Direct Deposit: Setup & Processing

Document #:	3033	Product:	CenterPoint® Payroll

Step A: Employer Setup

Step B: Setup Employer Bank Account Information

Step C: Employee Setup

Step D: Create a Direct Deposit Pre-note File (optional)

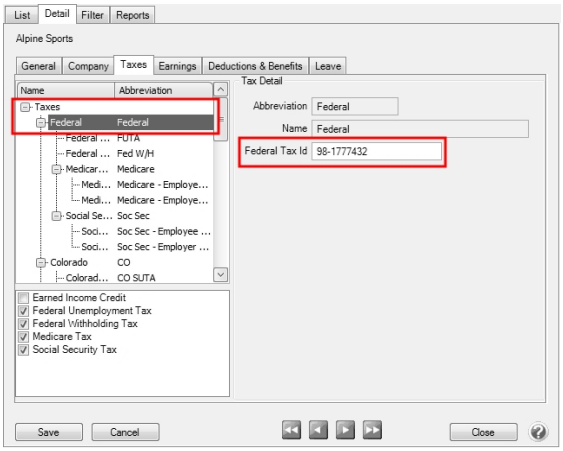
Step E: Processing a Payroll with Direct Deposit Employees

Step F: Recreate a Direct Deposit File (optional)

Frequently Asked Questions

Step A: Employer Setup

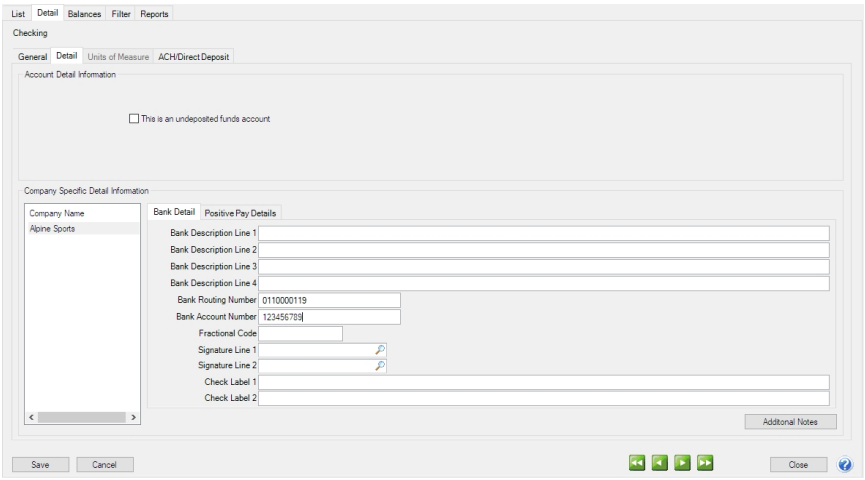
1. Select **Setup > Payroll Details > Employer**. Select the employer you want to add/change direct deposit information for, and then click **Edit**.
2. Click the **Taxes** tab.



3. All taxes will be listed on the left, select **Federal**.
4. Under **Tax Detail**, verify/enter the Federal Tax Id. The Federal Tax Id is used in the direct deposit file.

Step B: Setup Employer Bank Account Information

1. Select **Setup > Accounts > Accounts**. Select the account that the direct deposit funds will be withdrawn from (accounts in the Cash or Line of Credit account categories) and click **Edit**.
2. Click on the **Detail** tab.

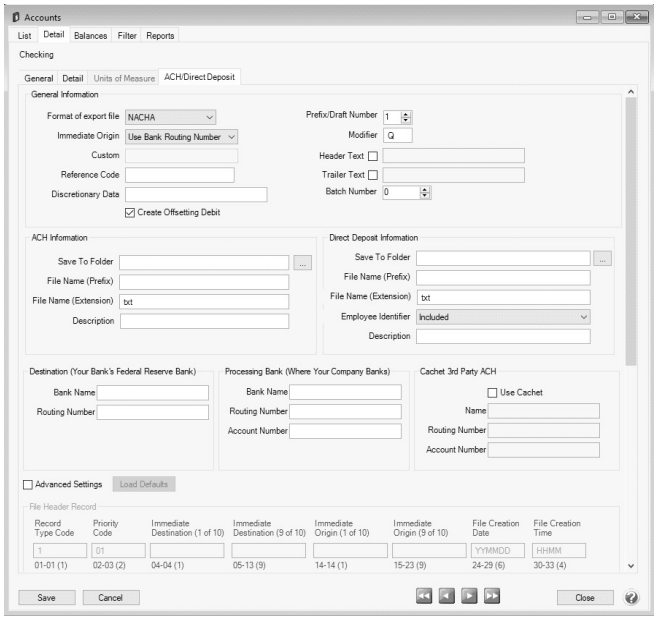


3. Select your **Company Name** on the left.
4. On the right, enter your **Bank Routing Number**. Enter the bank's transit/routing number as assigned by the American Banking Association. This number is 8-digits plus a ninth "check" digit. A typical ABA number would be 091900494.
5. In the **Bank Account Number** box, enter the account number for the bank account that will be used with direct deposit.

Note: This information is for your bank account – not the employee's bank account.

Note: If the Processing Bank Account Number and Routing Number on the ACH/Direct Deposit tab in this screen is not entered, the Bank Account Number and Bank Routing Number from this screen will be used instead.

