Sage 300 Direct Deposit

Getting Started Guide
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Overview

This guide provides the information you need to activate and use the direct deposit service to pay your employees. Review the guide to become familiar with processes, timelines, and requirements.

**Important!** You must apply to use Sage 300 Direct Deposit. If your application has not been approved, you cannot set up or use Sage 300 Direct Deposit.

System requirements

Before applying for Sage 300 Direct Deposit, note the following system requirements:

- Sage 300 U.S. Payroll Q1 SR1 2016.
- A Sage 300 Payroll product subscription.

**Note:** If you do not have a subscription, or if you aren’t sure, please call us at 800-987-5212 before applying for Sage 300 Direct Deposit.

- Sage 300 and U.S. Payroll must be fully installed on the system you are using.
  
  You cannot process direct deposits from a workstation on which Sage 300 was installed with the Workstation Setup utility, or on a web-deployed Sage 300 system.

Before you start

Some important things to remember about direct deposit service:

- The initial prenote approval takes five banking days, so please plan ahead.
- Direct deposit payments must be synchronized by 5 p.m. ET two banking days before the deposit (check) date.
- The direct deposit check date must be a minimum of two banking days after you process payroll, and it cannot be on a weekend or bank holiday.
Sage 300 Direct Deposit support

We are committed to providing you with excellent customer support for your Sage 300 Direct Deposit service.

To speak to a customer support representative, call 866-237-4489 (option 1), Monday through Friday, or send an email to Treasury@sage.com.
Applying for Sage 300 Direct Deposit

You must apply to use Sage 300 Direct Deposit. If your application has not been approved, you cannot set up or use Sage 300 Direct Deposit.

**Note:** To use Sage 300 Direct Deposit for multiple companies in Sage 300, you must apply separately for each company.

**To apply for Sage 300 Direct Deposit:**

1. Start Sage 300 and open the company for which you want to use Direct Deposit.
2. Open Payroll Setup > Options.
3. On the Direct Deposit tab, click Apply for Sage 300 Direct Deposit.
4. Complete the application form, and then click Submit.

When your application is approved, you will receive a welcome email guiding you through steps for activating Sage 300 Direct Deposit, including creating a Sage ID that you'll use when processing direct deposits.

**Tip:** To manage users for your Sage ID, you can click the Manage Sage ID Users button on the Direct Deposit tab of the Payroll Options window. Before using this button, you must click the User Management link in the email you receive when you first set up your Sage ID.
Setting up Sage 300 Direct Deposit

**Important!** You must apply to use Sage 300 Direct Deposit. If your application has not been approved, you cannot set up or use Sage 300 Direct Deposit.

After following the steps in the welcome email to activate Sage 300 Direct Deposit, set up Sage 300 to work with the service.

### Enter your activation code

When your Sage 300 Direct Deposit application is approved, you will receive an email with an activation code. Enter this code in the License Manager.

1. On the Help menu, click Licenses.
2. On the Licenses window, click License Manager.
3. On the Licenses tab of the License Manager window, double-click the Activation Code field for your Sage 300 Direct Deposit license, and then enter your activation code.
4. Click Close.

### Set up your bank account information

Before you can pay employees using direct deposit, your bank must approve your account for direct deposit processing. Consult with your bank about its direct deposit requirements.

**Note:** For each company you have in Sage 300, only one bank code can be set up for direct deposit payroll funding.

1. Open Payroll Setup > EFT Options.
2. In the Bank field, enter the bank code for the payroll bank account that you identified when signing up for Sage 300 Direct Deposit.

**Important!** Changing the bank code in this field does **not** affect which account is used when direct deposit payments are processed. If you want to change the bank account used for direct deposit, you must contact Sage 300 Direct Deposit support at 866-237-4489 (option 1).
3. Enter information about your bank, including the following, which is required to process direct deposits:
   - On the General tab:
     - Bank Format. You must specify Sage 300 Direct Deposit as the bank format.
   - On the Other tab:
     - Transaction Code. The account type for your company's bank account.
     - Receiving DFI. The routing number for your company’s bank account.
     - DFI Account Number. Your company’s bank account number.

