



Office of Financial Management

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Agency Financial Reporting System (AFRS)

Payment Options

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INTRODUCTION AND OVERVIEW

There are several methods of paying obligations using the Agency Financial Reporting System (AFRS):

- Automated Clearing House (ACH)
- Interagency Payments (IAP)
- Inserted Warrants
- Regular Warrants, Local Checks
- Interagency JV Payments (Non-IAP)

Also included in this document is the Inter-fund Transfer (IFT). While not a payment option, the forms and process are similar enough to describe them here.

The purposes of this document are to:

- help users understand each of the payment options
- educate users about AFRS system features related to payments so these features can be utilized effectively
- explain the benefits of each payment method so users can make informed choices

Automated Clearing House (ACH/EFT)

ACH payments are produced through the AFRS system and are processed through the Automated Clearing House (ACH) network. The payment is sent electronically to the vendor or employee's bank account and posts two banking days after processing. OFM sends a single statewide vendor remittance advice (paper or e-mail) to each vendor displaying payments from all agencies for that day.

This process works exceptionally well for payments to statewide vendors who request this method of payment from the state and for employees who receive their payroll by direct deposit. OFM establishes and maintains a vendor record on the statewide vendor file for each vendor who has indicated they prefer payment by ACH. For employee reimbursements agencies will enter banking information into HRMS. The information will go through a 5 day PRENOTE process. Once it has cleared and the employee has "Allow EFT" set to Y-yes in AFRS, employee reimbursements will be paid by EFT. New employees in AFRS will be set to the agency's default value for "Allow EFT" on the Agency Vendor Number Edit screen (TM.3.2.B). The agency can request this value be overridden on individual employee records on the VE.2 screen.

Interagency Payment (IAP)

Interagency payment (IAP) is a method used by agencies to pay other state agencies when the accounts involved are treasury and treasury trust accounts. The transfer of cash is automated by the use of special IAP transaction codes. The IAP process eliminates the need to send paper documents between state agencies and Office of State Treasurer (OST). Per SAAM 85.36.10: Payments are to be made in the most effective and economical manner possible, so IAP and other electronic methods are the preferred choice of payment. For a listing of IAP TCs, select

Report K from the TC decision table (AFRS TM.1.2.A-Transaction Code Decision Table Reports screen).

Other considerations:

- A Statewide Vendor Number (SWV) is required to process an IAP to another state agency. The SWV table is maintained by OFM and has special fields to facilitate IAPs.
- Special IAP transaction codes (TCs) are used to create an IAP (select Report K from the TC decision table - AFRS TM.1.2.A screen). Payments made to agencies will be converted into IAPs (both on-line and batch) as long as an SWV record created for IAP transactions is used.
- An e-mail notification is sent to the billing agency showing which agencies have paid invoices. The email message has the following information: a) amount of payment; b) invoice(s) paid; c) current document number (IAP number); d) receiving account; e) paying agency; f) payment date; g) account number and h) vendor message.
- A Master File Inquiry screen (MI.7) is available in AFRS for users to view IAPs received by their agency. Information displayed on the screen has some of the same information as the e-mails.

Interfund Transfer (IFT)

IFT transactions automate the transfer of cash between accounts within the same agency. Special TCs are used to create an IFT. The IFT process eliminates the transfer of paper documents between state agencies and OST. Therefore, it is the preferred choice for transferring cash between accounts within an agency.

Below is a table developed for Inter-fund Transfer (IFT's) transaction codes (TC's). V indicates variable GLs.

IFT Trans Codes:		
TC	GL ACCTS	TITLE
TC 669	6510/7140	Inter-fund Expenditure Transfer – Increase
TC 670	7140/6510	Inter-fund Expenditure Transfer – Decrease
TC 021	7140/3210	Inter-fund Revenue Transfer – Increase
TC 022	3210/7140	Inter-fund Revenue Transfer – Decrease
TC 025	V/7140	Inter-fund GL Transfer
TC026	7140/V	Inter-fund GL Transfer

Other considerations:

- IFT requires a transfer from at least one account to one or more accounts.
- Within each current document number, debit amounts must equal the credit amounts.
- IFT transactions can be combined with all types of transactions (payment and non-payment transactions).
- IFTs cannot be done in FM 99 or FM 25 as cash activity does not occur in these months.
- Any IFT errors will suspend the transfer of cash for that document number.
- There is a one day lag for In-process to clear.
- Reverse (R) indicator is not allowed on IFT.

IFT will have a special Batch Status if the IFT does not meet the conditions above and they are:

- 1 = IFT amount does not summarize to zero (0)
- 2 = IFT does not debit and credit 2+ funds

Inserted Warrants

Inserted warrants are produced through the AFRS system and delivered to Consolidated Mail Services (CMS). At CMS, mechanical insertion equipment matches warrants with the corresponding remittance advice documents using bar-codes, stuffs them into envelopes and postmarks the envelope for same-day mailing.

Regular Warrants

Regular warrants are produced through the AFRS system, delivered to OST and distributed to agencies via agency courier or campus mail. At the agency, employees manually match the warrants with remittance advice documents, stuff them into envelopes, apply postage and mail (or send them to CMS for postage and mailing).