6. Click on the **ACH/Direct Deposit** tab.



7. In the **Format of Export File** box, specify the file type required by your banking institution. The formats available are:
   - **NACHA** - The file format specified by NACHA (National Automated Clearing House Association) using FEDLINE from the federal reserve for personal computers. These records are 94 characters long with 10 records per 940 character block.
   - **ASCII** - The file format required by many main-frame computer systems. These records are 94 characters long with an additional carriage of return/line feed (CR/LF) at the end of each record.
   - **NACHA Modified** - This is a modified version of the NACHA file as required by some institutions. It is the same as the NACHA format, but includes carriage returns.

8. Select the value that should be used to fill the **Immediate Origin** field in the direct deposit file:
   - **Use Bank Routing Number** - The Immediate Origin field will be filled with the account's routing number from the Detail tab prefixed with a space, i.e. " 999999999".
   - **Use Federal EIN Number** - The Immediate Origin field will be filled with the company's Federal Tax ID prefixed with a "1", i.e. "1999999999".
   - **Use Custom Number** - The Immediate Origin field is filled with the user-defined alphanumeric value entered into the Custom field. The value is prefixed with Zeros to a maximum of 10 characters, i.e. "09999999999".
9. If you select Use Custom Number in Step 7, enter the **Custom** alphanumeric value to fill the Immediate Origin field with**.**
10. The **Reference Code** is optional (up to 8 characters). It will appear on the file control record of the transaction file and is only required if the bank indicates it. For example, RWACHPR tells you this is the Red Wing ACH Payroll.
11. The **Discretionary Data** is also optional. It will appear in the batch header of the ACH file. For example, enter BIWEEKLY or 10TH OF MONTH.
12. Select the **Create Offsetting Debit** check box to have CenterPoint Payroll automatically create the dollar amount that will be deducted from your company's checking account. Do NOT remove this check mark unless your lender has instructed you to do so.

    Note: If your lender instructs you that the Batch Header (5) and Batch Control (8) records must contain Service Code 200 (ACH Credits and Debits), this check box should remain selected. If your lender instructs you that the Batch Header (5) and Batch Control (8) records must contain Service Code 220 (ACH Credits Only), this check box should not be selected.

13. Enter the **Prefix/Draft Number** (1-9) used with the Federal Id (EIN) to create the Company Identifier in the direct deposit file. The default is 1, however sometimes banks require a different value when sending multiple direct deposit files.
14. In the **Modifier** box, enter a modifier as indicated by your bank.
15. Select the **Header Text** check box only if your bank indicates that header text is required on the file that is sent for direct deposit. If the Header Text check box is selected, the Header Text box will be enabled. Enter the header text for the direct deposit file as provided by your bank.
16. Select the **Trailer Text** check box if your bank requires you to include trailing (footer) text. The **Trailer Text** box will be enabled if it is indicated to include trailer text. Enter in the text for this record as indicated by your bank.
17. In the **Batch Number** box, enter a number that you want to start batch numbers at in generated direct deposit files. The default batch number is 0 (zero), and can be set to any number between 0 and 9,999,999. This number will be padded on the left with zeros to 7 digits, for example 0000001.
18. Under Direct Deposit Information, in the **Save To Folder** box, enter the name of the folder or click the ellipse button to browse to the location where the output file specified in the File Name (Prefix) box will be sent to. To create a new folder, click the ellipse button, click **Make New Folder**, and then click **OK**
19. In the **File Name (Prefix)**, enter the prefix of the file name you want saved to the Save To Folder. The file name will be Prefix-YYYYMMDD-x.ext (where x is the number of files created that day and ext is the value entered in the File Name (Extension) box),
20. In the **File Name (Extension)** box, the default value of .txt will display, but can be changed to any 10-character value or a blank value..
21. Determine how you want the **Employee Identifier** to display in the file by selecting an option from the drop down list:
    - **SSN** - Formatting characters are included in the Social Security Number when the Direct Deposit file is created..
    - **SSN (Suppress First 5 Digits) -** The first five digits of the Social Security Number are excluded when the Direct Deposit file is created..
    - **None (Blank) -** The Employee Identifier will be left blank when the Direct Deposit file is created.
    - **SSN (No Formatting) -** Formatting characters are excluded from the SSN when the Direct Deposit file is created.
    - **Employee Abbreviation** - The Abbreviation field from Setup > Employees will be included when the Direct Deposit file is created.
22. In the **Description** box, enter a description for the transaction (up to 20 characters) that will appear on the employer's bank statement. The default value for the Description box will display as "Payroll Dep."
23. Enter your **Bank Name** and **Routing Number** (Your **Federal Reserve Bank** information).
24. Enter your bank's Federal Reserve **Bank Name** and **Routing Number** as directed by your bank. This could be the same as your bank's name and routing number.

25. If an alternate bank name should be used in your direct deposit file instead of the name of the account from the Detail tab, enter the Processing **Bank Name**.
26. Enter your Processing , **Bank Routing Number** and **Bank Account Number** used in the direct deposit file for the offsetting debit record.

Note: If the Processing Bank Account Number is not entered on the ACH/Direct Deposit tab, the Bank Account Number from the Detail tab in this screen will be used instead.

27. Select the **Use Cachet** check box if you want to transfer payroll direct deposit files from CenterPoint Payroll to the third party Cachet clearinghouse rather than sending multiple NACHA files to various employees' banks. The Cachet clearinghouse is then responsible for the direct deposit into your employee bank accounts.

