



Sage 50 U.S. Edition

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 50 Direct Deposit. If your application has not been approved, you cannot set up or use Sage 50 Direct Deposit.

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.
- To allow enough time for fee payment processing and transmission, wait until the day after the invoice due date to synchronize the journal entry for direct deposit fees to Sage 50.

Direct deposit advice forms

We've developed the direct deposit advice form specifically for use with the Sage 50 Direct Deposit. You can print and give the direct deposit advice form to employees as a paystub with detail of their deposited payroll transactions.

To speak to one of our forms specialists, call Sage Checks and Forms at 800-617-3224.

Sage 50 Direct Deposit support

We are committed to providing you with excellent customer support for your Sage 50 Direct Deposit service.

To speak to a customer support representative, call 833-203-7226, Monday through Friday, or send an email to iSolveddds@isolvedhcm.com.

Setting up Sage 50 Direct Deposit

Before you start, you'll need:

- The company bank account you use to fund direct deposit transactions
- Employee bank account(s) and allocation preferences

Enter bank information

Before you can process direct deposit payroll, you must set up your company bank account.

1. Select **Maintain > Company Information** and enter information about your company.
2. From the **Payroll** list, select **Sage 50 Accounting Payroll Module with Direct Deposit**.

Maintain Company Information

Company Name: Bellwether Garden Supply

Address: 1505 Pavilion Place

City, ST, Zip: Norcross GA 30093-3203

Country: USA

Telephone: 770-724-4000 Web Site: www.sage50accounting.com

Fax: 770-555-1234 E-mail:

State Employer ID: 2789123-12 Fed Employer ID: 58-2560752

State Unemployment ID: 60141-79 Form of Business: Corporation

Directory: C:\Sage\Peachtree\Company\Sample\PPAC\BCS

Posting Method: Real-Time Accounting Method: Accrual

Payroll: Sage 50 Accounting Payroll Module with Direct Deposit

[Direct Deposit Settings](#)

3. Click **Direct Deposit Settings** to open the window.

Direct Deposit

Company Name: The Adle Company - Direct Deposit Active

Important!
The paycheck date on the transaction is the date that the paycheck will be deposited in the employee's bank account. You must synchronize paychecks 2 banking business days before the paycheck date.

Account Type: Checking Savings Pre-Note Status: Approved

Routing/Transit Number: 789456124 Status Date: May 5, 2011

Bank Account Number: 2222

In order for a bank account change to become effective, you must call 1-866-237-4489.

The status of the pre-note is Approved. You can now create direct deposit checks for employees with approved pre-notes.

Cash Account: 1020 Checking Account

Fee Expense Account: 6850 Other Office Expense

4. In the **Direct Deposit** settings window, enter the information for the bank account you'll use to make direct deposit transactions. Click **Save**.
5. The system notifies you that a prenote will be created for your company account. Click **OK** and **Close** the window.

Note: If your company bank account changes, you can update the information here, but you must call Direct Deposit Support at 833-203-7226 to update the account information with Sage. Otherwise, the direct deposit payroll will continue to debit from the old company bank account.

About the company bank account prenote

When you save this information, Sage 50 automatically generates a company prenote (a zero dollar transaction) to test the accuracy of the account information. Later, when you sync your employee prenotes for approval you will send this company prenote using the WebSync Wizard.