4. Click Save and then click Close.

5. Enter account information that will be used if you incur any ancillary fees (such as an NSF charge), as follows:
   a. Open Payroll Setup > Options.
   b. On the Direct Deposit tab, enter information in the Expense Account for Bank Fees fields:
      - Bank Code. The bank code for the billing bank account that you identified when signing up for Sage 300 Direct Deposit. If you leave this field blank, the direct deposit bank account will be used instead.
      - Account Number. The general ledger account number to debit for any fees.

      If you are charged a fee, the next time that you synchronize data with Sage 300 Direct Deposit, journal entries will be created for this account.

6. Click Save and then click Close.
Setting up employees for direct deposit

To set up employees for direct deposit, enter their bank account information on the Employees window, and then send prenotes to their banks.

Prenotes are zero-dollar transactions used to verify employees’ bank account information. Direct deposits cannot be deposited into an employee account until a prenote has been approved for the account.

**Note:** If you have existing bank accounts to which you send direct deposits, you do not need to send prenotes for these accounts. The prenote status for these accounts is automatically set to Approved.

Set up employee bank accounts

1. Open Payroll Employees > Employees.
2. In the Employee field, enter the employee number for an employee you will pay using Sage 300 Direct Deposit.
3. On the General tab, ensure that the employee’s first and last name are entered.
4. On the EFT tab:
   a. Select the Direct Deposit option.
   b. Enter bank information for the account(s) that the employee wants to use for direct deposit, including the following, which is required to process direct deposits:
      - **Transaction Code.** The account type for the employee’s bank account.
      - **Receiving DFI ID.** The routing number for the employee’s bank account.
      - **Account Number.** The employee’s bank account number.
   If you are entering information for multiple accounts, see "About distributing pay to multiple accounts" (page 10).

**Note:** When you first set up a bank account, the Prenote Status field is set to Not Sent.
5. Click Save and then click Close.
Send employee prenotes

**Note:** If you have existing bank accounts to which you send direct deposits, you do not need to send prenotes for these accounts. The prenote status for these accounts is automatically set to Approved.

1. Open **Payroll Transactions > Process Direct Deposits.**
2. In the **Type of Transactions** field, enter Prenotes.
3. In the **Company Bank** field, enter the bank you use to make direct deposit payments.
4. Specify the prenotes you want to process by entering a selection list or a range of employees.
5. Specify a **Default Funds Available Date.** A prenote is created for a bank account only if this date is between the Start Date and End Date specified for the account (on the Employees window).
6. Click **Synchronize.**

   For each prenote that is successfully sent, the **Prenote Status** field on the Employees window is set to Pending.

   After sending prenotes, you receive an email confirming the details of the prenotes that were sent. You can also print the **EFT Direct Deposit** report to see details about the prenotes that were sent.

7. Wait 5 banking days for the prenotes to be processed. After this, the next time you synchronize prenotes, the status of each prenote is updated to one of the following:
   - **Approved.** The prenote is approved. You can make direct deposits to the bank account.
   - **Declined.** The prenote was declined. Correct the account information and resend.

About distributing pay to multiple accounts

On the **EFT** tab of the Employees window, you can set up multiple bank accounts for a single employee, and specify how much of the employee’s pay is distributed to each account. When specifying amounts to distribute, you can use the following calculation types:

- **Fixed Amount.** A specific amount of funds.
- **% of Gross Earnings.** A percentage of the gross pay amount.
- **% of Net Pay.** A percentage of the net pay amount remaining after amounts using the other calculation types have been distributed.

Fixed amounts are distributed first, then amounts calculated as a % of Gross Earnings, and then amounts calculated as a % of Net Pay. If multiple bank accounts use the same calculation type, pay is distributed to those accounts in alphabetic sequence of bank account.

