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## Automated Clearing House (ACH) Payment and Collection Processing

Authority: [G.S. 95-25.6](#) Wage Payment  
[G.S. 95-25.7](#) Payment to Separated Employees  
[GS 143B-426.40G](#) Issuance of Warrants upon State Treasurer

History: First Issued: July 2010  
Last Revised: March 18, 2024

Related Documents: [ECU Cash Management Plan](#)

Additional References: [Statewide Electronic Commerce Initiative](#)  
[Cash Management for the State](#)  
[Electronic Funds Transfer \(EFT\) Master Services Agreement](#)  
[EFT Fee Schedule](#)  
[Funding for Electronic Payment Services](#)  
[Standard NACHA Format](#)  
[Security and Privacy of Data](#)  
[International ACH Transaction \(IAT\) Rules](#)  
[Authorization for ACH Transactions](#)

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Note: Some files linked within this document may not be viewable without additional security access.

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### A. Introduction

The NC Office of the State Controller has issued an E-Commerce Policy entitled, “Maximization of Electronic Payments.” The policy states in part, “When developing agency cash management plans, each state agency shall consider utilizing electronic payments methods, for both outbound and inbound payments. Each agency shall develop procedures to require the standard method of payment to all suppliers and other payors to be by ACH direct deposit, utilizing a stand-alone system approved by the State Controller. Each agency and university shall develop payment methods that allow for the utilization of ACH direct deposit. Each agency and university shall consider the feasibility of accepting payments via ACH when appropriate, considering the volume and frequency of payments received. Both the ACH credit and ACH debit methods should be considered.”

For certain outbound and inbound (collections) payments, East Carolina University (ECU) has determined that it is appropriate to remit the outbound payments and collect the inbound payments via ACH, as described herein. Desirous of developing policies and procedures to ensure compliance with all applicable rules, regulations, and policies associated with ACH transactions, the policies and procedures described herein have been adopted.

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## **B. Types of Payments Made via ACH**

Vendor Payments: In its normal course of business ECU remits the following types of vendor payments via ACH: Supplier payments thru Banner, Employee reimbursements thru Banner via Chrome River, Student Refunds thru Banner via TouchNet, and Payments to UNC System Office and other UNC Schools thru the North Carolina Financial System (NCFS) transfers.

Payroll – Fulltime Employees: In accordance with the policy issued by the Office of the State Controller, ECU will require all fulltime employees to be paid by ACH direct deposit. Reference is made to the OSC Electronic Commerce Policy entitled [Maximization of Electronic Payment Methods](#). Exemptions for individual employees will be considered if a hardship case can be provided, as specified in item C referenced below.

Payroll – Part-time Employees: In accordance with the policy issued by the Office of the State Controller, ECU will offer all part-time employees the option to be paid by ACH direct deposit. Reference is made to the OSC Electronic Commerce Policy entitled [Maximization of Electronic Payment Methods](#).

Payroll – Temporary Employees: In accordance with the policy issued by the Office of the State Controller, ECU will offer all temporary employees the option to be paid by ACH direct deposit. Reference is made to the OSC Electronic Commerce Policy entitled [Maximization of Electronic Payment Methods](#).

## **C. Mandatory Direct Deposit Participation**

Reference is made to the “Direct Deposit Enforcement Position” issued by the North Carolina Department of Labor: [Dept. of Labor Position Statement on Direct Deposit](#).

Full time employees are required to receive their payroll via ACH direct deposit. All other types are strongly encouraged to use the direct deposit option.

All payments will be made in accordance with the North Carolina Wage and Hour Act (WHA). G.S. 95-25.6 and G.S. 95-25.7 do not require a specific form of payment. Therefore, the employer may select any legal form of payment, so long as payment is made in full on the designated payday, subject to authorized deductions and legal withholdings. Acceptable forms of payment include cash, money order, negotiable checks, and direct deposit into an institution whose deposits are insured by the United States government, or an institution selected by the employee.