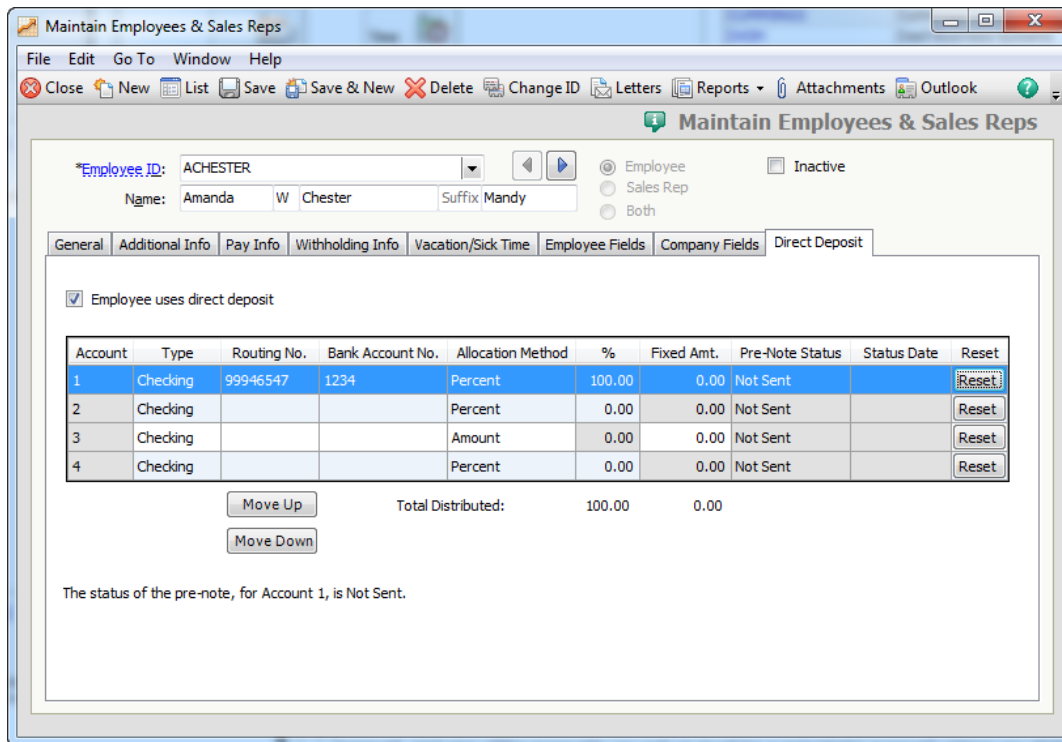
Sage sends this information to the Automated Clearing House (ACH), which forwards it to your company's financial institution. After Sage receives notification that the prenotes were synced successfully, the **Pre-Note Status** field shows 'Approved.' For more information, see the Check for prenote approval section.

Warning! If the account information you enter cannot be validated by the appropriate financial institution, the prenote is rejected and your company will incur the associated rejection fees. The rejection fee is downloaded into Sage 50 when you run the WebSync Wizard.

Set up employee account information

Now you're ready to set up employees that requested direct deposit.

1. Select **Maintain > Employees/Sales Reps**.
2. Select the employee from the **Employee ID** field,
3. Click the **Direct Deposit** tab.
4. Select **Employee uses direct deposit** to activate the service for this employee.
5. Enter the employee's bank account and allocation preferences in the table.



You can select one or more allocation methods for each employee. For more information, see "About allocation methods" (page 7).

6. Click **Save** when finished.

A prenote is created to request approval for direct deposit to the employee's account. The prenote is transmitted when you sync your prenotes for approval.

About allocation methods

The allocation method specifies how the employee's net pay will be distributed into each bank account. You can select one or more allocation methods for each employee.

- **Percent.** Enter a percentage of the employee's net pay to deposit in to their bank account. The direct deposit amount will equal the employee's net pay multiplied by the percentage entered in the % column.

For example, \$1000 (net pay) x 20% (allocation) = \$200 (direct deposit amount).

- **Amount.** Enter a fixed dollar amount to deposit in to the employee's bank account.
- **Remainder.** Select this method to distribute any of the employee's remaining net pay to the listed account. This method ensures all of the employee's net pay is distributed in cases where net pay exceeds the account allocations you have set up. Only one remainder account is allowed.

Set up the employee direct deposit accounts in the order deductions should be made from the employee's net pay. Sage 50 allocates funds to direct deposit accounts in the order in which they appear on the **Direct Deposit** tab. Use the **Move Up** and **Move Down** buttons to change the order.

Notes: There might not be enough net pay to distribute to one of the last accounts in the list. You may be able to correct this by changing the order of accounts in the **Direct Deposit** tab.

If you have multiple accounts and need to use both percent and fixed amount allocation methods, you must also have a remainder account.

Total Net Pay	Account	Allocation Method		% or Fixed Amount	Amount Deposited
\$700	Account 1	Percent	x	70 %	\$490
	Account 2	Percent	x	20%	\$140
	Account 3	Amount	-	\$300	\$70 (in this case, a shortfall of \$230)
	Account 4	Remainder			

Syncing and approving prenotes

Before you sync prenotes, run the Direct Deposit Pre-Sync Report, which lists all direct deposit prenotes that are ready for syncing. If you find any errors in the report, you can correct the problem before synchronizing.

For more information, open the help in Sage 50, click the Index tab, and search for Direct Deposit Pre-Sync Report.

Sync your prenotes

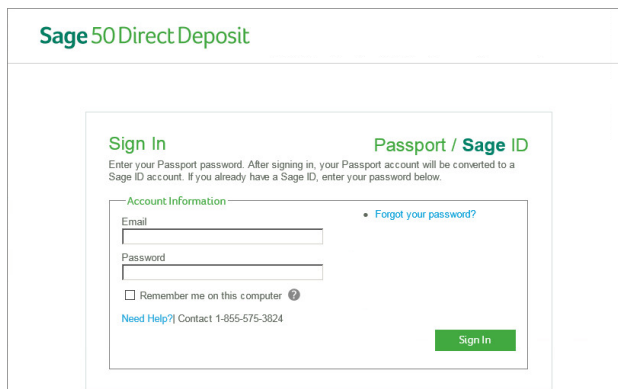
Sync all bank account information for the prenote approval process.