If an employee’s pay amount is less than the amounts specified for the employee’s bank accounts, pay is distributed to each account in order until the total pay amount has been distributed. For example, suppose
an employee has three accounts, each of which is set up to have a fixed amount of $500 distributed to it, but the employee has only $800 of pay to distribute. $500 will be distributed to the first account, $300 to the second account, and nothing to the third account.

If an employee's pay amount is more than the amounts specified for the employee's bank accounts, the total remaining pay amount is distributed to the last account, regardless of the amount specified for that account.

For example, suppose you set up bank accounts for an employee as follows:

<table>
<thead>
<tr>
<th>Bank Code</th>
<th>Account Number</th>
<th>Calculation Type</th>
<th>Amount / Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>BK1A</td>
<td>1111</td>
<td>Fixed Amount</td>
<td>500</td>
</tr>
<tr>
<td>BK1B</td>
<td>2222</td>
<td>% of Gross Earnings</td>
<td>20</td>
</tr>
<tr>
<td>BK2</td>
<td>3333</td>
<td>Fixed Amount</td>
<td>300</td>
</tr>
<tr>
<td>BK3</td>
<td>4444</td>
<td>% of Net Pay</td>
<td>10</td>
</tr>
</tbody>
</table>

The employee has a paycheck in the following amounts:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross earnings</td>
<td>$2,000</td>
</tr>
<tr>
<td>Taxes and deductions</td>
<td>$500</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

The employee's pay is distributed as follows:

1. $500 is deposited to Account Number 1111.
2. $300 is deposited to Account Number 3333.
3. $400 (20% of gross earnings $2,000) is deposited to Account Number 2222.
4. The remaining $300 ($1,500 - 500 - 300 - 400) is deposited to Account Number 4444, even though, according to the setup, only $30 (10% of the remaining net pay $300) should have been deposited.

**Important!** If no accounts have an approved prenote, the entire net pay amount is provided as a check.
Processing payroll

Processing payroll and synchronizing direct deposit transactions with the Sage 300 Direct Deposit service is a three-step process:

1. Calculate payroll.
2. Print checks and post payroll totals.
3. Synchronize direct deposit transactions with Sage 300 Direct Deposit.

Timing direct deposit payroll processing

**Important!** Direct deposit payments must be synchronized by 5 p.m. ET two banking days before the pay date on the direct deposit paychecks. If you synchronize after 5 p.m. ET, the deposits may be late.

The following table depicts typical processing deadlines without Federal banking holidays.

<table>
<thead>
<tr>
<th>Payday</th>
<th>Deadline to synchronize payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>Thursday</td>
</tr>
<tr>
<td>Tuesday</td>
<td>Friday</td>
</tr>
<tr>
<td>Wednesday</td>
<td>Monday</td>
</tr>
<tr>
<td>Thursday</td>
<td>Tuesday</td>
</tr>
<tr>
<td>Friday</td>
<td>Wednesday</td>
</tr>
</tbody>
</table>

Remember to plan for Federal bank holidays when you process direct deposit payroll. To determine the deadline date to process and transmit the direct deposit payroll, calculate two banking days prior to the pay date, and exclude all Federal banking holidays from your processing time. For a list of Federal banking holidays, visit [www.federalreserve.gov/aboutthefed/k8.htm](http://www.federalreserve.gov/aboutthefed/k8.htm).

The 5 p.m. ET deadline still applies for the deadline date, and no exceptions are made for holidays.
About Saturday paydays

While some banks may be open on Saturdays, Saturday is not a Federal banking day. This means that if you create a direct deposit payroll for a Saturday check date, the payroll may not be deposited until the following banking day (typically Monday).

Calculate payroll

**Note:** Employees must have an approved prenote for at least one bank account before you can pay them using direct deposit. For information on the prenote approval process, see "Send employee prenotes" (page 10).

