



Article # 1288

Technical Note: Understanding the Electronic Payment Feature in PR and AP

Difficulty Level: Beginner Level AccountMate User

Version(s) Affected: AccountMate 7 for SQL, Express and LAN
AccountMate 6.5 for SQL, MSDE and LAN

Module(s) Affected: PR, AP

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DESCRIPTION

As business becomes universal, business processes need a more advanced solution. With E-commerce, electronic payment innovations are offered to speed up and foster paperless business transactions. Electronic payment reduces check handling risks such as forgery and theft, saves the cost of the check stub, and eases long distance payment transactions. It also saves employee time and effort to cash paychecks every period.

AccountMate is enhanced to provide electronic payment transaction processes using National Payment Corporation (NPC) and Automated Clearing House (ACH). The latter is available starting in AccountMate Version 7. This Technical Note discusses how to use the electronic payment feature in Payroll and Accounts Payable and lists the available electronic payment reports.

SOLUTION

A. Using Electronic Payment in Payroll

To use the electronic payment feature in the Payroll module, perform the procedures below:

1. Activate the Electronic Payment feature in Payroll Module Setup.
 - a. Access the PR Module Setup → General (2) tab.
 - b. Mark the Electronic Payment checkbox.
 - c. Choose which electronic payment option you want to use:
 - 1) Choose Automated Clearing House (ACH) if you want AccountMate to generate an ACH file that you can send to your bank for use in processing payroll direct deposits; then, click OK to save changes.
 - 2) Choose National Payment Corporation (NPC) if you are using their services to process payroll direct deposits; then click Setup.
 - a) Review the message in the Electronic Payment Information – EFTA Setup window.

- b) Enter the NPC-provided EFTA account, encode word, and password.
 - c) Click Close.
 - d. Click OK to save changes.
2. Set up employees for electronic payment.
 - a. Access the Employee Maintenance → Salary tab.
 - b. Mark the Electronic Payment checkbox. Marking the checkbox will display the Electronic Payment Setup window.
 - c. Fill necessary information such as prenote status, last prenote date, net check amount, and bank information in the Electronic Payment Setup window; then, click Close.
 - d. Click Update to save changes in the employee record.
3. Set up the bank account for electronic payment (ACH Electronic Payments only).
 - a. Access the Bank Account Maintenance → Information tab.
 - b. Click the Electronic Payment button.
 - c. Fill in the Electronic Payment (ACH) Setup window's Mandatory Fields and Optional Fields tabs; then, click Close.
 - d. Click Update to save changes in the bank account record.

Note: Refer to the Online Help or Electronic Manual for detailed discussions on Mandatory Fields and Optional Fields tabs.

4. Generate Prenotes.
 - a. Access the Process Electronic Payment → Generate Prenotes function from the Transactions menu.
 - b. Enter in the Bank # field the code of the bank for which you want to generate prenotes.
 - c. Mark the checkboxes for employees to be included in prenotes processing; then, click Generate.
 - d. Click OK to close the message showing the prenote file location.

Notes:

- You do not need to generate prenotes for employee records that are assigned a "Prenotification Confirmed" prenote status. Note though that AccountMate resets the status from "Prenotification Confirmed" to "Prenotification Required" if you change the employee's bank account number, account type, or routing number.
- You must choose the "Prenotification Confirmed" prenote status if your employee's or vendor's banks do not require their clients to send a prenote file for electronic payments.

5. Activate electronic payment for employees.
 - a. Access the Process Electronic Payment -> Activate Employees for Electronic Payment function from the Transactions menu.
 - b. Review the message and the last prenote date; amend the date, if necessary.
 - c. Click Activate; then click Yes to continue.

- d. Click OK to close the message informing you of the number of employees activated for electronic payment.
6. Process transmission files (NPC Electronic Payments only).
 - a. Access the Process Transmission Files function from the Process Electronic Payment Transactions menu.
 - b. In the Action column, select Send, Delete or No Action depending on the action you want to perform.
 - c. Mark the Prenote checkbox if you want to send the batch file as a prenote file; otherwise, leave the checkbox unmarked if it is an actual electronic payment file.
 - d. Click Process to perform the selected action or click Close.