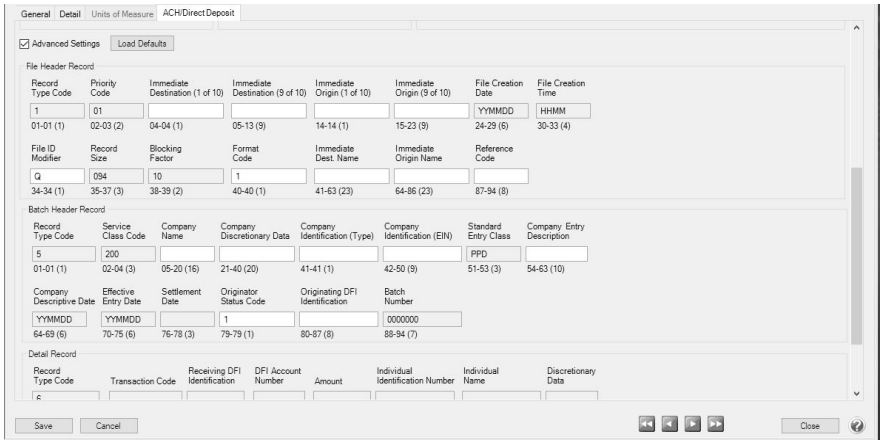
» If you selected the Use Cachet check box, the following settings must be changed in some of the selections you may have made in Steps 7-24 above:
  - » In the **Immediate Origin** box, select **Use Bank Routing Number**.
  - » In the **Batch Number** box, enter **1** or a higher number.
  - » In the **Destination Bank Name** box, enter a name that represents the Cachet clearinghouse, for example, enter Cachet.
  - » In the **Destination Routing Number** box, enter **122232222**.
  - » In the **Processing Bank Name** box, enter your employer's bank name.
  - » In the **Processing Bank Routing Number** box, enter your employer's bank routing number.
  - » In the **Processing Account Number** box, enter your employer's bank account number.
  - » In the **Cachet Name** box, enter a name that represents the Cachet clearing account, for example, enter Clearing Account.
  - » In the **Cachet Routing Number** box, enter **729999997**.
  - » In the **Cachet Account Number** box, enter **1234567890**.

Optional Advanced Settings

I m p o r t a n t N o t e :
The majority of the time no changes are needed in the **Advanced Settings**. We recommend you only make changes in this area if a Red Wing technician has recommended it.

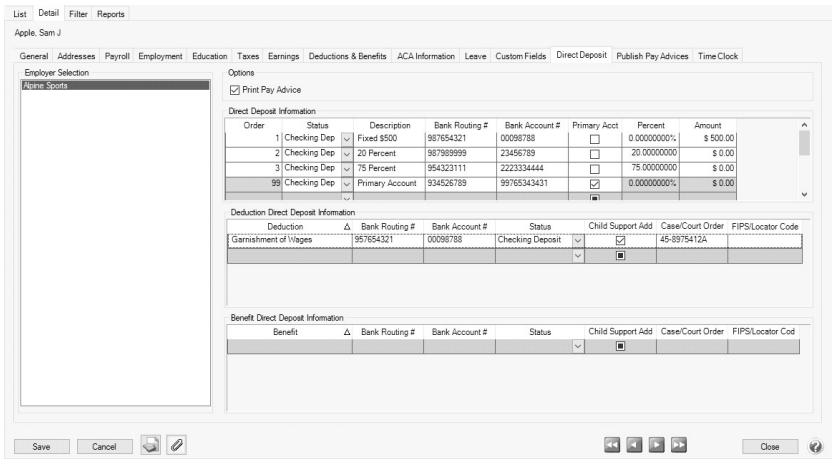
» Select the optional **Advanced Settings** check box to activate the Advanced Direct Deposit File Configuration section of the screen where you can see a representation of the File Header and Batch Header records included in a Direct Deposit file and customize the values. Click the **Load Defaults** button to set the file configuration based on your current selections in the upper portion of this screen. Use the vertical scroll bar to display all of the Advanced Settings. Fields that are read-only display values from CenterPoint when the file is generated. The editable fields can be modified to customize values and will be used when the Direct Deposit file is generated. Each field has a label identifying its purpose, position in the file, and field length, (in parenthesis), all per the NACHA file format definition, for example the Immediate Destination field is at character position 4 through 13 and is 10 characters long.

Note: If you choose to customize the direct deposit file, ALL editable fields must be populated with an appropriate value; blank fields will not be populated with any other values by CenterPoint and will appear in the file as blank space.



Step C: Employee Setup

1. Select **Setup > Employees**. Select the employee you want to add/change direct deposit information for, and then click **Edit**.
2. Select the **Direct Deposit** tab.



