

# TIPS & TECHNIQUES



A SFMS Desk Manual

**R\*STARS: PAYM.3**

Revised: 06/09/2017

## DIRECT DEPOSIT FOR R\*STARS VENDORS

Prior to the implementation of ACH (Automated Clearing House) payment processing in R\*STARS, ACH payments were processed through an application known as STAN, a service of the Oregon State Treasury. ACH transactions initiated through STAN were not subject to the cash controls of the accounting system at the time of issuance. The enhancement in R\*STARS was needed not only for the convenience, cost savings, and improved efficiency of the related business processes, but mostly because the system it replaced was separate from the statewide accounting system. The following list summarizes the advantages of direct deposit on R\*STARS:

- ACH is a payment option in R\*STARS with appropriate cash controls in place
- SFMS manages ACH services centrally
- Vendors voluntarily enroll
- Settlement is swift and automatic
- Process is secure and reliable
- Function is nearly transparent to users
- Cost savings of an ACH payment over a warrant
- Corrected bank account data is posted without human intervention
- Email notices are sent to payees when payment orders are issued and returned
- Remittance advice web site has full details of payment data
- Returned payments are cancelled automatically

### **Vendor Eligibility for Direct Deposit:**

1. Only vendors whose vendor number begins with a '1, 3 or 4' are eligible for ACH. Vendor numbers beginning with '2', '7' or '9' are ineligible for ACH.
2. Any vendor subject to backup withholding is ineligible for ACH. Data in the BU/WH EFF DATE field will prevent the addition of bank account information.
3. Bank data can only be entered for vendors and mail codes when the Status Code = 'A' active.
4. Any vendor with a type = to "8" or "9" will not be setup for ACH until the W-9 Form has been returned.

### **Vendor Profile Set Up/Changes:**

1. An Agency enters a new vendor in R\*STARS or ADPICS/R\*STARS, or a vendor currently exists on R\*STARS. The vendor submits a Direct Deposit Authorization Form to SFMS.
2. The Vendor submits a Direct Deposit Authorization Form To SFMS.
3. For new vendors with a type of '8' or '9', SFMS will not process the Direct Deposit Authorization Form until the vendor returns the W-9 form to SFMS.

4. Once SFMS determines that the information on the Authorization Form is complete, the bank data is entered on either the **52 – Statewide Vendor Profile** or the **51 Vendor Mail Code Profile** that matches the address on the Authorization Form. SFMS changes the PDT (Payment Distribution Type) to “DA”.
5. Each bank account may be entered on multiple mail codes. This is unusual. If a vendor has multiple mail codes and requests all payments be directly deposited to one bank account, the vendor is provided a unique USERID for each mail code. In most circumstances, it is appropriate to inactive extra existing mail codes. SFMS does not recommend setting up multiple bank accounts for one vendor. Since the banking information is blocked from view by agencies, it could be difficult for agencies to select the correct mail code for a specific bank account.
6. For state employees requesting direct deposit of their travel reimbursements, the bank data and PDT of “DA” will be entered on the **52** profile (mail code 000 on the **51** profile). All other mail codes for these employees will be inactivated and a message "Use mail code 000 for direct deposit" will be included in the address field on the inactive mail codes. The address on the **52** profile will be changed to the address on the Authorization Form.
7. The DIR DEP DATE will equal 5 banking days including the date entered on R\*STARS.
8. The PNI Flag is set to 'Y'.
9. During the nightly batch cycle:
  - a. The Pre-note is sent,
  - b. The PNI flag is set to 'N', and
  - c. The vendor name is added to the Remittance Web Site.
10. Once the pre-note process is successful, future payments will default to direct deposit.