It is also the enforcement position of the North Carolina Department of Labor that if the payment of wages by direct deposit by an employer is mandatory, then its employees must not incur additional costs as a result of participation, such as bank fees - if those costs result in an employee being paid less than the North Carolina minimum wage per hour (same as the federal minimum wage).

Exemptions for individual employees will be considered if a hardship case can be provided. Following are examples of acceptable hardship cases: Employee is not eligible to obtain an account

at a financial institution, Foreign Nationals who are waiting for a Social Security Number, or other compelling reasons as approved by the Hardship Committee.

All requests for exemptions will be considered by and approved or disapproved by the Hardship Committee appointed by the Associate Vice Chancellor for Financial Services. A Direct Deposit Exemption Request Form is available from the Payroll Office upon request. ECU chooses to issue paper checks for those employees not eligible for direct deposit.

#### **D. Payments to Payees Not Participating in ACH Direct Deposit**

For suppliers and employees being paid by paper warrant (check), ECU shall adhere to the requirements of the State's Cash Management Plan and other applicable laws. Reference is made to [Cash Management for the State](#).

Checks issued to suppliers and employees shall only be delivered to the supplier or employee in accordance with G.S. 143-426.40G, which is "by United States mail or its equivalent..." Under no circumstances is a check to be mailed earlier than the dated date of the check.

ECU does not utilize debit and/or payroll cards as an option for those not qualifying for direct deposit.

#### **E. Funding to Pay Costs**

ECU shall adhere to all requirements pertaining to the securing of funding to pay for costs associated with processing ACH transactions, including internal costs and costs paid to third-party processors. Reference is made to the OSC Electronic Commerce Policy entitled [Maximization of Electronic Payment Methods](#). Reference is also made to the OSC's Electronic Commerce Policy entitled [Funding for Electronic Payment Services](#).

Per the Agency Participation Agreement (APA) for Electronic Funds Transfer Services, ECU pays for subscribed services billed by the bank including lock box analysis charges.

#### **F. Third Party Providers**

**EFT Processing Services:** The State of North Carolina has a Master Services Agreement (MSA) with Bank of America Bank, which serves as the Originating Depository Financial Institution (ODFI).

Bank of America Bank provides ACH processing services to state and local government entities on a statewide enterprise basis. This includes universities that operate their own payroll system, Banner or otherwise. Reference is made to OSC's [Statewide Electronic Commerce Program](#).

**Payment Gateway Services:** ECU Utilizes TouchNet as its approved third-party gateway for processing ACH payments on students' accounts. ECU completed and filed an EFT Participant Setup Form dated May 4, 2010, notifying Office of State Controller of its intent to accept ACH

payments for student accounts. Payments settle to the designated Bank of America ZBA account daily. Chargebacks post to a separate returns account.

### G. Origination of ACH File

**ACH File Database:** ECU creates ACH files from its own databases (e.g., supplier, employee or student databases), maintained on its own Banner system or TouchNet. The file must be in the proper ACH format. Reference is made to the Bank of America [NACHA File Format](#) Document.

**Transmission:** Several options are available to transmit the file to the ACH originating bank, either through a gateway provider, or directly to the bank.

ECU generates and transmits payroll, employee reimbursement and supplier payment files via Banner (ECU's enterprise software) to Bank of America.

For all ACH payments received via TouchNet for student tuition/fee, housing and dining payments, ECU generates the payment file in TouchNet and uploads the payment data file in a secure manner to Bank of America's B2Bi portal. Reference is made to ECU's Cashier's Office Standard Operating Practice *Transmitting E-Check Files to Bank of America*.

### H. Data and System Security

**NACHA Rules Compliance:** The National Automated Clearing House Operating Rules (NACHA) has established security standards that all originating companies (agencies) must follow. Those rules as well as security standards required by the State Office of Information Technology are intended to ensure that sensitive data, as well as the payment network, is protected and kept secure. Reference is made to OSC's E-Commerce Policy entitled, [Security and Privacy of Data](#).

