

Request and Setup Vendors for EFT Payments

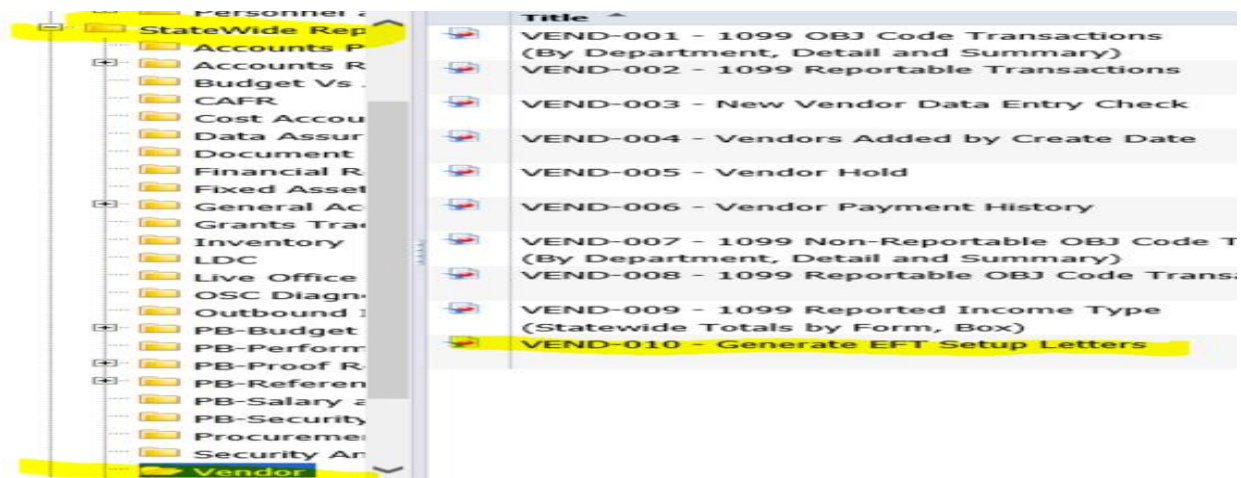
The Office of the State Controller (OSC) has a policy that identifies when possible Departments should pay vendors using Electronic Funds Transfers (EFT). EFT is a means of issuing direct deposit payment to vendors without the use of a paper warrant (check). By paying vendors via EFT, the State achieves reduced labor costs for manual processing of warrant as well as printing and mailing costs. In addition, vendors receive EFT payment 4 times sooner than they would if a warrant is issued.

The below process describes tools that the Department should use to request and setup vendors for EFT payments.

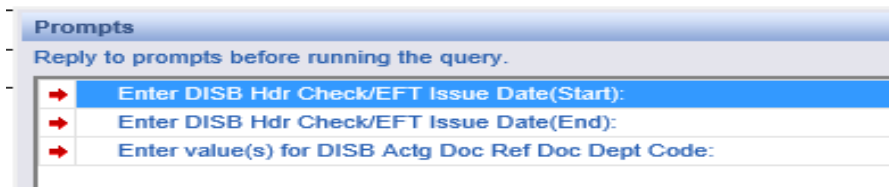
VEND-010 Report – Generate EFT Setup Letters:

The VEND-010 report has been created to assist departments in determining vendors that are currently being paid by warrant and are not setup for EFT payments. In addition, this report generates letters that can be mailed to vendors along with an EFT Direct Deposit Authorization Form to explain what is needed from the vendor to be setup for EFT payments by the State of Colorado.

The report is found in InfoAdvantage: Public Folders/CORE Reports/StateWide Reports/Vendor



The report will let you search by a range of start and end issue dates for payments (AD documents) that were generated to vendors from your Department.



The report has the below tabs for the payment made by the Department for this date range. A description of data included on each tab is provided below.



Summary: List of vendors that have received payments (AD documents were created) for the parameters provided for the query. This data can be exported to Excel to track vendors for whom the Department generated EFT letters.

EFT Letter: For vendors listed on the summary tab, a PDF letter including address information and DISC billing data from the payment is created.

VCUST has EFT: List of vendors that were paid via warrant (AD document), but already have EFT information setup on the VCUST table. Departments can immediately begin paying vendor via EFT by not populating the Disbursement Format field in the payment document and letting it default to payment type already setup on the VCUST table. If payment is made by interface, the disbursement format field would need to be left blank so it will default. It is **critical** to ensure the check description, DISC code and invoice number are populated in your payment document as this will be provided to the vendor.

Excluded Complex Accounts: Vendors that have multiple address/VCUST records make setting up EFT more complex. Therefore, the Central Management Unit will work together with the Department/Vendor to request setup for EFT payments. Note that a letter is not generated for these vendors.