**Payment Processing:**

1. Payments cannot be made via direct deposit during the pre-note period.
  - a. Transactions cannot be entered to the mail code with the PDT=D or DA until the date shown in the DIR DEP DATE field unless the PDT is overridden. To enter a voucher payable during the pre-note period, manually change the PDT on the transaction to a PDT such as MA.
  - b. If a transaction is on the **530 – View Batch Headers** screen waiting for the due date and the vendor is put into a pre-note period by a change that has been made in the bank account information, then the payment will be printed as a warrant and mailed out automatically.
2. Batch Entry:
  - a. The ACH payment process is designed to leave the PDT blank on the batch header and on the individual transactions so that the vendor profile will determine if a payment is issued as a warrant or an ACH payment. Transactions made using mail codes where the vendor profiles have a PDT of “D” or “DA” will be processed as direct deposit. Mail codes with PDT beginning with “M” and “R” will have payments issued by warrant.
  - b. Manually adding a PDT Indicator on the Batch Header will override the PDT on the vendor profile.
  - c. Manually adding a PDT Indicator on the transaction input screen overrides both the default PDT on the vendor profile and any manually entered PDT on the batch header.

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3. When an agency enters a Voucher Payable on or any time after the DIR DEP DATE, the payment will be credited to the vendor's bank account on the 3<sup>rd</sup> banking day including the day entered on R\*STARS. For example, a voucher payable entered on and with a due date of Monday, May 22, 2015 will be credited to the vendor's bank account on Wednesday, May 26, 2015.
4. R\*STARS will not allow a vendor with a PDT beginning with a "D" to be expedited. If the batch header has an "E" in the DMI field, the system will not allow a transaction with a PDT beginning with a "D" to be saved. If a document has a PDT beginning with a "D", the system will not allow an "E" to be entered in the DMI field on the **41 - Disbursement Maintenance** screen. If an agency tries to override the PDT with an "M" or "R", the expedite cycle edits against the vendor profile causing the payment to not be allowed as an expedited warrant. If an agency needs to pay a vendor with a warrant who is setup for direct deposit, the transaction will need to process with the regular nightly batch cycle.
5. Nightly batch cycle:
  - a. R\*STARS processes transactions with a current due date.
  - b. The Notice of Payment Order is emailed to the vendor.
  - c. The payment information is sent to the Remittance Web Site, which can be accessed by the vendor with their USERID.
  - d. The payment number is assigned beginning with "95XXXXXXX" and the payment status = Issued. Payments can be viewed on all R\*STARS screens that display warrant information.
  - e. On the third banking day after the due date, the status of settled ACH payments are updated to Redeemed (Status = P on screens **44 - Payment Cancellation** and **47 - Payment Control Table**).
6. Agencies may receive several SFMS Control Reports with direct deposit payments listed on the due date of the voucher. The payments will be recorded as cash out of SFMA on the due date, but the money will not be transferred out of agency Treasury accounts until the settlement date.
7. R\*STARS will automatically cancel most direct deposit payments that are returned by the bank. Under special circumstances a manual cancellation of the direct deposit is required.
8. SFMS will notify the agency of a returned direct deposit payment. The agency will make the decision to reenter the voucher for a payment by warrant. This can be done before, or after, the direct deposit payment is cancelled.

**Document Types:**

Document Type 'DC' (ACH Cancellation) has been added to the following cancellation T-Codes: 370, 371, 381, 383, 384, 385, 386, 388, 389, 393, 395 to allow for a unique document number identifiable from warrant cancels.

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S28B UC: 10 STATE OF OREGON 02/23/15 01:44 PM
LINK TO: TRANS CODE DESCRIPTION PROFILE PROD

TRANS CODE: 370 (MUST BE IN 28A TRANSACTION CODE DECISION PROFILE)
DESCRIPTION: SYSTEM GEN. CANCEL A WARRANT/CK ISSUED FOR INVEST-
MENTS-OTHER. PMTS OUTSTANDING IS DECREASED & CASH
IS INCREASED. SYSTEM PUTS RVRS CODE ON THE TRANS.
0250-INVESTMENTS-OTHER;0070-CASH ON DEP W/TREAS
1111-PMTS OUTSTANDING OFFSET;1011-PMTS OUTSTANDING
I/E (I=INCLUDE, E=EXCLUDE) ENTER GL ACCOUNT CODES SEPARATED WITH "-" OR ",".

I/E (I=INCLUDE, E=EXCLUDE) ENTER COMPTROLLER OBJECTS SEPARATED WITH "-" OR ",".