This process works well for warrants with special requirements. Examples: warrants that require documentation other than items provided on the remittance advice or special handling.

Approximate Agency Cost per Payment

Each of these options is used for particular situations, and each option has a cost – in both dollars and staff time. At .90 cents per inserted warrant and 1.06 + Staff Time per regular warrant, these options are more expensive than IAP/ACH payments. Agencies using IAP/ACH and inserted warrants can redirect staff time previously spent stuffing envelopes and handling mail.

Description	Paid To:	Regular Warrant	Inserted Warrant	IAP/ACH
Warrant/ACH	OFM	0.50	0.90	0.00
Postage	DES Consolidated Mail	0.49	-	-
Envelope	DES Printing & Imaging	0.07	-	-
Staff Time *	Employees	?	-	-
TOTAL		1.06	0.90	0.00
	Agency Savings per Warrant/ACH		*Staff Time + 0.90	*Staff Time + 1.06

***The cost of staff time required to process payments varies by agency.**

EXAMPLE of the Cost for one Warrant done by an Admin Assistant 2

Description	Paid To:	Regular Warrant	Inserted Warrant	IAP/ACH
Warrant/ACH	OFM	0.50	0.90	0.00
Postage	Post Office	0.49	-	-
Envelope	Office Max	0.07	-	-
Staff Time *	Admin Assistant 2 – 1 hr	18.56	-	-
TOTAL		19.62	0.90	0.00
	Agency Savings per Warrant/ACH		18.72	19.62

Local Checks

Certain agencies are authorized to make payments from a local account or a petty cash account at a bank. For example, universities and colleges use non-treasury accounts. At the agency, employees manually process local checks and mail payments to vendors.

Interagency JV Payments (Non-IAP)

Non-IAP journal vouchers are used only when IAP JVs cannot be used; e.g. the receiving agency does not have a SWV number. Both the receiving and paying agency must use treasury or treasury trust accounts. Refer to SAAM 75.30.50 to check if an account is a treasury or treasury trust account. They are designated as cash type 1 or 2. The original JV is sent to OST and a copy is sent to the billing agency. Alternatively, a summary JV is sent to OST and a detail JV is sent to the other agency. JVs must include the following data items:

- Current document number
- Agency number and accounts of paying and receiving agencies
- Debit/Credit indicators
- Amount

General Guidelines

Internal Control and System Security

In considering vendor payments, a major concern for agencies is internal control. Agency internal controls must be established and practiced regardless of the payment option used. The AFRS system security feature can be used as one internal control tool. To view your agency's security records, type:

- SS (System Security) at the AFRS Primary Menu and
- 2 (View System Security Records) at the System Security Maintenance Menu and
- If you are the AFRS Agency Administrator you can select the logon ID of the person you wish to view/edit

The following screen will display:

The screenshot shows the AFRS System Security Maintenance screen for user #1. Three callout boxes are present: 'Transaction Type' pointing to the 'BATCH TRANS TYPE' column, 'Transaction Input' pointing to the 'INPUT' column, and 'Batch Release' pointing to the 'RELEASE' column. The screen displays user information, a table of security levels for various transaction types, and system flags.

Transaction Type		Transaction Input		Batch Release	
BATCH TRANS TYPE	INPUT	RELEASE	BATCH TRANS TYPE	INPUT	RELEASE
A*	2	1	B*	2	1
C*	1	2	D*	1	2

The security levels available in the batch input & release section for a login ID are:

- 0 - No Access
- 1 - View Records and Print Reports
- 2 - Update Authority
- 3 - Release Batches with Errors – allows a batch to be released so valid transactions can process; errors will not be processed

Agencies are responsible for periodically reviewing and updating their AFRS security records. OFM recommends that agencies use AFRS security to separate the functions of input and batch release to the extent possible to reduce the risk of error or inappropriate actions. It is recognized that it is not always possible to institute controls in this manner. In those cases, management must either have more active oversight of operations, utilize personnel from other organizational units, or develop other compensating controls. Refer to OFM recommended policy on internal control in Chapter 20 of the SAAM (<http://www.ofm.wa.gov/policy/20.htm>)

AFRS System Security and Related Payment Functions

There are a number of fields in AFRS security that control portions of the payment functions. For complete information, refer to Systems Security Manual at:

<https://www.ofm.wa.gov/sites/default/files/public/itsystems/afrs/SystemSecurityManual.docx>

System Security Field	Function
BATCH	Determines which batch types a person can view/edit. Types are alphanumeric. "***" indicates all batch types.
TRANSACTION TYPE	Allows further internal controls as to which type of payment an individual can view or edit. There are four Transaction Types currently used on this table. A=Original Entry, B=Warrant Wraps, G=Warrant Cancellations, and H=SOL Cancellations.
INPUT	Controls view/edit of transactions and individual or group corrections
RELEASE	Allows person to release/hold/delete batches
PAY MAINT	View/edit access to IN.2 Payment Maintenance
VE	View access to statewide employee maintenance table entries
SWVE	View access to statewide vendor table entries (Statewide Payee Registration Unit is the only one with Edit access)

Batch Verification

AFRS has several features that should be used to verify transactions input **prior** to batch release. It is especially important to check all payment transactions. It is recommended that agencies use the functions described below for payments and other transactions. Mistakes that are caught before batches are released can greatly reduce agency costs by eliminating the time-consuming processes of error corrections and warrant cancellations.

