Enterprise Information Systems

Electronic Funds Transfer
Requirements and
Processing Procedure

Project No. 9999

V1.4

Effective Date:

10/01/2013
Disclaimer

This business requirements document is based on an actual information systems project. In order to maintain confidentiality and operational security, all references to company names, financial and operation data, and names of real people (with the exception of the author) have been either removed or replaced with fictitious names. Any relationship to existing people is strictly coincidental.
## Approvals

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Department</th>
<th>Date</th>
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<tbody>
<tr>
<td>Robert Hammond</td>
<td>Controller</td>
<td>Accounting</td>
<td>03/15/2013</td>
</tr>
<tr>
<td>Dora Jar</td>
<td>Asst Controller</td>
<td>Accounting</td>
<td>03/15/2013</td>
</tr>
<tr>
<td>Dan Level</td>
<td>Director IT</td>
<td>EIS</td>
<td>03/15/2013</td>
</tr>
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**Prepared by:**

<table>
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<th>Name</th>
<th>Title</th>
<th>Department</th>
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<tbody>
<tr>
<td>A. Marsiglia</td>
<td>IT Bus Analyst</td>
<td>EIS</td>
<td>03/01/2013</td>
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## Revision History

<table>
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<th>Version No.</th>
<th>Date</th>
<th>Description of Changes</th>
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<td>1</td>
<td>08/07/2013</td>
<td>Initial Document</td>
<td>Andy Marsigilia</td>
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<tr>
<td>3</td>
<td>09/26/2013</td>
<td>Modify section 2.9, 2.10, 2.11</td>
<td>Andy Marsigilia</td>
</tr>
<tr>
<td>4</td>
<td>09/27/2013</td>
<td>Update Proposed Job Schedule</td>
<td>Andy Marsigilia</td>
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# RACI Chart

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<tr>
<td>Dora Jar</td>
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<td>Dan Level</td>
<td>Director IT, Financial Applications</td>
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<td>Roland Roberts</td>
<td>Business Relationship Manager</td>
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<tr>
<td>John Lawler</td>
<td>A/P Supervisor</td>
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<tr>
<td>Jan Jones</td>
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<tr>
<td>Fran Finance</td>
<td>Comerica VP - Implementation</td>
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**Legend:**

- * Authorize
- R Responsible
- A Accountable
- S Supports
- C Consulted
- I Informed
EFT Setup and Processing Procedure
Effective 10/01/2013
Version 1.4

1. Executive Summary

This document is intended to summarize the functional and technical design specifications necessary to automate the processing of batch electronic File transfer (EFT) transmissions to the bank. This document will also provide a vehicle for accurate communication between the business and technical interests.

1.1. Specification Objectives

1.1.1. Summarize all functional design specifications and present for review and approval
1.1.2. Coordinate discussions with Accounts Payable (A/P), Treasury, Operations business users and technical resources
1.1.3. Present recommendations for next steps
1.1.4. Provide uses cases (if applicable) that can be used to validate success or failure of the proposed enhancement

2. Overview

2.1. Scope

The scope of this document is limited to the changes and enhancements necessary to automate EFT vendor disbursements from the Epicor Enterprise Financials Suite and Distribution Suite version 7.4 (hereafter ERP System) via batch transmissions.

The Accounts Payable group is currently unable to produce an EFT batch transmittal file from the ERP System. Instead, an Excel CSV file is manually maintained while each EFT voucher is processed in Epicor. Once all vouchers/vendor payments have been posted and each payment is recorded to the spreadsheet, a CSV file is saved to a secure network location and Treasury is notified that an EFT batch transmittal is ready. The Treasury group will then format the document and upload it to Comerica's web site.
The goal of this initiative is to replace the Excel spreadsheet with a streamlined process that allows users to extract the EFT vendor disbursements file directly from the ERP System. This will eliminate the need for manual maintenance of an Excel spreadsheet altogether.

2.2. System

Epicor Enterprise Financials Suite & Distribution Suite Version 7.4 (hereafter ERP System)

2.3. Reference Material

- EFT Batch Automation Business Case
- EFT CSV File Example
- Comerica - Disbursement Upload Process
- Comerica - Positive Pay Procedures and Instructions Epicor - Electronic Funds Transfer Form
- ACH – NACHA File Format 2012
- EFT – ACH File Structure
- Epicor – Accounts Payable 7.4 – User Guide

3. Design Considerations

3.1. Assumptions

3.1.1. The corporation will continue to add vendors that are eligible for electronic payment through ETF in the Order Management System (OMS)

3.1.2. We will need to work with the purchasing department to secure approval to license and activate the Epicor EFT module.