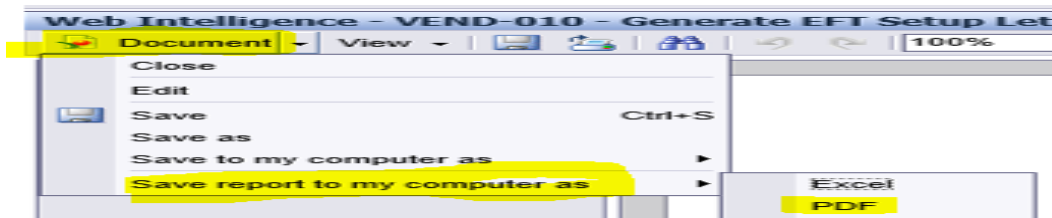
Raw Data-Mail Merge: Data that can be used by Departments to setup mail merge for sending letters themselves rather than using central services mailing group (IDS).

Tools and steps for using VEND-010 report and sending letter to vendor:

1. To run the report, enter a start and end issue date of payments and your Doc Department code in the prompts before running the query (ex. Start Date: 01/01/2017, End Date: 03/31/2017, Department 999A to see all payments for the 3rd quarter of FY17 for Department 999A).
2. Go to the EFT Letter tab.



3. Save the letters as a PDF by selecting Document/Save to my computer as/PDF (using this option will create a PDF that contains only the active worksheet).



4. Complete Section 1 of the EFT Direct Deposit Authorization Form with your Department contact information and include a copy with each vendor letter. This will allow the vendor to know where to return all forms. The form can be found on the CORE Resources site.

SECTION I (DEPARTMENT USE) - PAYOR, STATE INFORMATION

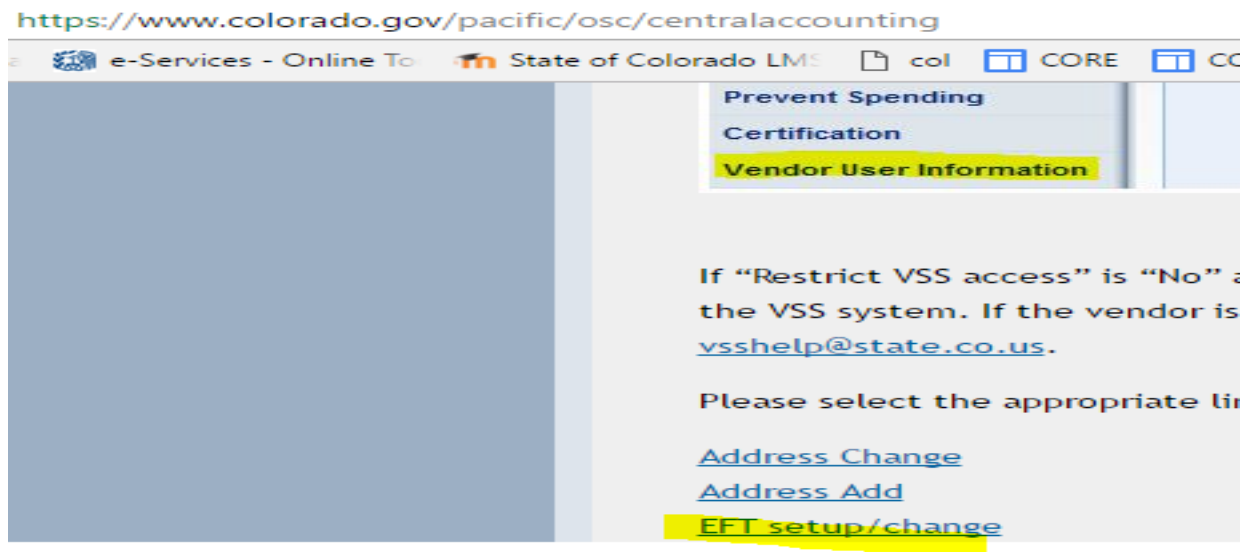
STATE DEPARTMENT _____ VCUST# _____
MAILING ADDRESS _____ ADDRESS ID _____
CITY, STATE, ZIP _____ VERIFIED BY _____
DEPARTMENT CONTACT _____
EMAIL _____ PHONE _____

- 5. These documents can be printed and mailed by the Department using standard envelope or sent to IDS for print and mail.
- 6. If the Department wants IDS to process, send the PDF file, EFT Form and IDS Mailing Request Form to IDS. The IDS Request Form has also been pre-populated with the below instructions and is available on the OSC website as well. The PDF letter to vendors contains the DISC code that IDS uses to bill Departments for warrant printing and mailing processes. IDS will bill this mailing request in the same manner.

SPECIAL INSTRUCTIONS (Additional information, detailed description of work desired)
Please use the DISC code located in the upper right of PDF to bill as this is where prior payments have been charged for mailing/printing of warrant payments.
Please include with each PDF letter a copy of the included EFT Direct Deposit Authorization Form. |

Verification Process when EFT documentation is returned from vendor:

When the completed, signed form and backup (signed bank letter or voided check) is returned from the vendor, the EFT setup/change process must be followed. This can be found at the following link: <https://www.colorado.gov/pacific/osc/centralaccounting>. The process includes an important step of verifying data with the vendor to minimize fraud risk.



For any questions, please email state_centralapproval@state.co.us.