3. Under **Employer Selection** on the left side of the screen, select the **Employer**.
4. Under Options, if you use Payroll Web Services or another process for notifying employees about their pay and do not want to print pay advices, unselect the **Print Pay Advice** check box.
5. The **Direct Deposit Information** grid is used to specify the employee's bank account information. You must enter at least one detail line for each employee. If the employee requests that their payroll check be deposited into multiple bank accounts, multiple lines can be added to the grid.
    - **Order** - Employee direct deposits can be prioritized by the number entered in this column from lowest to highest. For example, if you are directly depositing funds into 4 accounts for an employee and you've selected Order 1, 2, 3, the first account deposited into would be the one where the Order was assigned to 1, then 2, then 3, and then the selected Primary account which is always assigned 99 by the system and cannot be changed.
    - **Status** – Select the first account that the check will be deposited into. If the Status on any of the accounts is set to a pre-note option, then the first payroll processed will create a pre-note file that will be used by the bank to validate the direct deposit information (the employee will still receive a printed check for the first payroll). If you would like to do a pre-note direct deposit file without running an actual payroll, see Step 4- Create a Direct Deposit Pre-note File (optional). Please see the "What is a pre-note" question in the FAQ section of this document for more information on pre-notes. The options for the status field are:

- **Not Active** - Deposit is inactive and should not be included in the direct deposit file.
- **Checking Deposit** (Transaction Code 22) – Used when a portion of the employee's net pay is deposited into the employee's checking account.
- **Checking Pre-Note** (Transaction Code 23) – Used for performing a test run to the employee's checking account.
- **Savings Deposit** (Transaction Code 32)– Used when a portion of the employee's net pay is being deposited into the employee's savings account. See the Frequently Asked Questions section of this document if you need to deposit a percentage of an employee's gross pay for more information.
- **Saving Pre-Note** (Transaction Code 33) – Used for performing a test run to the employee's saving account.
- **Loan** (Transaction Code 52) - Used when a portion of the employee's net pay is deposited into a loan account.
- **Loan Prenote** (Transaction Code 53) - Used when performing a test run to the employee's loan account.
- **Check** - The employee has opted to receive a portion of their pay via a physical check.

Note: An employee's direct deposit status will be set to Active if any of the direct deposits listed have a status that is not "Not Active".

- **Description** - A default description of the deposit status will display, for example Checking Deposit, Savings Deposit, etc. This description can be changed to help identify the direct deposit accounts in the event you have multiple savings accounts, for example Traditional Savings, Christmas Club Savings, etc. The description can be included on the check stub with the add-on Payroll Check Stub Designer module.
- **Bank Routing #** - Enter the employee's bank transit/routing number (assigned by the American Banking Association) for where the deposit is to be made or check is printed from. This number is eight digits plus a ninth "check" digit. CenterPoint will verify that the routing number is a valid ABA number and display a warning if it is not. You can choose to continue with your entry if the number is invalid.
- **Bank Account #** - Enter the employee's bank account number for where the deposit is to be made or check is to be printed from.
- **Primary Account** – If this is the primary account for the deposit, select this check box. All other accounts will have some sort of amount or percentage on them. After the specified amounts and percentages are taken, the remainder will be deposited into the primary account. One account must be marked as the primary account or you will not be able to save the record.
- **Percentage** & **Amount** – For accounts that are not the primary account for this deposit, you can enter a percentage (of net, if you need to directly deposit a percentage of gross, see the Frequently Asked Questions section of this document.) or specific amount of the total check that you want to be deposited into this account. The remainder will get distributed to additional accounts.

Note: If a fixed amount is specified when the Status = Check and there is not enough pay to cover the amount, then the check would only be generated for the available amount. If there is no pay remaining for the check, then no check will be generated.

6. The **Deduction Direct Deposit Information** grid is used to select deductions for the employee and enter bank routing and account numbers for them along with an appropriate deposit status. When the Direct Deposit File is generated (either manually or via a Payroll posting), any selected deductions that have been used on the pay run for the employee will be included in the file as additional PPD Entry Detail records per the NACHA File Format.
   - Select a **Deduction** that you want to directly deposit. Deductions can only be listed one time in the grid. Deductions cannot be deleted from Setup > Payroll Details > Deductions & Benefits until the deduction is first removed from the Deduction Direct Deposit Information grid.
   - **Bank Routing #** - Enter the employee's bank transit/routing number (assigned by the American Banking Association) for where the deposit is to be made. This number is eight digits plus a ninth "check" digit.

CenterPoint will verify that the routing number is a valid ABA number and display a warning if it is not. You can choose to continue with your entry if the number is invalid.

- **Bank Account #** - Enter the employee's bank account number for where the deposit is to be made.
- **Status** – Select the first account that the deduction will be deposited into. If the Status on any of the accounts is set to a pre-note option, then the first payroll processed will create a pre-note file that will be used by the bank to validate the direct deposit information (the employee will still receive a printed check for the first payroll). If you would like to do a pre-note direct deposit file without running an actual payroll, see Step 4- Create a Direct Deposit Pre-note File (optional). Please see the "What is a pre-note" question in the FAQ section of this document for more information on pre-notes. The options for the status field are:
    - **Not Active** - Deposit is inactive and should not be included in the direct deposit file.
    - **Checking Deposit** (Transaction Code 22) – Used when the deduction amount is being deposited into a checking account.
    - **Checking Pre-Note** (Transaction Code 23) – Used for performing doing a test run to a checking account.
    - **Savings Deposit** (Transaction Code 32)– Used when the deduction amount is being deposited into a savings account.
    - **Saving Pre-Note** (Transaction Code 33) – Used for performing a test run to a saving account.
    - **Loan** (Transaction Code 52) - Used when the deduction amount is deposited into a loan account.
    - **Loan Prenote** (Transaction Code 53) - Used when performing a test run to a loan account.
- **Child Support Addenda** - Select this check box if an ACH addenda record or a NACHA addenda record is needed to provide supplemental data such as an account holder or additional information to provide payment to the receiver or RDFI (Receiving Depository Financial Institution).
- **Case/Court Order**- If the Child Support Addenda check box is selected, enter up to 20 characters for the required case identifier element which is the IV-D case number or court order number. The case identifier always refers to the identification number of the case in the state receiving the EFT/EDI transaction.
- **FIPS/Locator Code** - If the Child Support Addenda check box is selected, enter up to seven characters that uniquely identify the county or equivalent in the United States to properly identify the child support payment. The Federal Information Process Standard (FIPS) code refers to the FIPS Code of the SDU receiving the transaction. It is five characters when indicating both the state and county codes. It is seven characters when indicating state, county, and local codes. Most states no longer use the FIPS code for incoming payments.