**International ACH Transactions (IAT) Rule:** A subset of the NACHA Operating Rules is the IAT Rule. All agencies originating ACH entries (credits or debits) must adhere to these rules. Reference is made to Office of State Controller's Statewide Electronic Commerce Program [IAT Rules](#).

**System security requirements for electronic funds transfer services:** ECU incorporates the following requirements into its processing of ACH transactions:

**System Settings:** ECU changes supplier default security settings prior to installing the system on the network. ECU disables or changes default accounts and passwords prior to installing the system on the network. ECU hardens production systems by removing all unnecessary services and protocols. ECU requires the use of its VPN or remote access for administrative access.

**Stored Data Protection - Student:** ECU outsourced its e-check processing for student payments to TouchNet. TouchNet's data files serve as the on-going repository for e-check information. ECU generates the payment file daily for transmission to Bank of America. The payment file is saved on the cashier pirate drive as a staging point for transmitting the payment file to Bank of America's secure portal. Upon confirmation of transmission to Bank of America, the payment file

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is deleted from the cashier pirate drive. Access to the payment authorizations and related account data is restricted to cashier staff. This access is reviewed regularly by management.

**Stored Data Protection - Suppliers:** Suppliers submit bank account information for ACH payments via the Total Supplier Manger (TSM) network portal through Jaggaer supplier.

This information is then subsequently stored in Banner. Access to this data is restricted by Banner security classes on a need-to-know basis. ACH edit reports (FYRA341 and FYRA321) are generated by the check processor on each day we have ACH payments. The current report is stored on the AP pirate drive where access is restricted on a need-to-know basis. The reports are also stored in E-Print, and again access is restricted on a need-to-know basis. This access is reviewed regularly by management.

**Stored Data Protection - Employees:** Employee bank account numbers are stored in Banner and are encrypted. Access to this data is restricted by Banner security classes on a need-to-know basis. Edit reports used to validate data entry are saved on the Payroll pirate drive and deleted after one month. Access to this folder on the Pirate Drive is restricted on a need-to-know basis. A Payroll audit report (PYRH271) is generated ad hoc by Payroll to identify terminated or inactive employees with active direct deposits for maintenance purposes. Access to this report is restricted using Banner security classes to Payroll, Internal Auditors and Systems Coordination.

**Transmitted Data Protection:** ECU does not transmit bank account data via email. Student e-check payments are uploaded to Bank of America's secure portal.

**Transfer Methods:** ECU uses Secure File Transfer Protocol (SFTP) as the file transfer method for sending files to outside suppliers after the file is placed on the Admin FTP server. This method uses a 128-bit encryption. The payroll's direct deposit file is auto generated at the conclusion of the payroll process and is sent Pretty Good Privacy (PGP) encrypted via SFTP to Bank of America's Data Transmissions Services Secure Site. The PSRDFSM.DAT file is auto generated by ITCS, at the conclusion of the payroll process and is sent to ECU's Flexible Spending Account Administrator P&A Group via SFTP and encrypted through the use of Secure Sockets Layer (SSL).  
**Anti-Virus Protection:** ECU's Information, Technology and Computing Services monitors and ensures all desktops, laptops, and server computing systems connected to the ECU Network have ITCS-supported antimalware software (preferably the most current version) correctly installed, configured, activated and updated with the latest version of virus definitions before or immediately upon connecting to the network. Updates are managed by ITCS and pushed to users connecting to the network as needed.

**Applications and Systems Security:** ECU systems are updated with the latest security patches within 30 days of their release. (ECU does not develop software for payment processing; therefore, sensitive cardholder data sanitization is not applicable.)

**Account Security:** All users must authenticate to Banner and TouchNet with a unique ID and Password. Remote user access is not enabled. Passwords on both Banner and TouchNet expire on a regular basis. ECU requires system administrators to use VPN for remote administrative access.

ECU's password policies prohibit group, shared or generic accounts. Passphrases must be – at minimum fifteen characters long, contain characters from 3 of the 4-character sets (number, lower case letter, upper case letter and special character.) Multiple password attempts or brute force attacks result in account lockout. Users locked out of Banner must submit a help desk ticket with ITCS to have a Banner user account unlocked. Users locked out of TouchNet must contact the E-Commerce Manager (or designated backup) to have accounts unlocked or passwords reset. The user must correctly answer the unique security questions designated by the user.