ENTER UP TO 10 VALID DOC TYPES FOR THE TRANS CODE. ("% IN #1 = ALL VALID)
1: WC 2: CC 3: DC 4: WS 5: 6: 7: 8: 9: 10:
ENTER UP TO 10 VALID BATCH TYPES FOR THE TRANS CODE. ("% IN #1 = ALL VALID)
1: 4 2: W 3: 4: 5: 6: 7: 8: 9: 10:
TREAS CAT: STATUS CODE: A
EFF START DATE: 12291994 EFF END DATE: LAST PROC DATE: 07192011
Z06 RECORD SUCCESSFULLY RECALLED

F1-HELP F3-DEL F5-NEXT F6-28A F9-INT F10-SAVE F11-SAVE/CLEAR ENT-INQ CLEAR-EXIT
    
```

Warrants are redeemed with a "ZW" document. Document Type 'ZA' (ACH Redemption Reversal) has been added to redemption T-Codes 390 and 394 to allow for a unique document number which is generated when an ACH is redeemed.

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S28B UC: 10 STATE OF OREGON 02/23/15 01:44 PM
LINK TO: TRANS CODE DESCRIPTION PROFILE PROD

TRANS CODE: 390 (MUST BE IN 28A TRANSACTION CODE DECISION PROFILE)
DESCRIPTION: SYSTEM GEN. LIQUIDATE THE PAYMENTS OUTSTANDING.
TRANS GENERATED FROM TREASURY TAPE OR ENTERED
CENTRALLY FOR REDEMPTN. TO EXPIRE 2YR OLD WTS.RVRS
ACH REDEMPTIONS. 1011-PAYMENTS OUTSTANDING
1111-PAYMENTS OUTSTANDING OFFSET
I/E (I=INCLUDE, E=EXCLUDE) ENTER GL ACCOUNT CODES SEPARATED WITH "-" OR ",".

I/E (I=INCLUDE, E=EXCLUDE) ENTER COMPTROLLER OBJECTS SEPARATED WITH "-" OR ",".

ENTER UP TO 10 VALID DOC TYPES FOR THE TRANS CODE. ("% IN #1 = ALL VALID)
1: ZW 2: ZX 3: ZA 4: 5: 6: 7: 8: 9: 10:
ENTER UP TO 10 VALID BATCH TYPES FOR THE TRANS CODE. ("% IN #1 = ALL VALID)
1: R 2: 4 3: L 4: 5: 6: 7: 8: 9: 10:
TREAS CAT: STATUS CODE: A
EFF START DATE: 06011990 EFF END DATE: LAST PROC DATE: 07192011
Z06 RECORD SUCCESSFULLY RECALLED

F1-HELP F3-DEL F5-NEXT F6-28A F9-INT F10-SAVE F11-SAVE/CLEAR ENT-INQ CLEAR-EXIT
    
```

**52 System Vendor Profile:**

The appearance and functionality of the **52** profile was changed during implementation of the ACH payment process function. The data fields were rearranged to make room for the EMAIL data field. Due to its confidential nature, the banking information fields will be hidden to agency and most central staff by use of the **96A – Security Profile** “View Bank Info” flag.

S052	UC: 10	STATE OF OREGON	02/23/15	01:45 PM
LINK TO:		SYSTEMWIDE VENDOR PROFILE		PROD
VENDOR NO:		NAME CONTROL:		
VENDOR NAME:				
SEARCH NAMES:				
ALT VENDOR/FID:	1099	IND:	FEI/SSN IND:	REASON CODE:
VENDOR TYPE:	OWNRSH	CD:	TIN MATCH:	TIN:
ADDRESS:				
CITY:		ST:	ZIP:	CNTRY:
VENDOR CONTACT:				TAX OFFSET EXMPT: N
TELEPHONE:		EXT:	FAX:	HOLD RSN:
PDT: MA EMAIL:				PNI:
AGY:	CONTACT:		PHONE:	
UPDATED BY:			DIR DEP DATE:	
ABA NUMBER:	ACCT NO/TYPE:		FORMAT:	
W9 REQUEST DATE:	BU/WH EFF DATE:		STATUS CODE: R	
EFF START DATE: 02232015	EFF END DATE:		LAST PROC DATE:	

**51 Vendor Mail Code Profile:**

The appearance and functionality of this screen was also changed during the implementation of the ACH payment process function. The data fields were rearranged to make room for the EMAIL data field.