7. The **Benefit Direct Deposit Information** grid is used to select benefits for the employee and enter bank routing and account numbers for them along with an appropriate deposit status. When the Direct Deposit File is generated (either manually or via a Payroll posting), any selected benefits that have been used on the pay run for the employee will be included in the file as additional PPD Entry Detail records per the NACHA File Format.
    - Select a **Benefit** that you want to directly deposit. Benefits can only be listed one time in the grid. Benefits cannot be deleted from Setup > Employees until the benefit is first removed from the Deduction Direct Deposit Information grid
    - **Bank Routing #** - Enter the employee's bank transit/routing number (assigned by the American Banking Association) for where the deposit is to be made. This number is eight digits plus a ninth "check" digit. CenterPoint will verify that the routing number is a valid ABA number and display a warning if it is not. You can choose to continue with your entry if the number is invalid.
    - **Bank Account #** - Enter the employee's bank account number for where the deposit is to be made.
    - **Status** – Select the first account that the benefit will be deposited into. If the Status on any of the accounts is set to a pre-note option, then the first payroll processed will create a pre-note file that will be used by the bank to validate the direct deposit information (the employee will still receive a printed check for the first payroll). If you would like to do a pre-note direct deposit file without running an actual payroll, see Step 4-

Create a Direct Deposit Pre-note File (optional). Please see the “What is a pre-note” question in the FAQ section of this document for more information on pre-notes. The options for the status field are:

- **Not Active** - Deposit is inactive and should not be included in the direct deposit file.
- **Checking Deposit** (Transaction Code 22) – Used when the benefit amount is being deposited into a checking account.
- **Checking Pre-Note** (Transaction Code 23) – Used for performing a test run to the employee’s checking account.
- **Savings Deposit** (Transaction Code 32)– Used when the benefit amount is being deposited into a savings account.
- **Saving Pre-Note** (Transaction Code 33) – Used for performing a test run to a saving account.
- **Loan** (Transaction Code 52) - Used when the benefit amount y is deposited into a loan account.
- **Loan Prenote** (Transaction Code 53) - Used when performing a test run to a loan account.

8. Click **Save** to save this employee record. Repeat steps 1 - 10 in this step for each employee that will be direct depositing their payroll.

Step D: Create a Direct Deposit Pre-note File (optional)

This option will allow you to create direct deposit pre-notes (for any employee with a pre-note status set) without having to first create and process a pay run. Once the pre-note file is generated, the status of each selected employee should be changed from Checking Prenote or Savings Prenote to Checking Deposit or Savings Deposit respectively. You can verify direct deposit information by printing the Direct Deposit report which includes the status (checking deposit, checking pre-note, savings deposit, savings pre-note), bank account number, routing number, and deposit amount.

If the Status column in the employee’s Direct Deposit Information grid is set to one of the pre-note options, then the first payroll processed will create a pre-note file that will be used by the bank to validate the direct deposit information (the employee will still receive a printed check for the first payroll).

1. To create direct deposit pre-notes (for an employee with a pre-note status set), it is necessary to first complete steps A-C above.
2. Select **Processes> Payroll > Direct Deposit > Create Direct Deposit Prenote** or **Processes >Direct Deposit > Create Direct Deposit Prenote**.
3. Under **File Processing Information**, in the **Company** box, select the company you want to create a direct deposit pre-note for.
4. The **Transmission Date** box will display the default system date. The date can be changed by clicking and selecting a new date, or entering a date.
5. The **Transmission Time** will display the default system time. This time can be changed.
6. The **Effective Entry Date** will display the default system date. This date can be changed by clicking and selecting a new date, or entering a date.
7. In the **File Path and Name** box, the file path and name (filepath/Prefix-YYYYMMDD-x.ext (defined in steps 21-22 in the Setup Employer Account Information section above) where the x increments for each file created that day) will display from the **Setup > Accounts > Accounts ACH/Direct Deposit** tab Direct Deposit Information section. In the **File Path and Name** box, the file path and name will display from the **Setup > Accounts > ACH/Direct Deposit** Save To Folder and File Name (Prefix). The current system date will be added.