**Physical Access:** Cashier's Office, ECU Collections and Student Accounting are considered secure areas; therefore, only the ECU Police and designated Management personnel can enter these areas outside normal operating hours. The Cashier's Office is accessed by 1Card badge and security panel. ECU Collections and Student Accounting can be accessed by door key and security panel. Bank account data is stored in TouchNet, and its storage facilities are located out of state in a non-disclosed location. The only way to access bank account numbers for student payments is through TouchNet. Users must request access to TouchNet via a Banner security request and access is extremely limited.

The Payroll Office is located in the Financial Services Building on Reade Street. This building is considered a secure key area and access is limited to authorized staff and ECU Police as referenced above. Employees may submit physical Direct Deposit Forms to the ECU Payroll Office which contains sensitive bank account data. Direct Deposit Forms are secured in locked file cabinets. Printed edit reports and reports used to identify terminated or inactive employees with active direct deposits for maintenance purposes are also secured in locked file cabinets. Direct Deposit forms are shredded after two years.

**Access Tracking:** All access to bank account data must be logged. Logs must contain successful and unsuccessful login attempts and all access to the audit logs. Critical system clocks must be synchronized with the ECU's time server, and logs must include date and time stamps. Logs must be secured, regularly backed up and retained for 6 months online and one year offline.

**Security Breaches – Incident Plan:** ECU adheres to all requirements pertaining to the establishment of a security incident plan as required by the PCI data standard and other applicable policies. This plan includes any action necessary to secure any exposed data, to report the incident to appropriate university management, and to report the incident to the Office of the State Controller and to adhere to applicable statutes, including the NC Identity Theft Protection Act. In the case of student online payments, TouchNet can be taken offline for specific periods of time or indefinitely as dictated by the nature of the suspected breach.

All Financial Services employees are required to sign confidentiality agreements on an annual basis. Cashier Staff are trained on FERPA requirements, and Accounts Payable Staff are trained on HIPAA requirements.

## I. Training

Each division within ECU acting as an ACH originating company shall ensure that all employees

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responsible for systems or procedures related to ACH transactions or data have received proper training related to ACH processing policies and procedures, including being provided a copy of this document. Many resources can be found on the Office of State Controller’s website by accessing the “Statewide Electronic Commerce Program” as referenced previously. All employees will be advised to refer to the Website on a frequent basis to ascertain any changes or advisements.

- For inbound Student payments, training is provided as follows:
  - All inbound ACH payments are entered through the TouchNet portal by students and their authorized users. Cashiers do not enter or maintain any bank account data.
  - Student Accounting staff are trained on the process for generating and uploading payment files to the Bank of America Secure Portal. Staff are also required to complete FERPA training.
- Personnel in the Payroll Office enter bank account information for employees. Training is limited to entering sensitive information and sending and accessing file data.
- Personnel in the Accounts Payable office generate the payment file For ACH reimbursements. Accounts Payable staff are required to complete HIPAA and FERPA training annually.

## **J. Business Functions**

### **1) Authorizations**

- Reference is made to OSC’s E-Commerce Policy entitled, “Authorization for ACH Transactions.” [Authorization for ACH Transactions](#).
- All employees whose net pay is to be direct deposited must complete a Direct Deposit Authorization Form. This form may be submitted to ECU’s Payroll Office along with a deposit slip for a Savings Account or a voided check for a Checking Account. In lieu of a deposit slip or voided check, the employee may provide documentation from the employee’s financial institution indicating the transit-routing number and the account number.
- Electronic authorizations may be accepted in accordance with the Electronic Signatures in Global and National Commerce Act (15 U.S.C §7001 et seq.) which defines electronic records (as contracts or other records created, generated, sent, communicated, received, or stored by electronic means) and electronic signatures.
- The authorization form shall provide the employee the ability to change bank account information. Employees should notify the Payroll Office immediately but no later than seven working days prior to the effective pay date. Exceptions may be granted up to 4 working days prior to pay date for closed or compromised accounts.
- An employee desiring to discontinue participating in the ACH program may submit a
- revocation request. The request will be acted on depending upon whether participation is mandatory or not.
- Retention of authorization forms and any requests for revocation of authorization will be maintained until superseded and released from all audits.
- ECU does not allow telephone-initiated entries (TEL).

