ACH Single Item Processing Guide

Business Payments: ACH

An ACH transfer is an electronic money transfer between two financial institutions that is processed through the Automated Clearing House Network. Fusion Digital Business Banking uses recipients that you have added to the system to complete ACH transactions. An ACH recipient, or payee, is a person or business receiving credit or debit. ACH recipients can be added manually or through ACH Import.

ACH Payment Options:

- **Single ACH Transaction** – an ACH payment made to a single recipient
- **One-Time Single ACH Transaction** – an ACH payment made to a single recipient without saving the recipient into the system for future use
- **ACH Batch Payment** – an ACH payment made to one or more recipients initiated at one time, such as payroll

ACH Recipients

ACH recipients added to the system can be edited or deleted at any time. To manually add an ACH recipient to the system, follow the steps below. Recipients currently in a batch template must be removed from the template before they can be deleted from the recipient list.

1. Select **Business Payments** from the sidebar menu.
2. Click **Add Recipients**.
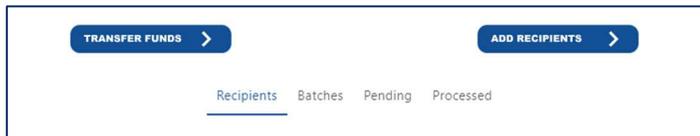
3. Click **Create Payee**.
4. Select **ACH**.

   You may select **ACH** and **Wire** for the same Payee/Recipient. If you select both, the form will update dynamically with the necessary fields to set up a recipient who can receive both ACH transactions and wires.

5. Using the dropdown provided, select if the ACH recipient is a **Business** (CCD) or a **Consumer** (PPD). The system uses this designation to set the SEC code for the recipient.
6. Enter the **Name** of the business or consumer recipient. Ensure the name entered does not exceed 22 characters or include any special characters.

   IMPORTANT! The NACHA-defined character limit for ACH recipients is 22 characters, while recipient names for Wires can extend to 35 characters.

7. Enter the **Email** address of the recipient (optional).

8. Enter a **Reference Number** (optional). This information is used to differentiate between two recipients with the same name or recipients who have both checking and savings account information in the system. It can also be used to add employee numbers or recipient specific information. Ensure the reference number does not include any special characters.

9. Enter the **Account Number** and **Account Type** to be used for the ACH transaction.

10. Enter the **Routing Number** of the recipient's financial institution associated with their account number.

11. Click the **Next** button to move on to the next screen.

12. Enter the **Company Entry Description**. This is a short description (10 characters) that informs the receiver of the transaction purpose, i.e. Payroll, Purchase, Gas Bill. The value entered in this field will be used to populate the Batch Header, "Company Entry Description" field in the file when initiating a single-entry transaction. This field is overwritten by the batch description if the user associates the recipient to a batch created within the system.

13. Review the details and click **Save**.

14. After receiving confirmation that the recipient/payee was successfully created, click **Close** to return to the Recipients page.

Single Item ACH Payments

Follow the steps below to initiate a single-item ACH transaction:

1. Select **Business Payments** from the sidebar menu.
2. Click **Transfer Funds**.
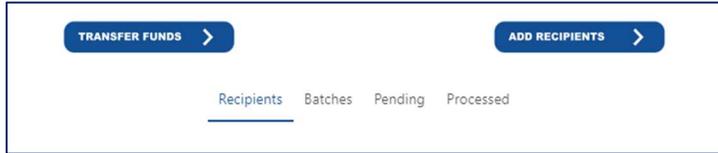
3. Click **Create Payment**.

Step 1: Search & Filter Recipients

Use the search and filter tools to find the appropriate recipient. Search by Recipient Name, Reference Number, Account Number, Recipient Type (Consumer or Business), and Payment Method (ACH or Wire).

Enter your search criteria and select **Find Recipient**.

Step 2: Select Recipient

Select the intended recipient from the list and click **Next**.

Step 3: Enter Payment Details

Edit the payment details and click **Next**. The screen will add required fields as you make selections.

1. Enter the **Offset Account** that will be used for this transaction.

   If an offset account is not visible, verify the business or business user is entitled to use the account.