Before you start:

- The prenote approval process takes up to five banking days. Be sure to factor the time needed for approval into the projected time to create and pay your direct deposit payroll.
- The synchronization process requires an Internet connection.

To sync prenotes:

1. Select **Services > WebSync Wizard**.



2. On the **WebSync Wizard Introduction** window, enter your Sage ID email and password, then click **Next**.

Note: If you have multiple companies, an additional window is displayed. Select the company for which you created the payroll.

3. Select the Sage 50 Direct Deposit service and click **Next**.
4. The **Direct Deposit Confirmation** window displays the number of prenotes to sync. Verify the prenote information is correct and click **Next**.
5. Click **Finish** to close the wizard.

Warning! If either of the following occurs, contact us at 833-203-7226:

- You receive an error or red X after attempting to run the WebSync Wizard. Print a copy of the log file for reference.
- The Credit Limit amount appears in red. The Credit Limit is the limit allowed for the total net payments in the period. If you exceed your company's credit limit when processing direct deposit transactions, the total amount appears in red.

Check for prenote approval

The approval process takes up to five banking days. When it is complete, you can run the WebSync Wizard and update prenote statuses to approved.

To check prenote approval status

1. Select **Services > WebSync Wizard**.
2. On the **WebSync Wizard Introduction** window, your email and password are pre-populated. Click **Next**.

Note: If you have multiple companies, an additional window displays. Select the company for which you created the payroll.

3. On the **Select Services** window, the Sage 50 Direct Deposit option is selected. Click **Next**.
4. You'll see how many items were downloaded once the sync completes successfully. Click **Finish**.
5. The **Web Transaction Center** opens and displays a log of your transaction results.
6. To check the approval status, go to **Maintain Employees & Sales Reps > Direct Deposit** tab.

Review the Direct Deposit Pre-Sync report again

After you run the WebSync Wizard, you should review the Direct Deposit Pre-Sync report again. A blank report with no data indicates that the transmission to Sage was successful.

If the report includes prenotes after synchronizing, there may be a problem sending the information to Sage. Verify that you are connected to the Internet and run the WebSync Wizard again. If the pre-sync report continues to include transactions and will not clear, please call Customer Support at 833-203-7226 for assistance.

Paying your employees

Now you're ready to sync your first direct deposit payroll. The date the payments are deposited into your employees' accounts is determined by the check date specified on each direct deposit payment. The check date must be a minimum of two banking days after you process payroll. Saturdays and Sundays are not banking days.

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.

Payday	Deadline to synchronize payroll
Monday	Thursday
Tuesday	Friday
Wednesday	Monday
Thursday	Tuesday
Friday	Wednesday

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.

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).

Paying a single employee

Note: We recommend you process direct deposit payments separately from manual checks to simplify printing on direct deposit advice forms.

1. Select **Tasks > Payroll Entry**.
2. Select the desired employee and enter their payroll information.
3. The Direct Deposit check box should be selected by default if the employee has an approved prenote status. To check the status, go to **Maintain Employees & Sales Reps > Direct Deposit** tab.
4. Click **Save** and Sage 50 generates a direct deposit payroll transaction for the employee.

The screenshot shows the Sage 50 Payroll Entry window for a company named "Bellwether Garden Supply". The window includes a menu bar (File, Edit, Go To, Window, Help) and a toolbar with icons for Close, New, Ljit, Save, Print, Delete, Jobs, Journal, Event, Reports, Attach, and Help. The main form area contains the following fields and sections:

- Employee ID:** ACHESTER
- Check Number:** 1250
- Date:** Mar 15, 2013
- Cash Account:** Payroll Checking Account
- Cash Account Balance:** Uncalculated
- Pay Period Ends:** Mar 15, 2013
- Weeks in Pay Period:** 2
- Direct Deposit:** A checkbox labeled "Direct Deposit" is checked and circled in red.
- Hours Worked:** A table with columns "Hourly Fields" and "Hours".

Hourly Fields	Hours
Regular	80.00
Overtime	0.00
Special	0.00
- Taxes - Benefits - Liabilities:** A table with columns "Name", "Amount", and "Memo".

Name	Amount	Memo
Fed_Income	-131.86	
Soc_Sec	-69.44	
Medicare	-16.24	
State	-48.44	
K401	-44.80	
- Gross Pay:** 1,120.00

At the bottom of the window, there are links for "Add another pay type" and "Change order of payroll fields".