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- In the case of Internet-initiated entries (WEB), in accordance with NACHA Operating Rules, the Originator is required to establish procedures that provide for transactions to be handled in a “commercially reasonable manner.” Those aspects include procedures to verify the validity of the RDFI’s routing number. (Specify how the RDFI will be verified.) (If the Common Payment Service is utilized, CPS can perform this verification.
  - All Authorization Forms must contain language that addresses the International ACH Transactions (IAT) rule requirements- please reference [IAT Rules](#). ECU is in the process of reviewing and updating all authorization forms.

## 2) Transaction Advices

- Participating employees are provided access to a Direct Deposit advice via PiratePort on the payroll pay date, specifying details of the employee's gross pay, tax withholdings, statutory and voluntary deductions, net pay and other information. Employees are also notified via email when their pay stub is available for viewing.
- Suppliers being paid by ACH credit will be advised of the payment by email.
- In the case of transactions conducted via the Internet, reference is made to OSC’s E-Commerce Policy entitled: “Electronic Payment Confirmation,” requiring confirmation at the time of the transaction. [Electronic Payment Confirmations](#)

## 3) Pre-notifications Process

Reference is made to information on OSC’s SECP Website regarding pre-notes - [Electronic Funds Transfer \(EFT\) Overview](#) - For new employees, ECU pre-notes bank account numbers provided for direct deposit. The employee’s first payroll payment will be paid using a paper check. Once the bank account number is verified, the employee will be paid via direct deposit. For existing employees, any change in the employees’ direct deposit bank account number will trigger the pre-note process. New vendors provide their bank account numbers for ACH payments when they register in ECU’s vendor portal – Total Supply Manager (TSM). ECU pre-notes the bank account number provided for ACH payments. The new vendor’s payment will be made via paper check until the bank account number is verified. Once the bank account number is verified, the vendor will be paid via ACH.

## 4) Cancellation of Transactions

If it is determined that a supplier or employee does not have a right to a payment or the payment amount is in excess of the amount due the supplier/employee, then the specific actions taken will depend upon the status/type of the payment.

### Payroll

- If the payroll has been finalized and the ACH file has been transmitted to Bank of America and there has been an error or an employee should not have been paid; an ACH Service Request for Item Delete/Reversal can be faxed to Bank of America.



- If the ACH file has not been transmitted to Bank of America and the ACH process has begun, AP will contact Systems Coordination to remove the payment in question.

### **Accounts Payable**

AP uses the Banner delivered process for sending the ACH file to Bank of America. This process eliminates the ability for AP to make any modification to the bank file between the time the check run is processed in Banner and when the file is sent to Bank of America. If a vendor has a payment error, each scenario will be handled by AP as listed below:

#### **Overpayment**

If vendor was overpaid, AP will reach out to vendor and ask vendor to issue a check, made payable to ECU, in the amount of the overpayment. If available, a credit memo may be considered in lieu of a check being issued.

#### **Underpayment**

If vendor is not paid enough, AP can reissue another ACH payment, or process a manual check, for amount of underpayment.

Reference is made to OSC's SECP Website; section entitled "eCommerce Contacts": [SECP Contacts](#).

