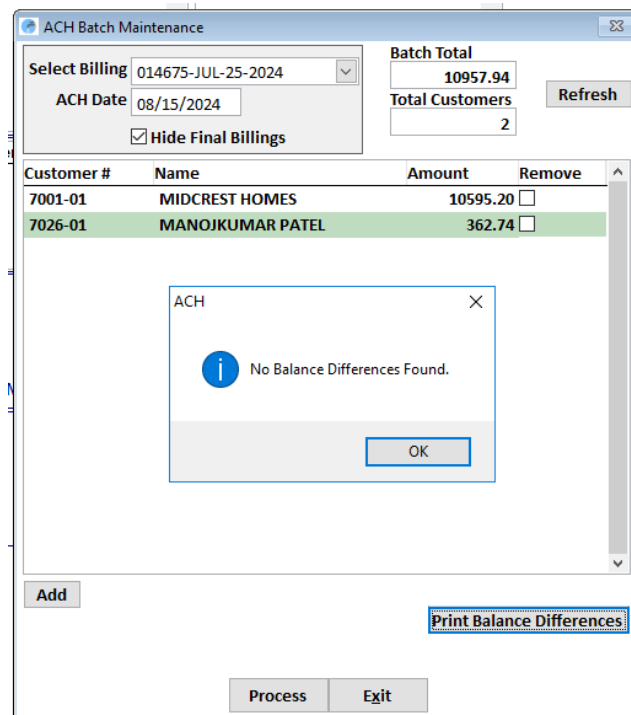
Removing a customer from the ACH File

To remove a customer from the ACH file, select the box next to the customer's name and then select the process button. It will give you a message asking if you are sure you want to regenerate and select OK. This will remove the customer and update the ACH file.

Print Balance Differences

Using this feature will allow you to see if there are differences between the file and the customer's account in the billing system. If there are differences if will provide a list and then you can determine if you want to correct the differences or remove the customer from the ACH batch.
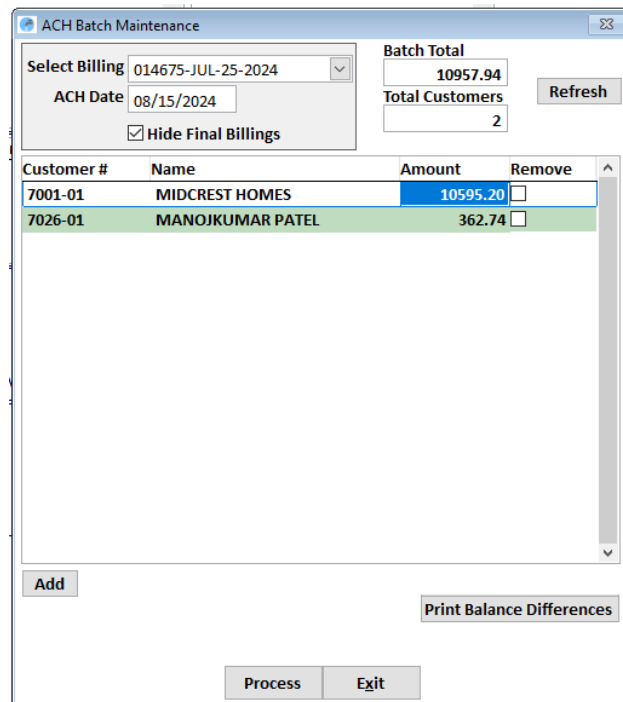
Changing the Amount

You can also manually change an amount in the ACH file by highlighting the amount and putting the correct amount in. You will then need to process the ACH file so changes can be made.

Here are five multiple-choice questions based on the content provided, along with the correct answers:

1. What is the purpose of the offset record in a balanced ACH file?
A. To provide a summary of individual transactions.
B. To balance the total amount of the client's bank information with transaction records.
C. To identify discrepancies between customer accounts.
D. To list all customers included in the ACH file.
Correct Answer: B. To balance the total amount of the client's bank information with transaction records.

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2. In the ACH File Maintenance section, what does the 'Print Balance Differences' button do?
A. It allows users to print a report of all transactions.
B. It shows differences between the file and the customer's account balances and prompts for corrections.
C. It generates a list of all customers in the ACH file.

D. It provides a summary of the total deposit amount.
Correct Answer: B. It shows differences between the file and the customer's account balances and prompts for corrections.

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3. What should you verify before updating the payment processing in the billing system?
A. The customer's account details and routing numbers.
B. The bank's acceptance of the NACHA file and the total deposit amount.
C. The ACH file location on the client's data folder.
D. The billing cycle and service type for each customer.
Correct Answer: B. The bank's acceptance of the NACHA file and the total deposit amount.

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4. What does the checkbox labeled 'ACH for Final Bills' control?
A. Whether new customers can be added to the ACH file after billing.
B. Whether the ACH file should include transactions for final billings.
C. Whether the ACH file will be balanced or unbalanced.
D. Whether to include a summary of individual transactions in the file.
Correct Answer: B. Whether the ACH file should include transactions for final billings.

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5. How can you add a new customer to an existing ACH file?
A. By updating the customer's account information during the billing process.
B. By using the 'Add' button in the ACH File Maintenance section and selecting the customer.
C. By editing the ACH file in Notepad before submission to the bank.
D. By including the customer's details in the initial setup file.
Correct Answer: B. By using the 'Add' button in the ACH File Maintenance section and selecting the customer.