



# WISCONSIN ACCOUNTING MANUAL

Department of Administration – State Controller’s Office

<b>Section</b>	<b>05</b>	<b>ACCOUNTS PAYABLE, INTER AND INTRA UNIT PAYMENTS AND TRANSFERS</b>	<b>Effective Date</b>	<b>10/1/2015</b>
<b>Sub-section</b>	<b>06</b>	<b>ACH Payments</b>	<b>Revision Date</b>	<b>9/15/2015</b>
<b>SAM Ref</b>	<b>5-14</b>			

## BACKGROUND

The State of Wisconsin utilizes ACH payments extensively for certain groups of payments including payments to employees (retirement and payroll), and payments to municipalities. However, vendor payments have traditionally been made by check, because of the need to mail the remittance information to the vendor even if the payment itself was electronic. However, the STAR system provides additional tools to notify vendors of the details of their State payments. Through a setting in the Supplier Table, the vendor can be emailed the remittance information. Or, if the vendor is a registered user of the e-Supplier Portal, the vendor may login directly to see their remittance detail/history.

## POLICIES

1. Wherever possible, State agencies must encourage vendors to receive their payments via ACH, and their remittance information electronically, through the STAR ERP system.
2. The banking information for any ACH payment made through STAR AP MUST be validated by the SCO, using it’s Account Validation Service. All Supplier banking information will be validated before activated.

## PROCEDURES

Payments made through STAR Accounts Payable may easily be made via ACH by selecting the Supplier Location Id associated with the desired ACH payment/bank account combination.

Agencies should refer vendors to the State’s website that contains the Electronic Deposit Authorization Form so that they can establish their electronic payments.

When the SCO receives a completed Electronic Deposit form, it will validate the banking information in real-time through its Account Validation Service. That service will confirm that the TIN associated with the bank account matches the Supplier TIN (all TINs are also matched at the IRS). The service also checks a variety of other elements to identify potential fraud.

The timing of the ACH settlement will be as follows:

<b>Day 1</b>	<b>Day 2</b>	<b>Day 3</b>
A/P transactions processed in STAR with today’s payment date.	ACH File transmitted to the bank.	Payment deposited into the vendor’s bank account.