3.1.3. EFT will only be configured for electronic disbursements through the Comerica Bank operating account.

3.1.4. A/P will determine vendors eligible for EFT, and verify their bank account and routing numbers.
3.1.5. A/P & Treasury groups will verify each EFT’s bank account and routing numbers

3.2. Related Software

This is an enhancement to the existing ERP system

3.3. General Constraints

3.3.1. Monetary costs associated with purchasing the additional Epicor module
3.3.2. Internal resource availability

3.4. Goal & Guideline

The goal of this functional specification is to replace the manually maintained Excel spreadsheet with a streamlined process that allows users to extract the EFT vendor disbursements file directly from the ERP system.

4. Current Functionality

4.1. Voucher Processing

Vendor invoices are scanned into the company’s electronic document management application, Doc-link. Once an invoice is scanned into Doc-link and the corresponding metadata is validated, it is approved and “imported” into the ERP System by the A/P Supervisor. This import results in a pending voucher being created in the ERP A/P module. The import process is daily and ongoing, so as a result, Epicor users run periodic Voucher Analyses reports to search for outstanding vouchers.

4.2. Vendors

A vendor record is the primary record of Accounts Payable. For the purposes of this discussion, think of vendors as suppliers. A vendor is an individual or enterprise that provides goods or services to the corporation for a fee. Consequently, records must be created for all vendors to enable processing of payments when goods or services are received.
Before a vendor can be paid, a corresponding vendor record must exist in the Epicor A/P module. A vendor authorization form should be completed for all new EFT vendors. Presently, this form is called the *Electronic Funds Transfer (EFT)* Form and can be found in the Accounting Department SharePoint site.

### 4.2.1. Vendor EFT Disbursements (EFT Payments)

A vendor analysis is performed to find the vendors that are eligible for payments. This includes all payment types (for example EFT, Wires and Check payments). The intent of this functional specification is to automate the vendor EFT payment process.

### 4.2.2. Create CSV File for EFT Payments

Since the current EFT payment process is not automated, a manual spreadsheet of all EFT transactions is maintained by A/P. Once vendor payments are posted, the spreadsheet is passed on to the Treasury group and uploaded to Comerica. EFT Vendors can be identified using the results of the Vendor Analysis above.

### 4.2.3. Generate Vendor Payments

Once the Explorer query above has been executed and the results show that vendor payments are needed, Vendor Payments must be created by initiating the Generate Payments function within the ERP A/P module.

### 4.2.4. Payment Entry

After all payments are generated, the A/P accountants manually enter each EFT payments into the ERP A/P module.

### 4.2.5. Post Payments

Once payments have been generated and processed, the user must formally Post all payments in A/P to update the A/P subledger and general ledger.
Once Payments have been posted in the ERP System, the updated CSV file is saved to the Accounting shared drive. A/P then sends an e-mail to the treasury contact notifying them that an EFT Transmittal is available. Treasury’s steps are outlined in the following section

4.3. Treasury Processing of EFT Payments

4.3.1. After the A/P Supervisor notifies the treasury contact that an EFT Transmittal is ready, it is that person’s responsibility to validate the formatting and accuracy of the file prior to uploading it to Comerica. An overview of Treasury’s validation and upload steps is shown below:

4.3.2. The treasury contact receives an e-mail from the A/P supervisor indicating that an EFT Transmittal (CSV File) is ready for pickup. The e-mail will contain the following details:

- Description of the CSV file ready for pickup (including today’s date)
- The path to the location of the file that is ready for pickup

4.3.3. The Financial Reporting contact opens the CSV file with Microsoft Excel, saves it to the “Vendor Uploads” directory, and then ensures proper formatting.

4.3.4. The treasury contact will upload the vendor transmittal file to Comerica

4.3.5. After upload to the bank, the treasury contact will send e-mail to the A/P supervisor confirming that the EFT batch has been uploaded and is ready for approval

5. Proposed Functionality

The company will need to license the Electronic Funds Transfer (EFT) module in order to activate the automated EFT output file feature within the ERP System.

