



# **ELECTRONIC FUNDS TRANSFER PROCEDURE MANUAL**

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## INTRODUCTION

The University of Central Florida (UCF) processes Electronic Funds Transfers (EFTs) as a safe and efficient method to receive electronic deposits from customers and students, to purchase and redeem investments, to issue refunds to students, and to provide payments to vendors and employees. EFTs are processed through the vehicles described below.

- A large volume and cost efficient method of EFT is the Automated Clearing House (ACH). This is an electronic payment delivery system that processes electronic credit and debit transactions, including direct deposits, within the United States using the American Bankers Association (ABA) number. The ABA number is also known as the “check routing number” or “routing transit number” and should be used as the first identifying number for ACH transactions. The bank account number and name assigned to the account are also required before an ACH transaction can be created and the exchange of funds processed between two parties.
- The Fedwire is the most costly EFT to process and uses a Real Time Gross Settlement Funds Transfer system operated by the Federal Reserve Banks. There are two Fedwire options: (1) domestic wires and (2) international wires. Each option has a different settlement time and each requires unique banking information that is dependent upon where the settlement of funds is to occur.

The procedures outlined herein are designed for all departments, students, employees, and vendors who receive and make electronic payments on behalf of the university. The following areas are responsible for transacting EFTs:

- The financial reporting and general accounting (general accounting), student accounts, and accounts payable (AP) departments within Finance and Accounting
- Human Resources.

All EFT’s processed by UCF occur using the methods listed below.

- UCF’s PeopleSoft Enterprise Resource Planning system is used to initiate student refund, vendor, and employee ACH payments. The PeopleSoft applications generate a standard ACH transmission file which is electronically transmitted to UCF’s banking institution by Computer Services & Telecommunications, authorizing the debit and credit of funds between banks.
- Computer-based systems (i.e. Bank of America’s CashPro On-line) are the primary method used to initiate wire transfers. The on-line systems should only be used by employees with proper system credentials. The security administrators in Finance and Accounting shall ensure that adequate separation of duties exist in accordance with internal control standards and that the integrity of system user profiles is protected. Steps taken to protect user profiles include assigning of system user IDs, changing user IDs as necessary, and assisting users with technical problems related to the EFT system.

- Telephone transfers are used to process wires on an emergency basis. UCF's banking institution requires dual approval for telephone transfers using PIN codes assigned to the initiator and the approver for verification of the wire. The Vice President for Administration and Finance and Chief Financial Officer and the Associate Vice President for Administration and Finance have sole authority to appoint individuals as initiators and approvers for telephone wires. This authorization is established by submitting to the bank a Bank of America *Client Authorization and Acknowledgment – Wire Transfer Service* form and a *Wire Transfer Profile Telephone Initiation – Exhibit A*.
- An authorization letter executed by employees with bank account signature authority is a method used to transfer funds between UCF's individual investment accounts or between the investment accounts and the UCF Board of Trustees general operating account (operating account). UCF investment accounts are restricted so that the funds cannot be transferred to any account other than the operating account.

Finance and Accounting and Human Resources staff who initiate or complete EFT transactions are responsible for ensuring the financial internal controls are maintained, the activity is posted timely, and operational procedures are in place to prevent loss of university funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by university employees. Staff within Finance and Accounting will monitor bank balances daily for unusual or unexpected transactions, reconcile bank activity to the general ledger in a timely manner, and investigate and resolve reconciling items.

## **INCOMING EFTs:**

### **ACH/WIRE TRANSFERS RECEIVED**

Departments that provide goods, services, products, or ideas and wish to receive payment by ACH or wire transfer must have the customer send their company's ACH/EFT payment request form to Finance and Accounting by email to [ucffadep@ucf.edu](mailto:ucffadep@ucf.edu) or by fax to (407) 882-1102.

General accounting will complete the form, requiring all EFT payments to be posted directly to the operating account, and will obtain the proper authorization from the Assistant Vice President for Finance and Controller, or their designee, and the banking officer for the university account if needed. After the form is completed, the general accounting staff member will forward the information back to the customer so the customer can initiate the EFT with their banking institution. The completed form will not be returned to the department requesting the information and departmental staff has no authority to complete the document on behalf of the university.