1. Complete all timecards that you intend to use in the payroll run, and back up your data.
2. Open Payroll Transactions > Calculate Payroll.
3. To clear any existing previously-calculated, unposted payroll activity, click Delete All. (If you intend to merge existing payroll data with the data from this run, do not click Delete All.)
4. Select the Generate EFT Checks option.
5. Enter details for the payroll run in the top part of the window, and on each of the tabs.
6. Click Process.
   
   If there are errors during processing, you can print a report that lists them (the Payroll Processing Exceptions report).
7. Before printing paychecks, print and verify the figures in the Pre-Check Payroll Register (from the Payroll Transaction Reports folder).
   
   **Note:** If your company uses Security Groups which restrict access to certain employees included in the payroll run, a payroll supervisor or a person with access to all employees should print and review the Pre-Check register. If you only have selection-list access to employees, you may not be able to see all the employees for whom checks will be printed.
8. If you use Sage 300 Project and Job Costing, print the Pre-Check Payroll Job Register from the Payroll Transaction Reports folder.

Print checks and post payroll totals

1. Open Payroll Transactions > Payroll Checks.
2. To print only direct deposit checks, specify EFT Checks only. To print both direct deposit checks and physical checks, specify All Checks.
3. Enter other details for the payroll, including:
   - In the **Print and Post Checks through Pay Period End Date** field, enter the end date for the pay period.
   - Specify the **Calculation Sequence** number for the payroll you calculated and want to complete.
   - Specify the **Bank** used to fund the payroll you are processing.

   **Important!** You must specify the bank code for the payroll bank account that you identified when signing up for Sage 300 Direct Deposit.

4. Click **Print/Post**.
5. Verify information on the **Print Checks** window (such as next check number), and then click **Print**.

   When printing is finished, indicate whether checks were printed correctly. If they were not, you can reprint them.

6. After printing checks, print the following reports from the Payroll Transaction Reports folder:
   - Payroll Register
   - Earnings and Hours
   - EFT Direct Deposit

**Synchronize direct deposit transactions with Sage 300 Direct Deposit**

1. Open **Payroll Transactions > Process Direct Deposits**.
2. In the **Type of Transactions** field, specify the type of direct deposit transactions to process:
   - **Payments.** Send payments and receive journal entries for any bank fees you have been charged (such as NSF charges).
   - **Prenotes.** Send prenotes and receive prenote approvals.
   - **Fees and Prenote Approvals.** Receive journal entries for bank fees you have been charged, and receive prenote approvals. (No information is sent.)
3. In the **Company Bank** field, enter the bank you use to make direct deposit payments.
4. Enter information about the direct deposit transactions you want to process, such as a selection list, a range of employees, and a range of period end dates.
5. If you are replacing a previously processed set of direct deposit transactions, select the **Replacement** option, and then specify a **Run Sequence** to replace.
6. Click **Synchronize**.

If you have multiple Sage 300 Direct Deposit companies that are not linked to Sage 300 companies, you must specify which of your Sage 300 Direct Deposit companies you want to link to the current Sage 300 company.

Each time you process direct deposit transactions, you must sign in with your Sage ID.

**Important!**

- If you leave the Sage ID screen open for more than a few minutes, processing may fail.
- If processing fails for any reason, your direct deposit data is not transmitted. You can click **Resend** to try again, or contact Sage 300 Direct Deposit Support at 866-237-4489 (option 1) and select option 1 for help.

After processing direct deposit transactions, you receive an email confirming the details of the transactions that were processed. You can also print the EFT Direct Deposit report to see details about the transactions that were processed.

### Reversing a direct deposit transaction

If you need to cancel a direct deposit, remove an employee’s direct deposit from a batch, or reverse a direct deposit funds transfer after synchronizing, you must contact Sage 300 Direct Deposit Support at 866-237-4489 (option 1). There is no guarantee that direct deposit payments can be stopped or reversed.