Electronic Funds Transfer tightly integrates with the Accounts Payable module and generates electronic payments rather than printing checks. The output file can be formatted for U.S. standard ACH CTX, CCD & PPD-formats, or Canadian CPA-005 format. The file can then be transmitted to your financial institution for payment to your respective vendors. EFT reduces the associated administrative and operating expenses of printing checks.
Security is enhanced, since funds are directly transferred from the bank to the company’s respective vendors, eliminating the possibility of losing checks in the mail.

Please refer to the attached EFT workflow document, *EFT Process v6 100113.pdf*.

5.1. Impact and Benefits

5.1.1. Accounts Payable group will be able to generate an output file containing all processed EFT payments

5.1.2. EFT output files can be saved to a new Comerica Data Vault location on the company’s network

5.1.3. Data Vault directory will be swept daily and EFT output files will be uploaded to Comerica for processing

5.1.4. Integration with Doc-link so that document/confirmation numbers can be passed from the ERP System to Doc-link

6. Accounts Payable EFT Setup Tasks

6.1. Update A/P Name & Options (apco table)

   6.1.1. Path: Accounts Payable/Maintenance/Setup/Name and Options

   6.1.2. Change company name from *Delta Corp* to *AMTempCo*

   6.1.3. Save and close the Name and Options form

6.2. Update the EFT Payment Method

   6.2.1. Path: Accounts Payable/Maintenance/Setup/Payment Method

   6.2.2. After the Payment Method form is displayed, zoom the Payment method Code box and double-click *EFT*.

       6.2.2.1. Payment Type: EFT

       6.2.2.2. Doc Mask: EFT000000

       6.2.2.3. On-Account Code: 1110-1000-01-000

   6.2.3. Save & close the form

6.3. Update Vendor Master record for EFT Vendors

   6.3.1. Update the vendor payment method from WIRE-EFT to EFT

   6.3.2. Update vendor default GL cash account to 1111-1000-01-000

6.4. Vendor Bank Information
This step is primarily performed in test environments because the bank master key files are not typically installed on those systems. The production system already has the master keys installed thereby allowing encrypted bank account records to process without error. There is a remote possibility, however, that some vendor bank records may cause them to be omitted from the EFT file produced by the system. In that event, the specific vendor bank record will need to be corrected through this procedure.

6.4.1. Path: Accounts Payable/Maintenance/System/Vendor

6.4.2. Enter vendor code

6.4.3. Click the Bank button to display the Bank Information form

6.4.4. Copy the existing bank information and paste it temporarily in WordPad.  

6.4.5. Repeat the process for all vendors.

6.4.6. Save and close the Vendor form

6.5. Delete EFT payment method that has PPD format

6.5.1. Path: Accounts Payable/Maintenance/Setup/EFT File Format Information.

6.5.2. Select View from the menu bar and click Scan to enable the zoom function on the File Format box.

6.5.3. Zoom to PPD File Format

6.5.3.1. Zoom to Payment Method EFT to auto-populate the EFT File Info Form

6.5.3.2. Select Delete and click OK button. Leave the EFT File Format Information form open.

6.10. Setup EFT File Format Info for EFT Payment Method with CTX Format

6.10.1. With the EFT File Format Info Form still open, enter the CTX format parameters.

6.10.2. Click the New record button.

6.10.3. Select View from the menu bar and click Scan to enable the zoom function on the File Format box.

6.10.4. Enter the following parameters:

6.10.4.1. File Format: CTX

6.10.4.2. Payment Method: EFT

6.10.4.3. Description: AM EFT
6.10.4.4. Company Tax ID Number (TIN):
- Remove the hyphen from the TIN, 123455432
- Add a “2” as the leading number of the TIN: 2123455432. This modification is required by Comerica.

6.10.4.5. Next EFT Batch #: 0000001
6.10.4.6. Trx Code: n/a
6.10.4.7. Originator Status Code: #1

6.10.5. Save & Close the form

6.11. Positive Pay Exception for EFT
- 6.11.1. Path: Accounts Payable/Processing/Positive Pay File Generator
- 6.11.2. Group: Comerica
- 6.11.3. Payment Method Exclusions
  - 6.11.3.1. Scroll to bottom of the Payment Method to Exclude box and enter EFT. Click the Add button.
  - 6.11.3.2. Click the OK button to close the Exclude Payment Methods Setup box
  - 6.11.3.3. Close the Positive Pay File Generator window.