## **5) Cut-off Times and Close Outs**

- The following cutoff times are established for ACH file transmissions:
  - The ACH file auto generated at the conclusion of the payroll process is scheduled to transmit two (2) banking days prior to payroll issue/check date.
  - The ACH file transmission for suppliers is generated two (2) banking days prior to issue/check date.
- Payroll's ACH file is auto generated at the conclusion of the payroll process; files are automatically sent via FTP to Bank of America's secure portal.
- FYRA343 and FYRA323 in AppWorx are run by the check processor. This transmits the file to Bank of America. Bank of America sends an email confirming receipt of the file including the amount that was transmitted.
- Student ACH payments are batched daily at midnight and files are automatically generated in TouchNet. The ACH Student Payment Files are reviewed and saved from TouchNet to the Cashier's Pirate Drive ACH Student Payment files are uploaded from the Cashier's Pirate Drive (Secure storage location) to Bank of America's secure portal. Upon confirmation of transmission to Bank of America, the payment file is deleted from the Cashier's Pirate Drive. Reference is made to ECU's Cashier's Office Standard Operating Practice *Transmitting E-Check Files to Bank of America*.

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## **K. Fiscal Office Functions**

### **1) Funding outbound ACH transactions**

- Reference is made to the guidelines specified on the State Controller's SECP Website: [SECP Reconciliation Function](#).
- Funding of ACH files is deemed to be a critical function that must be performed accurately and timely, in order to avoid the overdrawing of bank accounts.
- The settlement bank account which accommodates the funding of outbound ACH transactions for Payroll is bank account number XXXX115. The settlement bank accounts which accommodate the funding of outbound ACH Supplier transactions are bank account numbers XXXX704, XXXX103, and XXXX002.
- Funding of the ACH files occur through a fund transfer originated through the Core Banking System on the day after payroll processing is finalized. The day before the actual payroll release date is used as effective date for this transfer.
- Funding of the ACH files occurs through fund transfers originated through the Core Banking System on the day AP ACH processing is finalized. The following day is used as the effective date for these transfers. AP ACH funding involves three (3) bank accounts.

### **2) Reporting of inbound ACH transactions**

- Reference is made to the guidelines specified on the State Controller's SECP Website: [SECP Reconciliation Function](#).
- The settlement bank account which accommodates the receipt of inbound ACH transactions for student tuition is bank account number 20626XXXX3505. This account is a zero-balance account (ZBA) that sweeps to account number 20626XXXX3460, belonging to Office of State Treasurer.
- The following process will be followed to report the deposits on North Carolina Financial System (NCFS), or other system: For internal control purposes, the Student Accounting
- Office uploads files daily to Bank of America. As payment funding is received and posted daily to account 20626XXXX3505, the Departmental Cashier certifies the amounts received as state funds in NCFS using budget code 16065. Bank of America usually funds ACH payment requests on the next business day. Other banking institutions may take two to three days to fund ACH payment requests forwarded to them by Bank of America. Consequently, the Departmental Cashier maintains a reconciliation of file amounts sent to Bank of America versus payment amounts received to ensure all ACH payment requests submitted are received.
- The settlement bank account, which accommodates the receipt of inbound ACH and Wire transactions for miscellaneous departmental activity, including Grants, Student tuition, Foundation, Athletics, etc., is bank account number 20626XXXX8653. This account is also a zero-balance account (ZBA) and sweeps to DST account 20636XXXX3460 daily. The account is monitored daily by ECU Cash Management who also facilitates booking and certifying (NCFS) the account's activity daily via departmental contacts and the University Cashier respectively.

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### 3) Reconciliation

#### General

- Reference is made to the guidelines specified on the State Controller’s SECP Website: [Reconciliation Function](#).
- All Bank Statements are reconciled monthly.
- Individuals responsible for bank account reconciliations are not responsible for handling cash. Additionally, these individuals only have inquiry access to Banner and NCFS- thus, negating their ability to record receipts or process disbursements.
- All Bank Reconciliations are performed in accordance with UNC Business Process Standards and sanctioned templates are utilized. Bank reconciliation completion dates and reconciling item adjustments are reported to UNC System Office via UNC Business Process Standards monthly reporting.
- All reconciliations are reviewed, signed and dated by Management. All journal entries for adjustments are prepared by the responsible party. The entries are then forwarded to the reconciler for review and approved by Management prior to entry in Banner Finance.
- All State Treasurer accounts are reconciled within 15 business days, once the statements become available.
- All outstanding items are reconciled prior to the end of the succeeding month. Large checks over 6 months old are reviewed monthly.