Note: Before sending any file to NPC, ensure that you have installed the Transmission Manager provided by NPC; otherwise, you cannot successfully send the batch file. Refer to NPC's documentation about options, transmission procedures, and reports if you encounter any difficulty when transmitting batch files to NPC. Should it be necessary, contact NPC's support staff directly.

7. Update transmission confirmation (NPC Electronic Payments only).

Access the Update Transmission Confirmation function from the Process Electronic Payment Transaction menu; then, click OK. Performing this process deletes all NPC transmission confirmation.
8. Run the Regenerate ACH File function if you want to recreate the ACH file (ACH Electronic Payments only).
 - a. Access the Regenerate ACH File function in the Reports menu.
 - b. Enter in the Bank # field the number of the bank for which you want to regenerate the ACH file.
 - c. Enter the individual check number or a range of check numbers drawn against the bank.
 - d. Click Generate.

B. Payroll Electronic Payment Reports

1. Employee Electronic Payment Setup Listing

This report provides information about the electronic payment settings in the employee records. The report shows how much of the employee net pay is set to be deposited electronically and how much is paid in a check.

2. Electronic Payment Report

This report provides payroll check payment information and the amounts paid using electronic payments using either Automated Clearing House (ACH) or National Payment Corporation (NPC).

3. Electronic Payment Batch Control Report

This report provides electronic payment batch information processed through National Payment Corporation that were not yet deleted from AccountMate.

This report tracks payment batches and verifies transmitted payments' quantity and amount.

C. Using Electronic Payment in Accounts Payable (Available in AM7 for SQL, Express, and LAN only)

To use the electronic payment feature in the Accounts Payable module, perform the procedures below:

1. Activate the Electronic Payment feature in Accounts Payable Module Setup.
 - a. Access the AP Module Setup's General (2) tab.
 - b. Mark the Electronic Payment checkbox; then, click OK to save the changes.
2. Set up vendors for electronic payment.
 - a. Access the Vendor Maintenance's Settings tab.
 - b. Mark the Electronic Payment checkbox.
 - c. Fill necessary information such as prenote status, last prenote date, and bank information in the Electronic Payment Setup window; then, click Close.
 - d. Click Update to save changes.
3. Set up bank account for electronic payment.
 - a. Access the Bank Account Maintenance → Information tab.
 - b. Click the Electronic Payment button.
 - c. Fill in the Electronic Payment (ACH) Setup window → Mandatory Fields and Optional Fields tabs; then, click Close.
 - d. Click Update to save the changes in the bank account record.

Note: Refer to the Online Help or Electronic Manual for Mandatory Fields and Optional Fields tabs detailed discussion.

4. Generate Prenotes.
 - a. Access the Process Electronic Payment -> Generate Prenotes function from the Transactions menu.
 - b. Enter in the Bank # field the bank code for which you want to generate prenotes.
 - c. Mark the checkboxes for vendors to be included in prenotes processing; then, click Generate.
 - d. Click OK to close the message showing the prenote file location.

Note: You do not need to generate prenotes for vendor records that are assigned a "Prenotification Confirmed" prenote status. Note though, that AccountMate resets the status from "Prenotification Confirmed" to "Prenotification Required" if you change the vendor's bank account number, account type, or routing number.

5. Activate electronic payment for vendors.
 - a. Access the Process Electronic Payment -> Activate Vendors for Electronic Payment function from the Transactions menu.
 - b. Review the message and last prenote date; amend the date, if necessary.
 - c. Click Activate; then, click Yes to continue.

- d. Click OK to close the message informing you of the number of vendors activated for electronic payment.

D. Accounts Payable Electronic Payment Report

- Electronic Payment Report

This report provides about vendor's payments using physical checks and electronic checks. This report may also be used as a reference when reconciling bank account and book balances.

AccountMate is designed to meet paperless payment innovation requirements. Knowing how to use AccountMate's electronic payment feature facilitates technology integration in your business.

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