7. Accounts Payable: EFT Processing Steps
- 7.1. Run Explorer query Vendors
  - 7.1.1. Vendor Tab: Vendor Name = %IP-EFT%
  - 7.1.2. Amount Tab: Open Balance >0
  - 7.1.3. These are vendors from which payments can be generated. If no vendors have any open payable balances, test invoices must be entered and posted for the EFT vendors.
  - 7.1.4. Export to Excel
  - 7.1.5. Close the Explorer query
7.2. Payment Entry (Not necessary if Generate Payments was used)
   7.2.1. Path: Accounts Payable/Processing/Payment/Payment Entry
   7.2.2. Click the New command on the toolbar of the Payment Entry form
   7.2.3. Enter the vendor code in the Vendor box & Tab
   7.2.4. Click the Autoload button to load the vendor’s open invoices total
   7.2.5. Save the payment
   7.2.6. Repeat for the next vendor on the Vendor spreadsheet from step 2.1.
   7.2.7. Close the Payment Entry form when finished

7.3. Generate Payments (Not necessary if Payment Entry was used)
   7.3.1. Path: Accounts Payable/Processing/Payment/Generate Payments
   7.3.2. After the Generate Payments form opens, enter the following parameters:
      7.3.2.1. Cash Acct = 11111000001000
      7.3.2.2. Click Standard Payment
      7.3.2.3. Payment Type: EFT
   7.3.3. Click the Generate button.

7.4. Print Unposted Payments Listing
   7.4.1. Path: Accounts Payable/Reports/Operational/Unposted/Unposted Payment Listing
   7.4.2. Saved Configurations: Click the New button
   7.4.3. Report Style: Summary. Click the Parameters button
   7.4.4. Parameters
      7.4.4.1. Sequences: Accept the default (Control #/Document #)
      7.4.4.2. Ranges: Append the Payment Method Code option and enter EFT for From & Thru
      7.4.4.3. Click OK button to close the Parameters box and return to Report styles
   7.4.5. Click OK button to close Report Styles box and return to the Saved Configurations box
   7.4.6. Click the Process button at the saved Configuration box to run the report.
   7.4.7. Compare vendors & payment amounts to the Vendor Explorer query, step 2.1.
   7.4.8. Save the report.

7.5. Run Explorer Query, EFT Vendor Exceptions – Custom
7.5.1. This query will examine all EFT payments that were generated in step 2.3 and check the bank information data to ensure it is present and meets the specifications for the routing number and bank account number in order for corrections to be made before processing EFT payments & creating the EFT Payment File.

7.5.2. Click the Run button to retrieve all data.

7.5.3. Maintain vendor master and associated bank information as necessary.

7.5.4. Repeat steps 2.5.1 to 2.5.3 until no records are returned in report.

7.6. Process EFT Payments

7.6.1. Path: Accounts Payable/Processing/Payment/Electronic Funds Transfer/Process Payments

7.6.2. Saved Configurations: Click the New button


7.6.4. Parameters Box:

7.6.4.1. Sequences: Vendor Code

7.6.4.2. Ranges: Not enabled for EFT

7.6.4.3. Cash Account Code: 1111-1000-01-000

7.6.4.4. Payment Code: EFT (Can zoom and select from list)

7.6.4.5. Click OK button to close the Parameters box and return to Report Styles

7.6.5. Click OK button at Report Styles box to close it and return to Saved Configurations

7.6.6. Click Process button at Saved Configurations box to begin processing

7.6.7. The EFT Process Report will be displayed. The total number of payments processed should be the same number as the Unposted Payments Report from Step 2.4