8. Select the value that should be used to fill the **Immediate Origin** field in the direct deposit file:
   - **Use Bank Routing Number** - The Immediate Origin field will be filled with the account's routing number from the Detail tab prefixed with a space, i.e. “ 999999999”.
   - **Use Federal EIN Number** - The Immediate Origin field will be filled with the company’s Federal Tax ID prefixed with a “1”, i.e. “1999999999”.
   - **Use Custom Number** - The Immediate Origin field is filled with the user-defined alphanumeric value entered into the Custom field. The value is prefixed with Zeros to a maximum of 10 characters, i.e. “09999999999”.
9. If you select Use Custom Number in Step 8, enter the **Custom** alphanumeric value to fill the Immediate Origin field with**.**

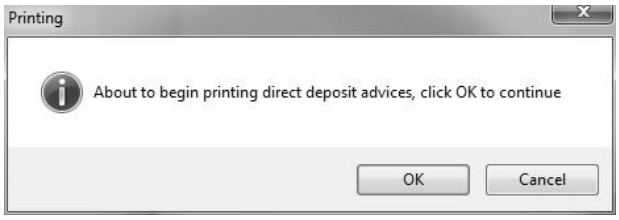
10. Under **Direct Deposit Employees**, select the employees you want to include in the direct deposit pre-note file and move them to the right-side of the screen by clicking .
11. Click **Create Files**.
12. At the direct deposit files created successfully message, click **OK**.

Step E: Processing a Payroll with Direct Deposit Employees

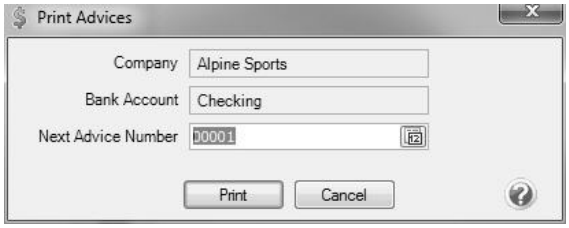
Once the employer and employee setup is complete, a payroll with direct deposit information can be processed/posted. When processing/posting a payroll (Processes > Pay Employees > 6. Print Checks tab or Processes > Payroll >Pay Employees > 6. Print Checks tab) be sure to select Print Checks and Direct Deposit Advices under Printing Information.

Creating a Direct Deposit File for a Pay Run

1. During the **Post** step of processing a payroll, you will be prompted to print checks. After printing the checks, the pay advices will print (direct deposit pay advices will print only for those employees who have both the Active and Print Pay Advice check boxes selected in Setup > Employees > Direct Deposit tab). The following message is displayed:

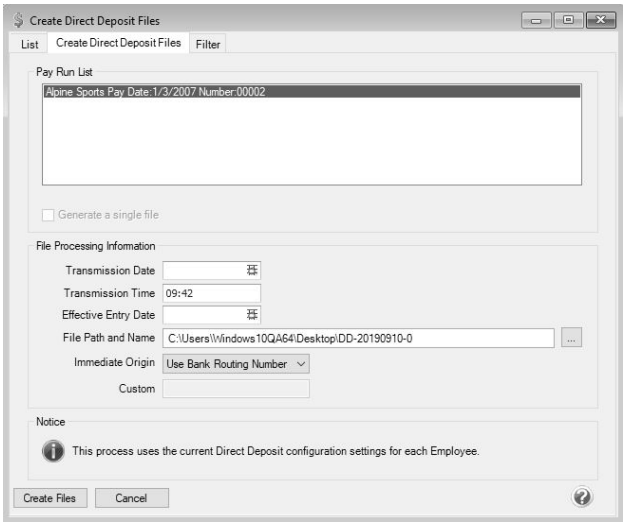


2. You will then be prompted for the next **pay advice number**. Verify the number is correct, and then click Print.



3. Once the advices are finished printing you will be prompted to create the direct deposit file.

Note: This process uses the current Direct Deposit configuration settings for each employee.



4. Select the **Generate a single file** check box to combine multiple pay runs and transmit them together.

Note: Pay runs can be combined only if they use the same Bank Account.

5. Under **File Processing Information**, in the **Transmission Date** box, enter a date on which the direct deposit file is created (when the ODFI will transmit the file to the ACH). You need to work with your ODFI to establish this date. It is usually one to three days before the pay date. This date is required to successfully create the direct deposit file.
6. In the **Transmission Time** box, enter the time that the direct deposit file is created. Enter the time as military time using a 24 hour clock. For example, 10:30 a.m. is entered as 10:30, while 4:45 p.m. is entered as 16:45.
7. In the **Effective Entry Date** box, enter the posting date (the date you want the deposit to appear in your employee's account.) This date is required to successfully create the direct deposit file.
8. In the **File Path and Name** box, the file path and name (filepath/Prefix-YYYYMMDD-x.ext (defined in steps 21-22 in the Setup Employer Account Information section above) where the x increments for each file created that day) will display from the **Setup > Accounts > Accounts ACH/Direct Deposit** tab Direct Deposit Information section..
9. Select the value that should be used to fill the **Immediate Origin** field in the direct deposit file:
    - **Use Bank Routing Number** - The Immediate Origin field will be filled with the account's routing number from the Detail tab prefixed with a space, i.e. " 999999999".
    - **Use Custom Number** - The Immediate Origin field is filled with the user-defined alphanumeric value entered into the Custom field. The value is prefixed with Zeros to a maximum of 10 characters, i.e. "09999999999".
    - **Use Federal EIN Number** - The Immediate Origin field will be filled with the company's Federal Tax ID prefixed with a "1", i.e. "1999999999".
10. If you select Use Custom Number in Step 8, enter the **Custom** alphanumeric value to fill the Immediate Origin field with**.**
11. Click **Create Files**.
12. At the direct deposit files created successfully message, click **OK**.