Each department is responsible for providing an invoice to the company to which goods, services, products, or ideas have been sold. The invoice should contain the following:

- 1) Invoice Number (contain first 4 digits of the department/project number)
- 2) Invoice Date
- 3) Name and address of the customer
- 4) Payment remittance address:  
University of Central Florida  
Finance and Accounting  
*C/O (insert name of department providing goods or services here)*  
12424 Research Parkway, Suite 300  
Orlando, FL 32826
- 5) Amounts and costs of items or services being provided to the vendor

## **OUTGOING EFTs**

### **STUDENT DIRECT DEPOSITS**

Students may receive payments to their designated banking institution through direct deposit and are encouraged to use this secure method of EFT for refunds and financial aid payments. Each student must follow the instructions in the "How to Set-up a Direct Deposit" guide at the following link: [http://www.studentaccounts.ucf.edu/DDeposit/Direct\\_Deposit\\_Ins.pdf](http://www.studentaccounts.ucf.edu/DDeposit/Direct_Deposit_Ins.pdf)

The student must type in the indicated information on the direct deposit screen, save the bank information and re-enter the requested information provided on the next screen. Students may stop their direct deposits by selecting the "Stop Direct Deposit" icon available on the "Update Bank Data" screen.

The student is solely responsible for making necessary changes to their banking institution and direct deposit information. The student should follow the steps described in the “How to Set-up a Direct Deposit” guide to make these changes.

#### **ACH PAYMENTS TO VENDORS (DOMESTIC)**

A domestic vendor may receive an ACH debit transaction by completing the *Electronic Payment Authorization (EPA)* (form 41-984 [http://www.fa.ucf.edu/Forms/Vendor/EFT\\_Authorization.pdf](http://www.fa.ucf.edu/Forms/Vendor/EFT_Authorization.pdf)) and faxing the authorized form and appropriate supporting documentation, usually a cancelled check, to (407) 882-9034. The fax machine converts the request and forwards the information by email to [FAVendor@ucf.edu](mailto:FAVendor@ucf.edu). AP reviews the ABA number, bank account number, and name as shown on the cancelled check provided with the form. If a cancelled check is not available, bank letterhead signed by a bank representative and containing the ABA number, bank account number, and name on the account will also be accepted as supporting documentation. If all information on the form and the supporting documentation is correct the data is recorded in the UCF Financials system and verified by another staff member in AP. The individual responsible for the verification will write “verified” on the EPA form and initial and date the form to indicate the review has been completed. The supporting documentation is then filed and stored in a secured office location.

Overpayments of ACH direct deposits that have already been submitted to the bank require a Bank of America *ACH/Reversal/Deletion Request* form to be completed by an AP or Human Resources staff member. The form is then sent to general accounting for approval and faxed to Bank of America’s ACH services section to reverse the overpayment prior to the direct deposit being processed. General accounting verifies the reversal occurs and the funds are deposited into the operating account the following business day.

Certain vendors have been given authority, with maximum withdrawal limitations, to debit the operating account for services rendered (i.e the Internal Revenue Service for payroll taxes). The establishment and approval of debit authorizations occur through the Bank of America CashPro system by general accounting staff members, who have been given the authority by Finance and Accounting security administrators. This dual approval is a systematic feature within CashPro. General accounting monitors debits daily to ensure the banking activity has been posted into the UCF Financials system and validated against an approved invoice or voucher.

AP processes all vendor payments nightly and generates a check/ACH register. All ACH direct deposit payments have file detail and total amounts submitted to the bank for processing and general accounting verifies that the totals submitted to the bank have been received and posted by the bank for processing. If file totals do not agree between UCF and the bank, general accounting researches the issue with Financial Support Services and the bank to obtain resolution.

#### **FEDWIRE PAYMENTS TO VENDORS (DOMESTIC OR INTERNATIONAL)**

In cases where immediate payment is needed, a vendor may be paid by domestic or international wire. General accounting will ensure proper controls are maintained for all outgoing Fed wires

by establishing user ID's and user limits, ensuring dual approval is maintained, and monitoring wire activity to ensure payments occur as directed by the system. The university currently uses Bank of America's CashPro Online system (CashPro) for all outgoing wires.