7.7. Create EFT File

7.7.1. Path: Accounts Payable/Processing/Payment/Electronic Funds Transfer/Create EFT File

7.7.2. Saved Configuration: Click the New button

7.7.3. Report Style: EFT File Creation. Click the Parameters button

7.7.4. Parameters:
7.7.4.1. Sequences: EFT File Creation
7.7.4.2. Ranges: Not enabled for EFT file creation
7.7.4.3. Cash Account Code: 1111-1000-01-000 (zoom field)
7.7.4.4. Payment Code: EFT (zoom field)
7.7.4.5. Path\File Name:
   2.6.4.5.1. The ERP system restricts the total length of the path
   including filename, to a maximum of 50 characters.
   Consequently, the following 47 character path will be used:
   X:\Accounting_General\Treasury_EFT_Data\EFT.txt
2.6.4.5.3. Click the Browse button
2.6.4.5.4. Path: X:\Accounting_General\Treasury_EFT_Data\
2.6.4.5.5. File name: The TXT extension must be added to the file
   name; otherwise the ERP system will create the file as a
   .DAT file type.
2.6.4.5.6. Click the Save button to return to the Parameters box.
7.7.4.6. Click the Processing Options button at the bottom of the Parameters
   box.
   • Royal Bank. . .: blank
   • Company Entry Description: AM-EFT
   • Company Descriptive Date: Enter the file creation date:
     mm/dd/yyyy
   • Effective Entry Date: Enter the file creation date: mm/dd/yyyy
   • Click the OK button to close the Processing Options box
7.7.4.7. Click OK button to close the Parameters box
7.7.4.8. Click OK button to close the Report Styles box
7.7.4.9. Click Process button to start the file creation process.
7.7.4.10. At completion of the EFT file creation process, the system will display
   the EFT File Creation process summary.
   • The total number of payments and total amount should match the
total payments and amount on the Unposted Payments Listing
7.7.4.11. Save for sending to the company treasury contact
7.7.5. Because the EFT process is completely electronic, Comerica’s representative said that a Positive Pay file in not required or desired. Positive Pay is for printed documents only.

7.7.6. Data Vault Access Permissions for A/P
   7.7.6.1. Active Directory group for permission to Data Vault EFT/Data folder: EFT_Data_Write
   7.7.6.2. Active Directory group permission to Data Vault EFT/Verify Folder: EFT_Verify_Read

7.8. Notify the company treasury representative
   7.8.1. When the EFT data file is confirmed to be error free, send an email to the treasury representative to prepare the EFT Verification Report
   7.8.1.1. Attach copy of the ERP EFT File Creation Report
   7.8.1.2. Attach copy of Unposted Payments Listing

7.9. Data Vault Access Permissions for Treasury
   7.9.1. Active Directory group for permission to Data Vault EFT/Data folder: EFT_Read
   7.9.2. Active Directory group permission to Data Vault EFT/Verify Folder: EFT_Verify_Write

8. Treasury: EFT Processing Steps
   8.1. Open the EFT File and check for errors (if this is not final version then should not save in Data Vault the first time)
      8.1.1. Go to the location where the EFT file was saved and open it
      8.1.2. Confirm that there are no blank rows in the transaction detail section. Blank rows indicate, as shown in the following sample file, a missing detail record and Comerica will be unable to process it.
         8.1.2.1. If there are missing transaction detail rows, open a Help Desk ticket for a data fix. This could mean that there is corrupt bank data in A/P
   8.2. If the EFT file has no errors, save it to the Data Vault located at \acceserver01\EFT\DATA
   8.3. The EFT data File will be automatically sent to Comerica via the Data Vault application. Refer to the Data Vault Job Schedule for transmission times.
   8.4. Prepare the EFT Verification Report
8.4.1. Open the verification report template: EFT Verify_Rpt_Temp_<Processing date>.txt (example: EFT_Verify_090513.txt)

8.4.2. Report Date: Date of EFT transmission (mm/dd/yyyy)

8.4.3. Settlement Date: Normally, date of EFT transmission (month_name dd, yyyy)

8.4.4. Dollar amount, Credits: Enter amount from EFT File Creation Report or Payment Register

8.4.5. Item Count: Enter number of items from EFT File Creation Report or Payment Register

8.4.6. Save the Verification file to the Data Vault
   8.4.6.1. Path: Since this is a Data Vault function rather than an ERP function, there are no restrictions on the path length.
   3.4.6.2. File name: EFT_VERIFY_RPT_mmddyy
   3.4.6.3. Format: Text
   3.4.6.4. Save Verification Report to the Data Vault located at \acserver01\EFT\VERIFY

8.4.7. The EFT Verification Report will be automatically sent to Comerica via the Data Vault 5 minutes after the EFT data file.

8.4.8. Data Vault Access Permissions for Treasury
   8.4.8.1. Read-Only Permission to Data Vault EFT/Data folder
   8.4.8.2. Write Permission to Data Vault EFT/Verify Folder

8.5. After the EFT & Verification files are sent to Comerica
   8.5.1. For each EFT data file and each Verify file, Comerica’s processing system will copy the data, rename the file, and place a snt suffix on the filename indicating “sent”. This is a receipt confirming the EFT data files were successfully sent.