Recreate a Direct Deposit File

If a direct deposit file is damaged, there were transmission errors, or it is accidentally deleted, the file can be recreated from this menu option. You can verify direct deposit information by printing the Direct Deposit report which includes the status (checking deposit, checking pre-note, savings deposit, savings pre-note), bank account number, routing number, and deposit amount.

1. On the **Processes** menu, click **Direct Deposit** and then click **Create Direct Deposit Files** or on the **Processes** menu, point to **Payroll**, and click **Direct Deposit** and then click **Create Direct Deposit Files**.
2. On the List tab, select the payroll you want to create direct deposit files for. You can customize the List tab by right-clicking and selecting Add/Remove Columns.For example, you may want to include a sequence number that will help you identify the pay runs included in the direct deposit file. Selecting the columns adds them to the List tab. Moving the column up or down determines there position on the screen from left to right.
3. Click **Create**.
4. Select the **Generate a single file** check box to combine multiple pay runs and transmit them together.

Note: Pay runs can be combined only if they use the same Bank Account.

5. In the **Transmission Date** box, enter the date on which the direct deposit file is created (when the ODFI will transmit the file to the ACH). You need to work with your ODFI to establish this date. It is usually one to three days before the Pay Date.
6. In the **Transmission Time** box, enter the time that the Direct Deposit file is created. Enter the time as military time using a 24 hour clock. For example, 10:30 a.m. is entered as 10:30, while 4:45 p.m. is entered as 16:45.
7. In the **Effective Entry Date** box, enter the posting date (the date you want the deposit to appear in your employee's account.)
8. In the **File Pathand Name** box, the file path and name will display from the Setup > Employer > Direct Deposit tab the first time (and all other times you create direct deposit or prenote files if you do not change it) you use the Create Direct

Deposit Files screen. If you change the File Path or Name (you can click the Ellipse button to change this information) it will display automatically the next time you create direct deposit files.

9. Select the value that should be used to fill the **Immediate Origin** field in the direct deposit file:.
   - **Use Bank Routing Number** - The Immediate Origin field will be filled with the account's routing number from the Detail tab prefixed with a space, i.e. " 999999999".
   - **Use Federal EIN Number** - The Immediate Origin field will be filled with the company's Federal Tax ID prefixed with a "1", i.e. "1999999999".
   - **Use Custom Number** - The Immediate Origin field is filled with the user-defined alphanumeric value entered into the Custom field. The value is prefixed with Zeros to a maximum of 10 characters, i.e. "09999999999".
10. If you select Use Custom Number in Step 8, enter the **Custom** alphanumeric value to fill the Immediate Origin field with**.**
11. Under **Direct Deposit Employees**, select the employees you want to include in the direct deposit pre-note file and move them to the right-side of the screen by clicking .

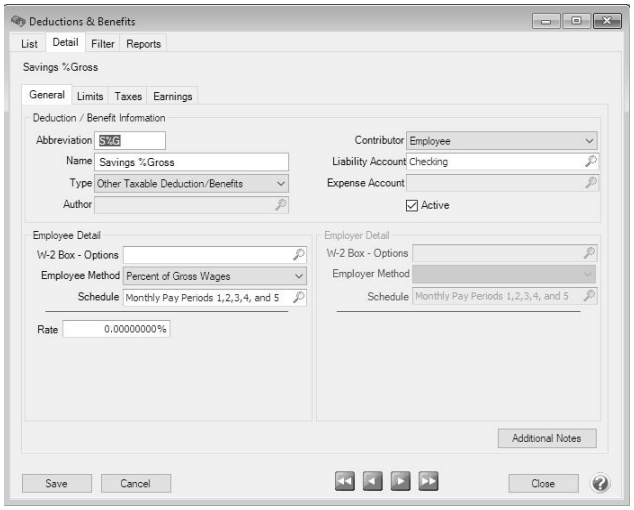
11. Click **Create Files**.
12. At the direct deposit files created successfully message, click **OK**.

Frequently Asked Questions

Q: I have an employee that wants to directly deposit a percentage of their gross pay into a savings account; how do I accomplish this since CenterPoint uses the percentage of net as the default when specifying a percentage to be deposited into a Savings account?

A: To set up a savings percentage of gross direct deposit:

1. Create a new savings deduction in **Setup** > **Payroll Details** > **Deductions & Benefits**.
2. On the General tab, enter an **Abbreviation** and **Name** and then in the **Type** box, select **Other Taxable Deduction/Benefits**.
3. In the **Contributor** box, select **Employee**.
4. In the **Liability Account**, select the **checking account used for your pay runs**.
5. At the *The selected account is not of the expected type. Use the account anyway message*, click **Yes**.
6. In the **Employee Method** box, select **Percent of Gross Wages**.
7. Click **Save**.



8. Select **Setup** > **Employees**. Select the employee that wants to deposit the savings percentage of gross amount.
9. Click the **Deductions & Benefits** tab.
10. On the lower left side of the screen, select the savings deduction you just created.
11. In the upper left side of the screen, under the savings deduction, select **Employee**.
12. In the **Rate** box, enter the percentage of the gross pay that should be directly deposited.

This documentation is for informational purposes only. For specific accounting guidance, please contact your accountant.