2. Select the **Originating ID**.

   Originating IDs are entered by your financial institution when the business is added to Fusion Digital Banking Console. If the field is blank, contact your financial institution to add the correct number in the Originating Entities fields in Console.

   Originating IDs are often the EIN for a business but could also be a DUNS number or another identifying number generated by your financial institution.

   Common examples of businesses that might have multiple Originating IDs include:
   - A corporation that owns several companies. For example, Dave's Gym might also be referred to DBA Dave's Gym Equipment or Dave's Supplement Shop.
   - A business that processes payroll for other businesses.

3. Enter the payment **Amount**.

4. Enter a **Memo**. This will populate in the addenda record of the NACHA formatted file. This form is limited to 80 characters for ACH transactions.

5. Select **Credit** (sending funds) or **Debit** (withdrawing funds).

6. Click in the **Effective Date** field to select the date to send the transaction. This field is populated with the first possible effective date by default.

7. Select the **Frequency** for the transaction: One-time, Weekly, Every two weeks, Monthly, Every three months, or Annually.

8. If a recurring payment is selected, choose an option to stop the **Recurrence**:
   - **Until Canceled** – transactions process until the user cancels the recurring payment in the application
   - **Until End Date** – transactions occur on the scheduled frequency until the end-date that the user designates has passed
   - **Until Total Payments Made** – transactions occur on the scheduled frequency until the designated number of payments have been completed.
   This example shows a weekly transaction that will continue until 2 payments have been completed, assuming the account is funded.

   Note: Recurring payments can be canceled at any time.

<u>Step 4: Review & Pay</u>

Review your payment information and then click **Submit** to submit the business payment. If successful, you'll see an **Authorize?** message along with a summary of the payment information.
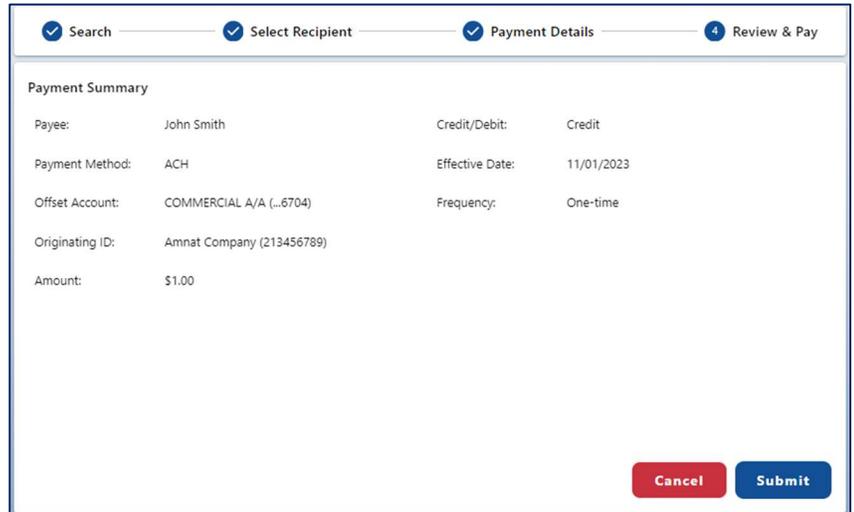
Pay Again: Recipient

Business payments can be initiated from the Recipients list.

1. Select **Business Payments** from the sidebar menu. The default view for the Business Payments screen is the Recipients tab. A list of all existing recipients populates.

2. Use the search and filter tools to find the recipient.

3. Click the three-dot menu associated with the recipient and select **Pay Again**.
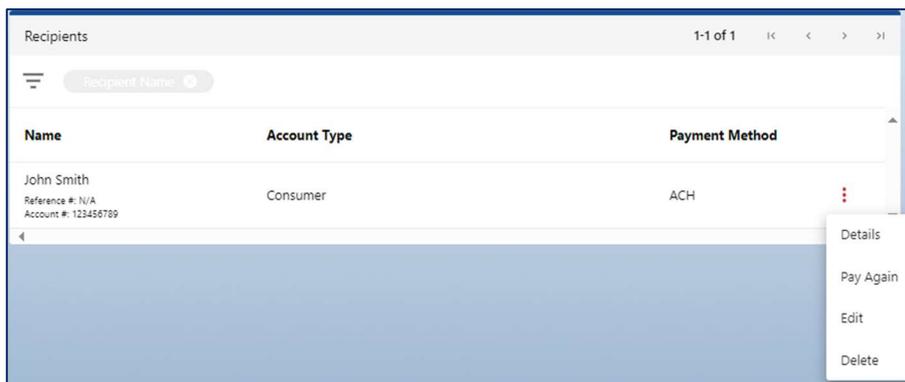
4. The Step 3: Payment Details screen opens, detailed above. Edit the payment details and click **Next**.