8.5.2. The EFT snt file will be stored in the EFT DATA folder & the associated Verification snt file will be stored in the VERIFY file

8.5.3. Sent files will be over-written the next time files are sent to the bank.

8.5.4. Sent file naming format
   Filename: TPEPIABCDE1230020130905152604AMTEMPCO.snt

8.5.5. The bank will send an email notice to the company treasury contact.

8.6. Comerica EFT Confirmation Email
8.6.1. Comerica will email a confirmation and batch summary to the company treasury contact.

8.7. Notify the Accounts Payable supervisor that the confirmation file has been retrieved & that they are cleared to post the EFT payments

9. **Accounts Payable: Final EFT Process Steps**

9.1. **Post EFT Payments**

9.1.1. Path: Accounts Payable/Processing/Payment/Post Payments

9.1.2. On the Post Payments parameters box, uncheck the Cash Account box and enter the GL cash account for the EFT batch just processed; in this case 1111-1000-01-000 (From & Through)

9.1.3. Click the *Post* button

9.1.4. The system will display a message that posting is complete indication if there were errors or not. Click the OK button.

9.1.5. The system will display the Posting Process Report indicating the number of transactions posted and the patch total. These totals should match the EFT File Creation process summary. Save for audit trail.

9.1.6. Close the Posting parameters box.

9.2. **Print the Payment Register Report**

9.2.1. Path: Accounts Payable/Reports/Operational/Payment Register

9.2.2. Payment Register Report Parameters

9.2.2.1. Saved Configurations: Click the New button

9.2.2.2. Report Styles: Detail. Click the Parameters button

9.2.2.3. Parameters box:

9.2.2.3.1. Sequences: Check/Doc No.

9.2.2.3.2. Ranges:

- **Append Payment Date:** Enter the date for the batch just processed.
- **Append Cash Account Code:** Enter the GL cash account code for the batch just processes. In this case enter 1111100001000 (From & Thru)

9.2.2.3.3. Click the OK button

9.2.3. Click the OK button at Report Styles
9.2.4. The Payment register will show the total EFT transactions with each record assigned a unique Check/Doc No in the format EFT000000, and the total amount paid. The payment count and totals should reconcile to the EFT File Creation Report and Posting Process Report.

9.3. Print Remittance Advice

9.3.1. Path: Accounts Payable/Processing/Payment/Electronic Funds Transfer/Print Remittance Advice

9.3.2. Saved Configurations: Click the New button to display the Report Styles box

9.3.3. Report Styles Box

9.3.3.1. Report Styles; Detail

9.3.3.2. Click the Parameters button to display the Parameters box

9.3.4. Parameters Box:

9.3.4.1. Sequence: Cash Account Code

9.3.4.2. Ranges:

- Append: Print Batch Code ("Print Run" value from the Payment Register Report)
- Enter same print batch code from Payment Register for From & Thru value

9.3.4.3. Click the OK button to return to the Report Styles box

9.3.5. Click the OK button on Report Styles box to return to Saved Configurations box

9.3.5. Click the Process button on the Saved Configurations box to display the remittance advices to the computer monitor.

9.3.6. Check Remittance Advices for data accuracy

9.3.7. Click Print and print to the Doc-link electronic document management system, using printer EDMCheck.

9.4. Accounts Payable: Run Explorer query Vendors

9.4.1. Vendor Tab: Vendor Name = %IP-EFT%

9.4.2. The EFT vendors will be displayed.

9.4.3. Check the balances of the vendors retrieved in step 2.1 and processed in this EFT run. They should not have an open balance

9.4.4. Export to Excel to compare with worksheet from step 2.1.

9.4.5. Close the Explorer query
10. Returned Payments Procedure

10.1. Comerica uses the Federal Reserve System (Fed) to transmit payments to vendor banks. If the Fed cannot successfully route the EFT payment or if the receiving bank is unable to accept it, the payment will be returned to Comerica.

10.2. The A/P supervisor will check the EFT Returns Folder daily for returned transactions. Refer to Appendix A for additional Returns file information. Path: Comerica/DataVault/ABCDE123/EFT/Returns

10.2.1. If no payments are returned, no action will be required. The EFT Returns file will display the following message: “NO FILE WAS PROCESSED FOR YOUR COMPANY TODAY”