I. Domestic wires (no template established). If a domestic vendor requests payment via a Fed wire, the following steps are required for the EFT to occur:

- a) Form 41-570a, *Domestic Wire Request*, provided at:  
<http://www.fa.ucf.edu/Forms/Vendor/Aux41-570a.pdf>  
must be completed by the department approving the vendor payment and accompany an authorized letter or an invoice containing from the vendor containing the vendor's wire information. An invoice documenting the details of the payment must also be included. The information is forwarded to AP. AP reviews the documentation, ensures the vendor is established in the UCF Financials system, and authorizes the payment to be processed.
- b) The form, back-up wire information, invoice or other supporting documents will be forwarded to those authorized in Finance and Accounting to initiate wires. The bank and invoice information must be verified and if there is an inconsistency with the information provided, the wire initiator will contact the department to obtain additional or corrected information. If all information agrees with the documentation, the wire will be requested in CashPro. The initiator will provide a signature, date, time and initial bank transaction number on form 41-570a. CashPro will place the wire in pending status.
- c) The form and all documentation will be forwarded to an associate controller for secondary approval. The pending wire information is reviewed online against the back-up documentation. If there is an error, the associate controller will reject the wire online and the wire initiator will make any necessary corrections to the data. If all information is correct, the associate controller will approve the wire and input a unique pass code provided from CashPro and provide a signature, date, time, and final bank confirmation number on form 41-570a. CashPro will provide control information as to who input and who approved the wire, and both initial transaction and final confirmation numbers, on an *Outgoing Payments Report*. This report should be attached to the documentation for future reference. The form and all documentation will be forwarded to a staff member in general accounting, who will verify all funds were debited from the university bank account the following business day.
- d) The general accounting staff member will forward all information to AP for the payment to be vouchered or to general accounting to prepare and post a journal entry into the UCF Financials system.

- II. Domestic Wire (template established). The university may establish a domestic wire template as needed for wires that will be completed on a regular basis for items such as investments or regularly scheduled payments.
- a) The wire template is established by the wire initiator and approved by an associate controller using bank information provided on signed company letterhead or an invoice. The associate controller also establishes a dollar limit on the template to reduce university risk of overpayment to the vendor. After reviewing the banking information, the associate controller approves the template in CashPro. A review of templates and granted wire authority is completed yearly to determine whether any of the templates can be inactivated.
  - b) Form 41-570a, *Domestic Wire Request*, must be accompanied by an invoice or approved back-up documentation to support the payment to be processed using the bank template. The wire initiator processes the wire template based on the backup provided. The initiator provides a signature, date, time, and initial bank transaction number on the domestic wire form 41-570a. CashPro will place the wire in pending status.
  - c) The form and all documentation is forwarded to an associate controller for approval. If there is an error, the associate controller rejects the wire online and the wire initiator must make any necessary corrections to the data. If all information is correct, the associate controller approves the wire, inputs a unique pass code provided by CashPro, and provides a signature, date, time, and final bank confirmation number on form 41-570a. CashPro will provide control information as to who input and who approved the wire, and both initial transaction and final confirmation numbers, on an *Outgoing Payments Report*. This report should be attached to the documentation for future reference.. The form and all documentation is forwarded to a staff member in general accounting, who will verify all funds were debited from the university bank account the following business day.
  - d) The general accounting staff member will forward all information to AP for the payment to be vouchered or to general accounting to prepare and post a journal entry into the UCF Financials system.
- III. International Wire (no template established). The university recommends payments to foreign vendors be processed using an international wire.
- a) Form 41-570b, *International Wire Request*, provided at: <http://www.fa.ucf.edu/Forms/Vendor/Aux41-570b.pdf> must be completed by the department approving the vendor payment and accompany an authorized letter or an invoice containing the vendor's wire information from the vendor. An invoice documenting the details of the payment must also be included. The information is forwarded to AP. AP



reviews the attached documentation, ensures the vendor is established in the UCF Financials system, and authorizes the payment to be processed.