Paying multiple employees

1. Select **Tasks > Select for Payroll Entry**.
2. On the filter selection window, select **Direct Deposit Only employees**. Select other filters as needed and click **OK**.
3. On the **Select Employees to Pay** window, the **DD (Direct Deposit)** check box is selected for each direct deposit employee.

The DD check box is automatically checked for all employees with approved pre-notes.

Employee ID	Employee Name	Gross Pay	Check Amount	Field Names	Hours	Salary	#/weeks	Pay	DD
ADUKE	Al L. Duke	500.00	500.00	Regular	40.00		1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
				Overtime				<input type="checkbox"/>	<input type="checkbox"/>
				Special				<input type="checkbox"/>	<input type="checkbox"/>
AHECTER	Anthony H. Hecter	1,040.00	1,040.00	Regular	80.00		2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
				Overtime				<input type="checkbox"/>	<input type="checkbox"/>
				Special				<input type="checkbox"/>	<input type="checkbox"/>
AKORNEL	Alex C. Kornel	1,120.00	1,120.00	Regular	80.00		2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
				Overtime				<input type="checkbox"/>	<input type="checkbox"/>
				Special				<input type="checkbox"/>	<input type="checkbox"/>

Payroll Checking Account Balance: Uncalculated
 Total Checks: 4,460.00
 Balance After Checks: Uncalculated \$ (Includes Unposted Transactions as of: 3/1/13)

4. To print the direct deposit advices, click **Print**.
5. Click the **Change Form** button and select the **OCR - Direct Deposit Advice** form.
6. Change the **First Check Number** to the starting number used for your advice forms. Then **Print** and assign the advice numbers.
7. A dialog box prompts you to confirm the forms printed correctly. Click **Yes** to confirm, or click **No** and reprint the advice forms.

Important! To transmit the payroll transactions, you must click **Yes** and confirm the forms printed correctly. This step assigns the direct deposit advice numbers and generates the direct deposit ACH transactions to be synchronized.

Syncing direct deposit paychecks

Now you're ready to transmit the paychecks to the employees' designated bank accounts. The process is similar to the one performed in order to sync the prenotes.

Prior to syncing the paychecks, print the Direct Deposit Pre-Sync Report (**Reports & Forms > Payroll**). Verify that the payroll transactions ready to be transmitted are accurate. The report data is no longer available after all payroll transactions are transmitted.

To sync paychecks

1. Select **Services > WebSync Wizard**.
2. Your Sage ID sign in information should appear on the WebSync Wizard **Introduction** window. Click **Next**.
3. On the WebSync Wizard **Select Services** window, the Sage 50 Direct Deposit option is selected. Click **Next**.

Note: If you have multiple companies, an additional window is displayed. Select the company for which you created the payroll.

4. Confirm that the transaction information is correct and click **Next** to transmit.
5. Click **Finish** when the paychecks have been submitted successfully.

Confirming successful transmission

After the WebSync Wizard completes, confirm the direct deposit transactions were successfully transmitted.

1. Select **Lists > Employees & Payroll > Paychecks**.
2. Select or enter the **Pay Period** or **Check Date** to open the list view to the payroll you synchronized.
3. Confirm the direct deposit payroll transactions are marked **Transmitted**.

Review the Direct Deposit Pre-Sync report again

Go to **Reports & Forms > Payroll** and open the Direct Deposit Pre-Sync report. A blank report with no data indicates that the transmission to Sage was successful.

If the report includes direct deposit payments or prenotes, there may be a problem sending the information to Sage. Verify that you are connected to the Internet and run the WebSync Wizard again. If the pre-sync report continues to include transactions and will not clear, please call Direct Deposit Support at 833-203-7226 for assistance.

Syncing direct deposit service fees

Direct deposit service fees are billed on a per-payroll basis. We send you an email notification to confirm we received your direct deposit transactions, and included is a summary of your service fees. This email

shows the date the fees will be withdrawn from your company bank account.

To download the general journal entry to your expense account, you must run the WebSync Wizard on or after the due date on your billing statement to download the direct deposit service fees to your company. These fees are downloaded as a general journal entry to the Fee Expense Account which you selected during the initial setup.

Note: Wait until the calendar day following the invoice due date to sync the general journal entries—this ensures the fees are processed by the system.

Reversing a direct deposit transaction

If you need to cancel a direct deposit or reverse a direct deposit funds transfer after synchronizing, you must contact Sage 50 Direct Deposit Support at 833-203-7226. There is no guarantee that direct deposit payments can be stopped or reversed.