COLORADO STATE UNIVERSITY
Financial Procedure Instructions
FPI 6-4

1. **Procedure Title:** Incoming Electronic Payments, Including ACH Enrollment

2. **Procedure Purpose and Effect:** To outline procedures for departments that receive payment(s) through electronic means and instructions for departments that have organizations (vendors) interested in paying the University electronically through ACH direct deposit.

3. **Application of Procedure:** Colorado State University (CSU) encourages the use of electronic payment methods whenever possible. This procedure must be applied when providing information to outside organizations/vendors regarding the University's bank account for the purpose of receiving payments. This procedure also needs to be applied when an incoming electronic payment is to be identified and processed by the Cashier's Office.

4. **Exemptions**: All departments must use this procedure to ensure that accurate CSU banking information is distributed, and incoming payments are applied properly in the Kuali Financial System (KFS). There are times when an incoming wire or ACH payment will be rejected/returned which requires a case-by-case analysis. For example, an incoming wire for CSUF should go directly to the Foundation's bank account.

5. **Definitions:**

   A. **ABA Number:** American Bankers Association (ABA) is also referred to as a routing number. This is a nine-digit number used by domestic banks to identify a specific financial institution.

   B. **ACH:** Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. Both the government and the commercial sectors use ACH payments. Businesses increasingly use ACH to have customers paid, as well as facilitate business-to-business payments. Rules and regulations that govern the ACH network are established by NACHA and the Federal Reserve.

   C. **ACH Authorization:** Agreement by a receiver to allow an ACH debit or credit transaction to process against their account.

   D. **CSUF:** Colorado State University Foundation

   E. **EFT:** Electronic Funds Transfer (EFT) is the electronic exchange of money from one account to another without the use of a check or draft, either within the same financial institution or across multiple institutions.

   F. **NACHA:** National Automated Clearing House Association (NACHA) is the association that develops and maintains the operating rules and regulations and oversees the ACH network.

   G. **STRATA:** Colorado State University Research Foundation, previously known as CSURF

H. **Wire Transfer:** Method of electronic funds transfer from one person or institution to another, made from one bank account to another

6. Procedure Statement:

Many companies are switching from paying by paper check to paying via direct deposit, also known as ACH or EFT. Please forward any new ACH/EFT enrollment requests to Banking Services at BFS_Bursar@mail.colostate.edu. Most companies provide an ACH vendor enrollment request form, but for those who do not, Banking Services will provide banking information on letterhead, along with an account confirmation letter from our bank. **Banking information must be provided by Banking Services directly to the organization requesting enrollment to ensure control and distribution of the appropriate bank account information.** This process also helps in maintaining an ACH vendor database that allows efficient identification and placement of incoming electronic payments.

A Banking Services employee will fill out the pertinent banking information on the form and return it to the vendor. If the banking details are part of a contract or grant that must be submitted at one time, please fill out the pertinent details excluding the bank information, forward to Banking Services, and Banking Services will send the entire completed form on to the vendor. If your unit must submit the ACH details with a form, please copy BFS_Bursar@mail.colostate.edu on the emailed reply to the supplier.

If a company prefers to pay by wire transfer, please send a request to BFS_Bursar@mail.colostate.edu. The document that will be provided includes information for both domestic and international wires.

Note: CSUF and STRATA are separate entities from CSU, and as such have separate bank accounts. Payments that are for CSUF or STRATA (such as gifts or donations) must be sent directly to these foundations' dedicated bank accounts. Please contact CSUF or STRATA for their banking information. If funds for CSUF or STRATA are received by CSU, Banking Services will attempt to work with CSUF or STRATA to get the funds relocated appropriately, prior to returning the funds.

If you are expecting an electronic payment (wire or ACH), please notify Banking Services via email to BFS_Bursar@mail.colostate.edu. **Prior notice will expedite the identification and placement of the funds.** When the payment arrives, a Banking Services employee will email the appropriate departmental contact. Generally, an electronic payment is deposited by the department on an Advance Deposit (AD) document in KFS, with "WIRE" or "ACH" in the Organization Document Number field, unless it is meant for a Banner or Loan account. When your unit is informed funds have been received, please promptly enter the AD doc.

Wires and ACH that are not easily identified by Banking Services will be listed on this site: https://wsprod.colostate.edu/CWIS12/bfsapp/Cashier/CashierData.aspx . Employees with KFS access can access the site using the same login credentials. Please review it frequently for payments that are expected. After a period, any unclaimed payments will be returned to the sender.

7. Reference and Cross-References:

ACH information: http://www.achrulesonline.org/

Cashier's Office website: http://busfin.colostate.edu/Depts/Cash_Office.aspx

NACHA website: https://www.nacha.org/

8. **Forms and Tools**:

None