#### Main Campus

- The following tools shall be utilized in the process: 1) Previous Day Composite Report (part of the Wells Fargo Treasury Information Reporting module); 2) DST’s Core Banking System; and 3) OSC’s North Carolina Financial System (NCFS).
- The following reports will be used in the reconciliation process: FYRA812 (Checks Reconciled Bank 12), FYRA832 (Outstanding Checks Bank 12), FYRA813 (Checks Reconciled Bank 13), FYRA833 (Outstanding Checks Bank 13), FYRA815 (Checks Reconciled Bank 15), FYRA835 (Outstanding Checks Bank 15).
- Financial Services is responsible for ensuring that all necessary reconciliations are performed unless otherwise noted for Health Sciences Campus.
- Bank account statements issued for the settlement account are reconciled by Financial Services.

#### Health Sciences Campus

- Brody School of Medicine bank statements and School of Dental Medicine bank statements are reconciled by Health Sciences accounting staff.
- The following tools are utilized in the reconciliation process for Health Sciences: DST’s Core Banking System, Client Line Merchant Services, and OSC’s North Carolina Financial System (NCFS), Banner Finance ODS queries for all bank 14 transactions and FAABREC & FARBREC processes in INB. Reports used are FYRA814 “Reconciled Checks Bank 14”, FYRA834 “Outstanding Checks Bank 14”, FYMG623 “DHS – Fund Balances” and FYMG673 “Dental Fund Balances”.

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#### 4) Returns

- Reference is made to the guidelines specified on the State Controller’s SECP Website: [Reconciliation Function](#).
- In the case of inbound transactions for student tuition, an ACH Returns account is established at Bank of America. The account number of the Returns account is 2XXX-XXXX-5314.
- In the case of outbound transactions for supplier and payroll payments, an ACH Returns account is not utilized. Instead, the returns will be credited to the settlement bank account at Bank of America from which the funds were originally disbursed.
- Returns for inbound student account related debit transactions are cleared as follows:
  - The University Cashier generates an “ACH Return/NOC” report from Wells Fargo CEO and an “ACH Rejections” report from TouchNet Payment Gateway for the same specified time period. The totals from both reports are compared and verified. To “buy back” the returns, a wire request for the amount of the rejections is completed and submitted to the Student Financial Services Accounting Manager for approval along with a disbursement adjustment entry. Once Financial Services approves the wire request, funds are wired to Wells Fargo to clear the balance in the returns account. The disbursement adjustment is entered in Banner to reflect the reduction in cash. A charge is entered on the respective student’s account to record the returned payment.
  - Payroll monitors the “Returned Items” report from Bank of America CashPro and acts as appropriate to notify an employee of a return, the return item will be voided, and employee will receive a manual check.
  - AP Check Processor monitors the “Returned Items” report from Bank of America CashPro and acts as appropriate to notify the employee or supplier of a return and re-issue the ACH payment.

#### 5) Paying Invoices

- All invoices for services received (e.g., Bank of America, etc.) shall be paid timely, in accordance with established ECU procedures for accounts payable. DST pays fees related to the inbound ACH accounts and returns accounts – ending in 3505 and 3331 respectively. Accounts numbers are referenced in items 2 and 4 above.
- Responsibility for inspecting the invoices received and approving for payment is that of Financial Services.

#### Revision History:

November 1, 2013

March 27, 2018 - reviewed in its entirety and updated April 4, 2019 – reviewed and updated

March 19, 2021 - Added comment about pre-noting accounts for both accounts payable and payroll

February 11, 2022 – reviewed, no changes

March 17, 2023 – reviewed, updated links, and added sentence on acceptance of credit memo

March 18, 2024 – reviewed and added paragraph about settlement bank account, which accommodates the receipt of inbound ACH and Wire transactions for miscellaneous departmental activity.