Overview

A payroll batch is a way to use the Automated Clearing House (ACH) consumer transaction to perform Direct Deposit. Direct Deposit is the electronic transfer of funds from a company or organization into an individual's checking or savings account. Many businesses use Direct Deposit as a safe, confidential, convenient, and cost-effective way to send payroll checks to their employees.

Batch Header

The first step in creating a payroll batch is to create the batch header. The batch header gives information identifying the batch contents. The batch header shows who originated the batch, the total batch amount, and the settlement account debited for the payroll batch amount.

Batch Item

After you have created a batch header, you must add batch items to the batch. Each payroll batch item is a single funds transfer transaction within the batch. Batch items can be added to the batch manually or imported from a file.

Approval

Once a payroll batch has been created, it must be approved before it can be sent. The batch can only be approved by someone who has been given approval authority, such as a manager or supervisor. Note that batches with a Frequency of Fixed Recurring Payment only need to be approved once when the batch is created.

Pending ACH Transfers Table

Once a payroll batch has been created it is added to the Pending PPD Credit Transfers table. While a payroll batch resides on the pending ACH Transfers table, both the batch header and the items within the batch can be viewed, edited, or deleted prior to batch approval.

Creating a Payroll Batch

A Payroll Batch is a way to implement Direct Deposit. Direct Deposit is the electronic transfer of a payment from a business to its employees' checking or savings account. Many businesses use Direct Deposit as a safe, confidential, and cost-effective way to send payroll payments to their employees. It is also known as a PPD Credit batch.

To create a Payroll Batch header:

1. Under the Consumer Transactions heading on the Cash Management Menu page, click the Payroll Batch link.
   The PPD Credit Batch Header page appears. Complete all appropriate information.
2. The Batch Name box is pre-filled with 'Payroll.' You can change this to make the entry more descriptive if you wish (for example, HR Payroll). The batch name usually appears on the customer's account statement. This field has a maximum of 10 characters.
3. On the Frequency drop-down list, select the frequency of the batch. The frequency of a batch tells the system if the batch should be rescheduled and if the batch involves a fixed or variable dollar amount. Click the One Time check box if you are only transmitting this batch once. One Time transfers are not automatically rescheduled and only appear on the Transfer History page. Leave it unchecked for recurring batches. The possible Frequency options are:

Field	Description
Fixed Recurring	Transfers are automatically rescheduled for the same dollar amount each time.
Variable Recurring	Transfers are automatically rescheduled, but you must enter a new dollar amount each time.
Occasional	Transfers are not automatically rescheduled, but the transfer remains on the Pending Transfers table.

4. On the Period drop-down list, select the period of the batch. The period tells the system how often to reschedule the batch. The possible options are:

Field	Description
Once	Use this period if you checked the **One Time** box or if you selected **Occasional** as the Frequency.
Daily	Every business day including the day you scheduled the first payment.
Weekly	Every week on (or near) the same day of the week you scheduled the first payment.
Bi-Weekly	Every other week on (or near) the same day of the week you scheduled the first payment.
Semi-Monthly	Every month on (or near) the same date you scheduled for the first payment. The second payment will be made 15 days after the first payment date.
Monthly	Every month on (or near) the same day of the week you scheduled the first payment.
Bi-Monthly	Every other month on (or near) the same day of the week you scheduled the first payment.
Quarterly	Every three months on (or near) the same day of the week you scheduled the first payment.
Semi-Yearly	Every six months on (or near) the same day of the week you scheduled the first payment.
Yearly	Every 12 months on (or near) the same day of the week you scheduled the first payment.

5. In the Effective Date box, enter the date to run the transaction. Or click the Calendar icon to select a date.
6. In the Company Name box, enter the name of your company, the payer of the funds in the batch. The company name usually appears on the customer's account statement. This field has a maximum of 10 characters.
7. On the Identification Number drop-down list, select the appropriate identification number. The Focus Customer's Tax Identification Number is the default. Use the drop-down list if you wish to select another identification number. The options are:

Field	Description
DUNS Number	The Data Universal Numbering System (DUNS) number is an identification number used by the government to identify each contractor and their locations.
User Defined Identification	This is an identification number assigned by the company for controlling ACH batches.

8. On the Settlement Account drop-down list, select the account to be debited for the total amount of the batch. The day when the account is debited depends on the Focus Customer's risk level as follows:

Field	Description
Early Risk	The settlement account is debited three business days before the Effective Date.
Normal Risk	The settlement account is debited two business days before the Effective Date.
Float Risk	The settlement account is debited on the Effective Date.

9. In the Discretionary Data box you can enter additional text to describe the batch (for example, Payroll MAR 03). This field has a maximum of 20 characters and is optional.
10. Once you have finished entering the batch header information, you can enter your batch items. Scroll down to the Batch Items section. If you choose to enter batch items at a later time, click Save.
11. If you have a large number of items to import, click Import Items.
    The Import Items page appears.
12. How do I import batch items?
13. If you do not know the R&T number, click on the Look up Institution Transit/Routing Number link to be taken to the Federal Reserve E-Payments Routing Directory to search for the number.
14. In the R&T Number box, enter the Routing & Transit number (sometimes called the ABA number) of the receiving financial institution. This can be found on a check drawn on the account to receive the transaction amount for credit transfers, or on a check drawn on the account to be debited for the transaction amount for debit transactions. On personal checks, it's the leftmost nine digits on the bottom of the check. On commercial checks, it sometimes appears after the check number.
15. In the Account Number box, enter the account at the institution to be debited or credited for the transaction amount.
16. On the Account Type drop-down list, select the type of account.
17. In the Consumer Name box, enter the name of the owner of account.

18. In the I.D. box, enter the unique number you use to identify the account owner (for example, an employee ID number). If you don't have an ID number for the account owner, this can be left blank, or the owner's name can be used.
19. In the Hold box, click the checkbox to place the item on hold.
20. In the Amount box, enter the transaction amount to deposit into the recipient's account for credit transactions, or to withdraw from the account for debit transactions. For amounts of less than one dollar, type a zero before the decimal point.
21. In the Description box (the box on the second line of the item row), enter a short description of the transaction (for example, Jan. Paycheck). This field is optional.
22. Click Save.

You have successfully created your batch. **You must approve it by the Add Cut-off time displayed in the upper right corner of this page to process it.**