S051	UC: 10	STATE OF OREGON	02/23/15	01:46 PM
LINK TO:		VENDOR MAIL CODE PROFILE		PROD
VENDOR NO:				
MAIL CODE:	NAME:			
SEARCH NAMES:				
ADDRESS:				
CITY:		ST:	ZIP:	
COUNTRY:		REGION:	TAX RATE:	
UPDATE REASON:	OWNERSHIP CODE:		LICENSE:	
VENDOR CONTACT:			FAX:	
TELEPHONE:	EXT:	ALT VEND NAME:	LTR DATE:	
PDT: EMAIL:			PNI:	
AGY:	CONTACT:		PHONE:	
UPDATED BY:			DIR DEP DATE:	
ABA NUMBER:	ACCT NO/TYPE:		FORMAT:	
	HOLD REASON CODE:		STATUS CODE: R	
EFF START DATE: 02232015	EFF END DATE:		LAST PROC DATE:	



From: ACH.Coordinator@oregon.gov  
Sent: Wednesday, January 08, YYYY 6:39 PM  
To:  
Subject: A Payment Order Has Been Returned

The ACH payment order identified below from the DEPARTMENT OF HUMAN SERVICES was not accepted by your financial institution. The paying agency will reissue this payment as a warrant and mail it to you if there are no restrictions. If you have any questions about this payment, please call:

DEPARTMENT OF HUMAN SERVICES\*                      503-945-XXXX\*  
PAYMENT NUMBER: 95-9999999

ACH Return Reason: R03 - NO ACCOUNT/UNABLE TO LOCATE ACCOUNT

The direct deposit account on file has been removed. To re-enroll in the ACH program, please submit a new authorization form, available at

<http://www.oregon.gov/das/Financial/AcctgSys/Pages/ach.aspx>.

\*Agency name and telephone number are taken from the **D02 – Agency Profile**. Please make sure that SFMS has been provided with the most recent contact information.

**Website Remittance Advice:**

Below is an example of the remittance advice that vendors can view on the website using the USERID indicated on the Direct Deposit Authorization Form:

This is an example of payments that are sorted by Deposit Date.

**REDDY WORKERBY**

Limit to: Account No. 1234 Last 90 Days Sort By: Deposit Date Invoice Number

DEPT OF ADMINISTRATIVE SERVICES (503) 378-2349 Ext. 314

DEP. DATE	PAY NO.	INV. NO.	INV. DATE	DESCRIPTION	AMOUNT	DOC. NO.
09/18/2002	0000427	123	08/08/2002	COMBINING TEST 2	\$100.00	VP000311
	0000427	123	08/08/2002	COMBINING TEST 2	\$500.00	VP000311
	0000427	223		CREDIT MEMO COMBINING TEST 2	(\$10.00)	VP000323
	0000427	223		CREDIT MEMO COMBINING TEST 2	\$50.00	VP000323
				SUBTOTAL:	\$640.00	
09/16/2002	0000406	INV 300056	08/28/2002	LUNCH FOR PARTICIPANTS	\$560.00	VP000309
	0000406	INV 300056	08/28/2002	MEETING ROOM RENTAL	\$36.00	VP000309
	0000406	INV 300056	08/28/2002	PROGRAM MONITORING - RTTI SERV	\$136.00	VP000309
	0000406	TER 06272002	07/01/2002	CANON BEACH MEETING WITH ARCC	\$26.00	VP000306
	0000406	TER 06272002	07/01/2002	GEARHART - MEETING WITH ARCC	\$25.00	VP000306
	0000406	TER 06272002	07/01/2002	NEWPORT - MEETING WITH ARCC	\$10.00	VP000306
	0000406	TER 07072002	07/09/2002	RANIER - MEETING WITH ARCC	\$25.00	VP000307
	0000406	TER 07072002	07/09/2002	ST HELENS - MEETING WITH ARCC	\$20.00	VP000307
				SUBTOTAL:	\$838.00	
				<b>TOTAL:</b>	<b>\$1,478.00</b>	

**ACH Information on the Website:**

For more information on ACH in R\*STARS, please visit our website @ <http://www.oregon.gov/DAS/Financial/AcctgSys/Pages/ach.aspx>.