5. Review the payee details and click **Submit**.

One-Time ACH Payment

One-time payments are available when business users would like to make a payment without saving the recipient information for future transactions.

1. Select **Business Payments** from the sidebar menu.

2. Click **Transfer Funds**.

3. Click **One-time Payment**.

4. Select **ACH**.

5. Select **Consumer** or **Business**. This is used to set SEC code.

6. Enter the **Name** of the payee. Ensure the name entered does not exceed 22 characters or include any special characters (*i.e.,* &).
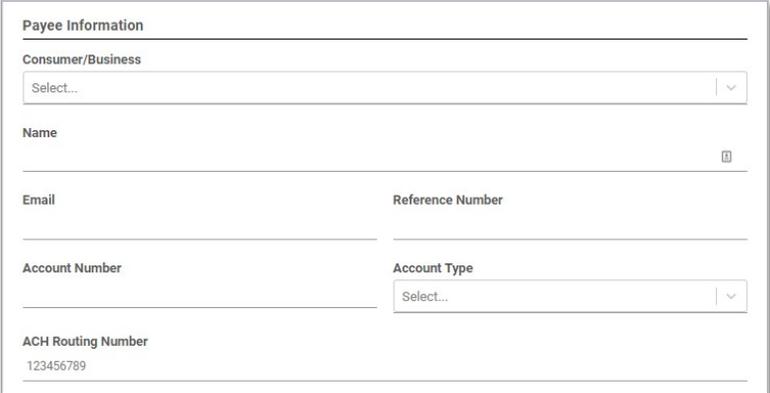
   IMPORTANT! The NACHA-defined character limit for ACH recipients is 22 characters, while recipient names for Wires can extend to 35 characters.

7. Enter the **Email** address of the payee.

8. The **Reference Number** field is used to differentiate between two saved recipients with similar information and should not be used for one-time payments.

9. Enter the **Account Number** and **Account Type** to be used for the ACH transaction.

10. Enter the **ACH Routing Number** of the payee's financial institution associated with their account number and click **Next**.

11. Enter the **Company Description**. This is a short description (10 characters) that informs the payee of the transaction purpose, such as payroll or gas bill. The description provided here will be used to populate the Batch Header, "Company Entry Description" field when initiating a single-entry transaction.

12. Click **Next** and review the payment details. Changes can be made by clicking the **Back** button. *IMPORTANT!* Once the Next button is selected on the Review page, no changes can be made to this recipient.

13. Click **Pay Now** to initiate the ACH payment. Navigating away from this page will result in the one-time payment being cancelled. No details will be saved for this recipient.

14. The **Step 3: Payment Details** screen opens, detailed above. Edit the payment details and click **Next**. The screen will add required fields as you make selections.
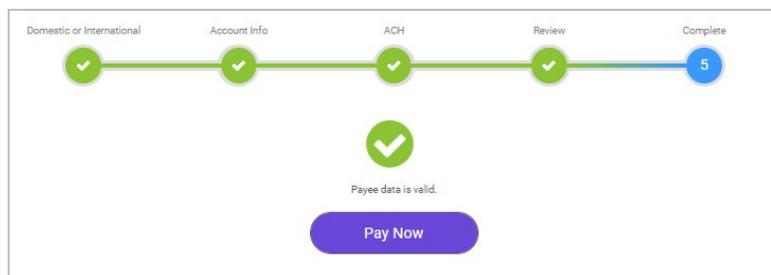
15. Continue through **Step 4: Review & Pay** to submit the payment.