ACH Payments

Use ACH to make a wide variety of payment types. Each data entry screen is specifically designed for a different kind of payment. Payment types, also called applications, include:

- Direct deposit of payroll
- Cash concentration and disbursement
- Book transfers
- Consumer debits and credits

Releasing payments to *Bank of Hawaii* is as simple as selecting a batch of transactions and clicking the Release button.

About the Automated Clearing House

The ACH batches that you release to *Bank of Hawaii* are processed through the Automated Clearing House (ACH) network.

The ACH is a central clearing facility, typically operated by the Federal Reserve Bank, which receives and distributes electronic payments among banks and performs settlement functions.

When you initiate a payment to *Bank of Hawaii*, the entry is sent to the ACH operator, who then distributes it to the receiving bank for action on the account of the receiver. On the settlement date, funds are transferred between your account and the receiver's account at the participating banks.

For example, if you send a payroll to *Bank of Hawaii*, it is then sent through the Automated Clearing House to your employees' banks. On the settlement date, *Bank of Hawaii* debits your account and their banks credit your employees' bank accounts.

ACH Terms and Features

The definitions below describe features and terms for ACH Transactions.

Databases
Databases let you group, store, and re-use ACH transaction information, such as employee payroll details. You set up your system by creating a Database for each type of payment you will use. Each Database contains a single entry for each transaction and is based on a single Application and Company.

Companies
Depending on how your accounts were set up by *Bank of Hawaii*, you may have more than one company to choose from when creating a new database. Companies contain the offset transaction information for your payments. In a payroll transaction, the offset is the resulting debit to your account for the credits to your employee's accounts.

Effective Date
The effective date is the settlement date for transactions. This is the date when funds are transferred between bank accounts within the Automated Clearing House. You assign an effective date when you create transactions with the Create Batch function or when you set up a database to create transactions automatically with the frequency feature.

Holiday Table

ACH transactions are not processed on bank holidays. The Holiday Table provides a list of holiday dates when Bank of Hawaii, does not process transactions. Though you can create and release transactions on these dates, you cannot assign effective dates for dates listed in the Holiday Table. To view the Holiday Table, click Setup and then the View holidays on which services do not process hyperlink.

Applications

Applications are the different types of payments you make. You select an application when you set up a database. Each Application has its own data entry screen for adding database entries.

Batches

Batches are groups of transactions with assigned effective dates. You create batches from databases. The term "batch" comes from the way the system groups transactions based on the effective date and payment type you are using.

Frequency

You can use Frequency settings to specify the precise interval you use to automatically generate and/or release transactions. Examples of frequency include daily, weekly, or monthly. If you create a bi-weekly payroll, you may elect to set up a payroll database with Frequency controls that create and/or release ACH batches for processing on two specific days of the month.

Create Batch

You use the Create Batch function to create batches of transactions from your Databases. You can alternatively use the Auto-Generate Transaction feature to create batches automatically.

Data Export

The Data Export function allows you to export information from your ACH database into an external accounting package.

Token Authentication

If you are required to use Token Authentication at wire release, you will be prompted for additional information when you release an ACH Batch. You may be prompted for your User ID and you will be prompted for your one time password - also known as your token code.

General Setup and Workflow

Each step below is explained in detail later in this document.

1   **Create Databases** for each type of payment you make. Each Database can be based on a different payment type (Application) and is tied to a Company (offset information). Each Database contains a single entry for each payment.

2   **Edit Databases** to update information that changes from payment to payment, such as amounts and effective dates.

3   **Create Batches** of transaction to appear on the Batch List screen. The Batch List is where transactions can be released for processing, or unreleased to void a transaction.

   Note: This step is not necessary if your database is setup with the Auto-Generate Transactions setting.

4   **View Batches and Run Reports** from the Batch List screen. For example, if you expect a certain total based on calculations made in a separate accounting application, you can make sure totals agree in the Batch Report prior to releasing.

5   **Release Batches** to *Bank of Hawaii* for processing by clicking the check box next to one or more batches, and clicking the Release button.

   Note: This step is not necessary if your database is setup with the Auto-Release Transactions setting.