10.2.2. If payments are returned, they will be itemized in the Returns File.

10.3. Review the Returns file and check the ACH Return Code for each returned payment.

10.4. Make corrections as required to the vendor’s bank information in the ERP system.

10.5. Run the Payment Register Report to identify the information to be used in the Payment Adjustments process.

10.5.1. Path: Accounts Payable/Reports/Operational/Payment Register

10.5.2. Payment Register Report Parameters

10.5.2.1. Saved Configurations: Click the New button

10.5.2.2. Report Styles: Summary. Click the Parameters button

10.5.2.3. Parameters box:

10.5.2.3.1. Sequences: Check/Doc No.

10.5.2.3.2. Ranges:

- Append Payment Method Code: Enter EFT in From & Through
- Payment Date: Enter the date in From & Through

10.5.2.3.3. Click the OK button

10.5.3. Click the OK button at Report Styles

10.5.4. Click the Process button at Saved Configurations

10.5.5. The Payment Register will show the total EFT transactions for the payment date. If more than one EFT batch was processed on the target payment date, use the Print Run value to isolate the batch that requires payment adjustments.
10.6. Use *Payment Adjustment* to void the returned posted payment

10.6.1. Path: Accounts Payable/Payment/Payment Adjustment

10.6.1.1. Select File>New
10.6.1.2. Enter the Vendor Number
10.6.1.3. Enter the document number of the returned payment (i.e. EFT0000001) to auto-populate the payment details
10.6.1.4. Adjustment Options: #3. Void Payment
10.6.1.5. Save the adjustment

10.6.2. Post the Payment Adjustment

10.6.2.1. At the *Post Payments Adjustments* options window, uncheck the Doc Number box
10.6.2.1.1. Enter the doc number of the returned item in the From & Through boxes
10.6.2.1.2. Click the *Post* button
10.6.2.1.3. Click the OK button on the *Posting Completed* box.

10.7. Run the Posted Payment Adjustment Listing to confirm the adjusted payments.

10.7.1. Path: Accounts Payable/Reports/Operational/Posted/Posted Payments Adjustment Listing

10.7.2. Report Parameters

10.7.2.1. Saved Configurations: Click the New button
10.7.2.2. Report Styles: Detail. Click the Parameters button
10.7.2.3. Parameters box:

10.7.2.3.1. Sequences: *Check/Doc No.*
10.7.2.3.2. Ranges:

- *Append Payment Method Code*: Enter EFT in From & Through
- *Entry Date*: Enter the date in From & Through

10.7.2.3.3. Click the OK button

10.7.3. Click the OK button at Report Styles
10.7.4. Click the Process button at Saved Configurations

10.8. Generate Payments (Not necessary if Payment Entry was used)

10.8.1. Path: Accounts Payable/Processing/Payment/Generate Payments
10.8.2. After the *Generate Payments* form opens, enter the following parameters:
   10.8.2.1. Cash Acct = 1111100001000
   10.8.2.2. Click Standard Payment
   10.8.2.3. Payment Type: EFT
   10.8.2.4. Range
       10.8.2.4.1. Check the Vendor Code box
       10.8.2.4.2. Enter the vendor code for the returned payment in the From & Through boxes
   10.8.3. Click the Generate button.
10.9. Proceed with the normal EFT process cycle from Step 2.4 through Step 4.5
10.10. The A/P supervisor desires to use the A/P department’s present process for Doc-link documents associated with returned checks, wire transfer, and EFT payments. The original Doc-link document is retained and another document is produced for the reissued payment. The accountants use the ERP system to manage the voided and reissued payments and use this information to identify the valid Doc-link document.
11. Data Vault Job Schedule

The existing Data Vault job schedule was established when the company was using it for only two electronic banking functions: Payroll ACH and Lockbox. Since then, we have added retrieval of lockbox image format files (LIFT) files and are preparing to add a three-step EFT job to the schedule. After adding the LIFT retrieval job we encountered job scheduling problems with having to fit all new jobs in the 30 minute time between Payroll ACH jobs. The LIFT retrieval process, for instance, could take as long as 20 minutes for large batches thereby creating contention with the Payroll ACH and Lockbox jobs.

The finance department project manager, A/P supervision, treasury contact, and finance BA met to create a more practical schedule than the present one and concluded that Payroll ACH job should run once per hour, at the top of the hour, each weekday during normal business hours rather than 24 hours a day every day. In addition, since A/P payments are typically made on Tuesday and Thursday, the EFT jobs should run only on these days, once per hour at the bottom of the hour and includes three steps in this order: Step 1, send EFT data; Step 2, send EFT verify report; Step 3, retrieve EFT confirmation report. Lockbox and LIFT jobs will remain as presently scheduled.