- b) All foreign vendors require an additional verification step using the Visual Compliance system, <https://www.visualcompliance.com/logon.html>. The wire initiator is responsible for reviewing the documentation and inputting the required information into Visual Compliance. The system returns a report indicating whether a match was found. If there is a match, the initiator contacts the Assistant Director, Office of Research and Commercialization who is in charge of export control. The Assistant Director reviews the information and determines whether the payment should be processed or stopped. If there is no matching record, the wire initiator will document on the wire form that Visual Compliance was checked by initialing Form 41-570b and attaching a copy of the Visual Compliance report. If all information agrees with the documentation the wire is requested in CashPro. The initiator provides a signature, date, time and initial bank transaction number on form 41-570b. CashPro will place the wire in pending status.
- c) The form and all documentation is forwarded to an associate controller for secondary approval. If there is an error, the associate controller rejects the wire online and the wire initiator must make any necessary corrections to the data. If all information is correct, the associate controller approves the wire, input a unique pass code provided by CashPro and provides a signature, date, time, and final bank confirmation number on form 41-570b. CashPro will provide control information as to who input and who approved the wire, and both initial transaction and final confirmation numbers, on an *Outgoing Payments Report*. This report should be attached to the documentation for future reference. The form and all documentation is forwarded to a staff member in general accounting, who will verify all funds were debited from the university bank account.
- d) The general accounting staff member will forward all information to AP for the payment to be vouchered or to general accounting to prepare and post a journal entry into the UCF Financials system.

## **EMPLOYEE DIRECT DEPOSITS**

Direct Deposit is a mandatory condition of employment at UCF. The only exceptions are for:

- 1) Federal College Work Study students
- 2) Employees who receive a one-time payment (Under 30 Days)

If for some reason an employee cannot or does not want to participate in direct deposit, a letter from the employee to the Director of Human Resources must be sent requesting an exemption

and stating specific reasons for the request. Failure to comply with this condition of employment without an exemption can result in disciplinary action leading up to and including termination.

For those employees who are unable to obtain a bank account, special relationships have been established with Bank of America, the UCF Federal Credit Union, and SunTrust Bank. All three institutions will provide university employees with a special savings account that can be used as a debit card.

Checking and savings accounts are generally the only types of accounts that can be used for direct deposit. Although the university policy states that funds cannot be sent to a money market account, the system has allowed money market accounts when the account sequence is similar to that of a checking or savings account.

Employees should take the following steps to establish direct deposit when first hired:

- 1) Submit a *Direct Deposit Authorization* form to the Human Resources Department. A link with instructions and the form is provided as follows:  
[http://www.hr.ucf.edu/web/forms/payroll/Direct\\_Deposit\\_Devolution.pdf](http://www.hr.ucf.edu/web/forms/payroll/Direct_Deposit_Devolution.pdf)
- 2) This form must contain account documentation in order to assure proper setup. Account documentation may include a “VOIDED” check (for checking accounts) or a bank notification stating the bank’s transit and routing number in addition to the employee’s account number (for saving accounts). Using this form, employees have the option to have their paycheck sent to 1, 2 or 3 bank accounts.
- 3) Account documentation is reviewed to assure the information does not appear altered or manipulated in any way. If evidence of such is present, the employee will be contacted to verify the information. In addition, if a void check which does not contain the employee’s name is submitted (which may happen with students who use parents’ accounts for deposit), the employee will be contacted to verify the information. The outcome of these communications will be documented on the direct deposit form. Suspicious or fraudulent situations should be routed to the attention of the Payroll Manager or Assistant Payroll Manager for further review.

Direct deposit information can be edited through PeopleSoft Employee Self-Service. The same restrictions on bank account types apply, but there is no limit on the number of accounts to which direct deposit can be distributed when updating directly into PeopleSoft.

After the input has been completed and saved in PeopleSoft, the Human Resources processor will initial and date the *Direct Deposit Authorization* Form. The initialed form is given to the payroll coordinator for review to ensure the saved name, routing, and bank account numbers all agree with the “VOIDED” check or a bank notification stating the bank’s transit and routing number in addition to the employee’s account number.

More detailed instructions and screen prints are maintained in Human Resources for review.