1   Add a Database

Step	Action
1	Click **ACH Payments**. The Database List screen appears.
2	Click **Add**.
3	Select the appropriate company from the **Company** drop-down list. Select the appropriate application (type of payment) from the **Application** drop-down list.
4	Enter a Database Name, such as "Hourly Payroll."
5	Click **Save** to save the new database. The Database Summary confirmation appears
6	Click **Add** to add an entry for the database. A Database Detail screen appears.
7	Enter required fields. **Note:** Data entry fields for each payment type are different. Click **Help** for instructions on how to complete each data entry field. **Note:** Check with _Bank of Hawaii_ to find out whether you are required to send Prenotes for all new transactions. A Prenote is a zero-dollar transaction sent in advance of live monies to certify that all the banking and account information in the detail entry is correct.
8	When you are finished entering data, click **Save**. A confirmation appears.
9	Repeat steps 7-10 for each entry you wish to add to your database

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2   Edit Database Entries

Step	Action
1	From the Database List screen, click the hyperlink for the appropriate database. The Database Summary screen appears.
2	Edit the amount field if necessary. Edit detail information by clicking on each entry's hyperlink. **Note:** If you are creating a database for a large number of entries that are already formatted in a spreadsheet application, you may be able to import your detail entries using the **Data Import** feature.
3	Depending on how your ACH service is set up, you may need to Approve database entry changes.

3   Approve Database Changes

Step	Action

A database needs approval when a user creates a new database or changes existing database or entry.

1	On the Database List, select the check box next to the database with a status of "Pending Approval."
2	Click **Modify Database**.
3	On the Modify Database screen, click **Approve**.

4 Export a Database

You can export information from your database into an accounting package.

Step	Action
1	From the Database List screen, select the check box next to the appropriate database, and then click **Export**.
2	On the Export screen, select the appropriate information and click **Export Report**. A message appears indicating that ACH Export was started.
3	Click **Reload** or **Refresh** to refresh the screen. A hyperlink message appears indicating that the export file was created.
4	Click the message hyperlink to download the export file. Use your browser **File/Save As** option to save the export data to a file.

5 Create Batches

Step	Action
1	Once amounts are up-to-date, return to the Database List screen by clicking **Database List** on the Screen Title.
2	From the Database List screen, select the check box next to the appropriate database, and then **Create Batch**. The Create Batch screen appears.
3	Enter the date you want transactions to settle in the **Effective Date** text box. The effective date is the date transactions settle at the Federal Reserve. Leave the **Transaction Options** setting to the **All** default. **Note:** In the future, if you have a new database for which you have not yet created prenotes, and you do not want to create live transactions, select **Prenotes Only**.

Step	Action
4	Click **OK**. Batches appear on the Batch List screen. You may have to click "Refresh" to see the new batches. Follow any prompts that appear on the screen.

6 Check Totals and Run Reports

To check totals:

Step	Action
1	Click ACH Payments and then ACH Batch List.
2	View each database's totals in the Amount column. Click Help for information about each column of data displayed.

To run a report:

Step	Action
1	From the Batch List screen, select the check box next to one or more batches.
2	Select whether you want to see information on the batches in Ascending or Descending order.
3	Click **Batch Report**. Report results appear in a new window.

7 Release Batches

After you check batch totals and run reports, you release batches to *Bank of Hawaii*. When you release batches, they become available to *Bank of Hawaii* for processing.

Step	Action
1	Click **ACH Payments**, and then **ACH Batch List**. The Batch List screen appears.
2	Select the check box next to the batch you want to release, and then click **Release**. A confirmation appears at the top of the Batch List screen, stating that the batch has been released.
3	If you are required to use Token Authentication at ACH batch release, the system prompts you for additional information. You may be prompted for your User ID and you will be prompted for your one time password - also known as your token code.
4	View the status area to confirm release and acceptance by *Bank of Hawaii*. Batch status changes from "Entered" to "Released." The status then changes to "In Process" as *Bank of Hawaii* processes transactions and then to "Submitted" when processing is complete. The Date and Time columns update as batch status changes.

8 Unrelease Batches

If you have released a batch and want to cancel the process to make the batch unavailable for bank processing, you can unrelease the batch.

This can only be done if the status is "Released." (See *Create a Reversal Batch* for information on reversing submitted batch payments).

Step	Action
1	From the Batch List screen, select the check box next to the batch you wish to unrelease.
2	Click **Unrelease**. A confirmation appears at the top of the Batch List screen stating that the batch has been unreleased. The status for the batch changes back to "Entered" and the Date and Time field is updated.