The revised job schedule was approved by the assistant controller on 10/02/2013.
# Appendix A

## Sent & Returns File Name Format

1. **Sent file (.snt) name format:**

```plaintext
TPEP|I ABCDE123|20130905|152604|AMTEMPCO.snt
```

<table>
<thead>
<tr>
<th>TPEP</th>
<th>data vault id</th>
<th>date: yyyymmdd</th>
<th>minutes &amp; seconds</th>
<th>data vault profile id</th>
<th>file type: sent</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>PEP Comerica ACH Application</td>
<td>YYYYMMDD</td>
<td>YYYYMMDD</td>
<td>AMTEMPCO: Data</td>
<td>Sent</td>
</tr>
</tbody>
</table>

2. **Returns file name format:**

```plaintext
TPEPO|ABCDE123|20130913|112043|AMTEMPCO:RETMRETT.txt
```

<table>
<thead>
<tr>
<th>TPEP</th>
<th>data vault id</th>
<th>date: yyyymmdd</th>
<th>minutes &amp; seconds</th>
<th>data vault profile id</th>
<th>file type: text</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>PEP Comerica ACH Application</td>
<td>YYYYMMDD</td>
<td>YYYYMMDD</td>
<td>AMTEMPCO: Return</td>
<td>Text</td>
</tr>
</tbody>
</table>
## Appendix B

### ACH Return Codes

<table>
<thead>
<tr>
<th>ACH Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>R01</td>
<td>INSUFFICIENT FUNDS - Available balance is not sufficient to cover the dollar value of the debit entry.</td>
</tr>
<tr>
<td>R02</td>
<td>ACCOUNT CLOSED - Available balance is not sufficient to cover the dollar value of the debit entry.</td>
</tr>
<tr>
<td>R03</td>
<td>NO ACCOUNT/UNABLE TO LOCATE ACCOUNT - Account number structure is valid and passes editing process, but does not match the account number of the debit entry.</td>
</tr>
<tr>
<td>R04</td>
<td>INVALID ACCOUNT NUMBER - Account number structure not valid; entry may fail check digit validation or may contain an invalid character.</td>
</tr>
<tr>
<td>R06</td>
<td>RETURNED PER ODFIs REQUEST - ODFI has requested RDFI to return the ACH entry (optional to RDFI - ODFI indemnifies RDFI).</td>
</tr>
<tr>
<td>R07</td>
<td>AUTHORIZATION REVOKED BY CUSTOMER - (adjustment entries) Consumer, who previously authorized ACH payment, has revoked the authorization.</td>
</tr>
<tr>
<td>R08</td>
<td>PAYMENT STOPPED - Receiver of a recurring debit transaction has stopped payment to a specific ACH debit. RDFI should verify the reason for the stoppage.</td>
</tr>
<tr>
<td>R09</td>
<td>UNCOLLECTED FUNDS - UCF - UFH - UF, items are returned because funds available in the account are not yet available. This return code is used when the funds are expected to become available in the near future.</td>
</tr>
<tr>
<td>R61</td>
<td>MISROUTED RETURN - RDFI of the original entry has placed the incorrect transit/routing number in the Receiving DFI Identification.</td>
</tr>
<tr>
<td>R62</td>
<td>INCORRECT TRACE NUMBER - Trace Number found in positions 07-21 in the addenda record of the Return is different from the actual Trace Number.</td>
</tr>
<tr>
<td>R63</td>
<td>INCORRECT DOLLAR AMOUNT - Dollar amount in the Entry Detail Record of the Return is different from the dollar amount of the original entry.</td>
</tr>
<tr>
<td>R64</td>
<td>INCORRECT INDIVIDUAL IDENTIFICATION - Individual ID number reflected in the Entry Detail Record of the Return is different from the actual ID number.</td>
</tr>
<tr>
<td>R65</td>
<td>INCORRECT TRANSACTIONCODE - Transaction Code in the Entry Detail Record of the Return is not the return equivalent of the Transaction Code.</td>
</tr>
<tr>
<td>R66</td>
<td>INCORRECT COMPANY IDENTIFICATION - Company ID number used in the Company/Batch Header Record of the Return is different from the actual Company ID.</td>
</tr>
<tr>
<td>R67</td>
<td>DUPLICATE RETURN - ODFI has received more than one return for the same entry.</td>
</tr>
<tr>
<td>R68</td>
<td>UNTIMELY RETURN - Return was not sent within the time frame established by the rules.</td>
</tr>
</tbody>
</table>