13. Select the **Direct Deposit** tab.
14. Under Deduction Direct Deposit Information, select the **savings deduction** you just created, enter the **Bank Routing #** and **Bank Account #** and then select the **Savings Deposit** status.
15. Click **Save**.
16. Process your direct deposit pay run.

Q: When I'm setting up direct deposit in CenterPoint Payroll, should I be making modifications in the Advanced Settings?

A: No, the majority of the time no changes are needed in the Advanced Settings. We recommend you only make changes in this area if a Red Wing technician has recommended it.

Q: What is a pre-note?

A: A pre-note is the commonly used term for an Automated Clearing House (ACH) prenotification. It is a zero dollar ACH entry that should be sent at least six banking days prior to the first live payroll credit being sent. Under NACHA Operating Rules (also known as ACH rules), a pre-note's purpose is to "validate" the routing number and account number of the receiving bank or credit union.

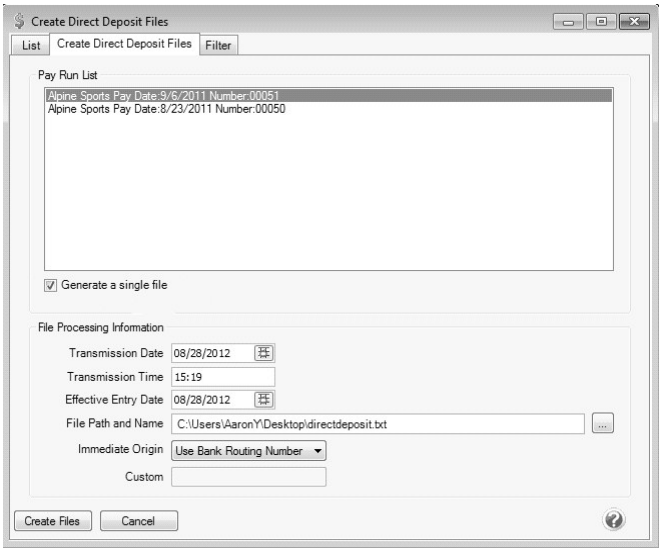
Q: How does the program know what format to use when printing direct deposit advices?

A: When advices are printed, they will use the format and options selected in **File > Preferences > Payroll > Printing - Advices**.

Q:Can I recreate a created direct deposit file?

A: If a direct deposit file is damaged, there were transmission errors, or it is accidentally deleted, the file can be recreated by following these steps:

1. Select **Processes > Payroll > Direct Deposit > Create Direct Deposit Files**.
2. On the **List** tab, select the payroll you want to create direct deposit files for.
3. Click **Create**.



4. Select the **Generate a single file** check box to combine multiple pay runs and transmit them together. Note: Pay runs can be combined only if they use the same Bank Account.
5. In the **Transmission Date** box, enter the date on which the direct deposit file is created (when the ODFI will transmit the file to the ACH). You need to work with your ODFI to establish this date. It is usually one to three days before the pay date.
6. In the **Transmission Time** box, enter the time that the direct deposit file is created. Enter the time as military time using a 24 hour clock. For example, 10:30 a.m. is entered as 10:30, while 4:45 p.m. is entered as 16:45.
7. In the **Effective Entry Date** box, enter the posting date (the date you want the deposit to appear in your employee's account.)

8. In the **File Path and Name** box, the file path and name will display from the **Setup > Employer > Direct Deposit** tab the first time.
9. Select the value that should be used to fill the **Immediate Origin** field in the direct deposit file:
    - **Use Bank Routing Number** - The Immediate Origin field will be filled with the account's routing number from the Detail tab prefixed with a space, i.e. " 999999999".
    - **Use Custom Number** - The Immediate Origin field is filled with the user-defined alphanumeric value entered into the Custom field. The value is prefixed with Zeros to a maximum of 10 characters, i.e. "09999999999".
    - **Use Federal EIN Number** - The Immediate Origin field will be filled with the company's Federal Tax ID prefixed with a "1", i.e. "1999999999".
10. If you select Use Custom Number in Step 8, enter the **Custom** alphanumeric value to fill the Immediate Origin field with**.**
11. Click **Create** Files.
12. At the direct deposit files created successfully message, click **OK**.

Q:Is there a way to view the contents of a direct deposit file generated by CenterPoint Payroll?

A: Yes, the contents of a NACHA, NACHA (Modified), or an ASCII direct deposit file can be viewed (no edit is allowed) by following these steps:

1. Select **Processes > Payroll > Direct Deposit > Direct Deposit File Viewer**.
2. Select a **File** or drag-and-drop a file onto any part of the viewer window to select that file.
3. Under Contents, on the left side of the screen, an overview of the file displays the different type of records, for example File Header, Batch Header, PPD Detail Entry, Batch Control File Control.
4. Select one of the record types to display that record's information on the right. The PPD Detail Entry record will display for each employee in the direct deposit file followed by the employee name, for example PPD Detail Entry (Sam J Apple).
5. Click **Close**.

Q: Can I provide my employees with electronic copies of their direct deposit advices?

A: The CenterPoint Payroll Publish Pay Advices module allows you to publish your employees direct deposit advices directly to the Web, where they can be viewed by the employee from anywhere. To purchase the Publish Pay Advices module contact the Red Wing Software sales department at 1-800-732-9464.