When overpayments of direct deposits have been submitted to the bank, a Bank of America [ACH/Reversal/Deletion Request](#) form must be completed by a Human Resources staff member, faxed to Finance and Accounting for review and approval, then faxed to Bank of America's ACH services section to reverse the overpayment prior to the direct deposit being processed to the employee's bank. A staff member within general accounting verifies the reversal of the requested ACH amount occurs and the funds are deposited into the operating account the following business day.

## **BANKING DEFINITIONS**

**Automated Clearing House (ACH).** An electronic payment delivery system which allows payment or collection of funds electronically through a financial network occurring within the United States. ACH processes large volumes of credit and debit transactions in batches.

**American Bankers Association (ABA) Number.** The ABA number is the nine (9) digit bank code assigned to financial institutions by the American Bankers Association (ABA) to identify the financial institution upon which a payment is drawn and submitted to within the United States. The ABA number is also known as the "check routing number" or "routing transit number." The ABA number may differ depending on where an account is opened and the type of transaction that is being processed (checks, domestic wires or ACH's).

**Bank Account.** A financial account recording the financial transactions between the customer and their bank and the resulting financial position of the customer with the bank and that is primarily used for processing checks, domestic wires and EFT ACHs.

**Direct Deposit.** An electronic method of payment in which money is transferred to the payee's account without the use of checks, processed through the ACH payment system.

**Fedwire.** (a.k.a. Wire Transfer-Domestic or International). The Real Time Gross Settlement Funds Transfer system operated by the Federal Reserve Banks that enables financial institutions to electronically transfer funds to each other. Messages are transferred requesting debits and credits to correspondent accounts (in addition to other types of accounts). Actual settlements occur through Fed wire, CHIPS, correspondent accounts or other means. Domestic wires settle the same day and International wires can take up to two days to settle if foreign currency exchange is involved. The system is reliable and secure and is more costly compared to transactions involving checks or ACH.

**Society for Worldwide Interbank Financial Telecommunications (SWIFT).** SWIFT is a major international interbank telecommunications network that transmits international payment instructions as well as other financial messages. Messages are transferred requesting debits and credits to corresponding accounts. Actual settlements occur through Fed wire, CHIPS, correspondent accounts, or other means. The SWIFT code is used for the processing of all international wire transfers.

**International Bank Account Number (IBAN).** The code consists of a two-letter country code followed by two check digits and is comprised of a maximum of 27 alphanumeric characters within Europe and a maximum of 34 alphanumeric characters outside of Europe. The remaining

characters after the first 4 digits are known as the basic bank account number (BBAN). Currently, the IBAN is primarily used by only banks in Europe, but the practice is becoming popular in other countries.

## **POLICY AND PROCEDURE MANAGEMENT**

Finance and Accounting may modify these directives and procedures from time to time as required, provided that all modifications are consistent with Florida statutes, federal laws and banking rules and regulations.

## **CONTACTS**

UCF Finance and Accounting  
<http://www.fa.ucf.edu/>  
407-882-1000

UCF Purchasing  
<http://www.purchasing.ucf.edu/>  
407-823-2661

Human Resources  
<http://www.hr.ucf.edu/>  
407-823-2771

International Services Center  
<http://www.intl.ucf.edu/>  
407-823-2337

## **RESOURCES**

UCF Student Account Services web site - <http://www.studentaccounts.ucf.edu/>  
Direct deposit, Basic Information, How to Set-up a Direct Deposit, Legal Message

UCF Finance and Accounting web site

Forms:

41-570a, Domestic Wire Request: <http://www.fa.ucf.edu/Forms/Vendor/Aux41-570a.pdf>

41-570b, International Wire Request: <http://www.fa.ucf.edu/Forms/Vendor/Aux41-570b.pdf>

41-984, Electronic Payment Authorization: [http://www.fa.ucf.edu/Forms/Vendor/EFT\\_Authorization.pdf](http://www.fa.ucf.edu/Forms/Vendor/EFT_Authorization.pdf)

UCF Human Resources web site

Direct Deposit Form: [http://www.hr.ucf.edu/web/forms/payroll/Direct\\_Deposit\\_Devolution.pdf](http://www.hr.ucf.edu/web/forms/payroll/Direct_Deposit_Devolution.pdf)