From the Batch Header Summary screen (IN.3), there are three powerful line functions that can be used to verify input at the level of detail you choose. Type the appropriate letter in the space to the left of batch to be reviewed and press Enter.

The **B (Browse)** function allows you to easily scroll through and review each transaction in a batch using the N (Next) function. This screen displays the complete transaction including vendor information and coding elements so that they can be checked. In addition, transactions can be changed, added or deleted on the Browse screen.

The **P (Payments)** function displays the following information: Sequence Number, Vendor Number, Vendor Name, Account (Fund), Transaction Amount. Transactions within a batch are displayed 15 records at a time. This screen can be used as a quick verification to make sure the correct vendor is used for each transaction entered. The amount field on this screen will show a negative for any credit transactions. This screen does not display the coding elements, but you can display and correct a transaction by typing S (Select) next to a transaction and pressing Enter. The transaction will be displayed and can be corrected as usual.

The **L (Print)** function provides an option to order a report similar to the daily history report for a batch. After pressing Enter, a second screen will display three print options. Type S (Select) next to DWP91001 – Transaction Batch Report and press Enter. The printed report can be used to verify the coding and vendor information entered. This function is useful for agencies that have remote printers and for users who prefer to check against a hard copy report. The reviewer could sign the printed report and keep it as part of the audit trail.

Determine which of these verification features best fit your agency’s needs and incorporate them into your daily procedures. This pre-release verification process may or may not take the place of the Warrant Register review – depending upon several factors specific to each agency. Agencies should review changes in procedure with their auditors.

Information Sent to the Vendor

Obviously, it is important to pay the correct vendor by using the correct vendor number. It is also very important – especially for payment transactions – that information provided in the **Account Number, Invoice Number and Vendor Message** fields is **accurate** and **meaningful!** The information entered in these three fields is provided to the vendor on the remittance advice and is used by the vendor to post payments. Without accurate and meaningful information, the vendor will not be able to post payments as easily. [Refer to the e-mail remittance advice below.](#)

OFM recommends that you enter:

- the vendor-assigned invoice number in the invoice number field
- the vendor-assigned account or customer number in account number field
- Additional information in the vendor message field.

If there is no invoice number and your agency does not have an account or customer number, you may need to contact the vendor the first time you pay them to find out what information will be useful to them. On the following page is an example of two agencies making payments to the Department of Enterprise Services.

THIS IS AN AUTOMATED NOTIFICATION TO YOU REGARDING ELECTRONIC PAYMENT(S) PROCESSED BY THE STATE OF WASHINGTON.				
BILLING FUND: 419				
1XX0 - BOARD OF STATE AGENCY				
IAP DOC#:	394676/	BATCH ID:	IN-032	PHONE #: (360) 407-8122
				PYMT TOTAL: \$470.23

INV DATE	INVOICE NUMBER / MESSAGE	ACCOUNT NUMBER	CURR DOC #	AMOUNT
01-01-14	1115698 12/13	142-000	A0038032-02	\$458.23

01-01-14	ENTERPRISE SYST. FEE 1115829 12/13 ACCESS WASHINGTON	142-300	A0038032-03	\$12.00
IAP DOC#:	394677/	BATCH ID: IN-033	PHONE #: (360) 407-8122	PYMT TOTAL: \$2.75
INV DATE	INVOICE NUMBER / MESSAGE	ACCOUNT NUMBER	CURR DOC #	AMOUNT
01-02-14	1115940 12/13	142-000	A0040033-01	\$2.75
TOTAL FROM BOARD OF STATE AGENCY				\$542.98
4XX0 - TRANSPORTATION STATE AGENCY				
IAP DOC#:	394709/	BATCH ID: SA-042	PHONE #: (360) 586-1141	PYMT TOTAL: \$8.80
INV DATE	INVOICE NUMBER / MESSAGE	ACCOUNT NUMBER	CURR DOC #	AMOUNT
01-02-14	1115978 12/13	407-000	A0037042-03	\$8.80
TOTAL FROM TRANSPORTATION STATE AGENCY				\$8.80
PLEASE NOTE THAT FOR EACH PAYMENT SHOWN ABOVE WE HAVE INCLUDED A CONTACT PHONE NUMBER SO YOU CAN CALL DIRECTLY TO THE OFFICE THAT MADE THE PAYMENT. FOR ADDITIONAL ASSISTANCE, PLEASE CONTACT THE SUPPORT CENTER AT HereToHelp@OFM.WA.GOV OR CALL (360) 407-9100.				

NOTE: In most cases, the date of the invoice or a number assigned internally by your agency is NOT meaningful to the vendor and results in phone calls from the vendor for additional information. This offsets the efficiency gain made by using a more efficient payment method. Remember to look at it from the vendor's perspective and enter the information that will be meaningful to the vendor.

Statewide Vendor Records

OFM maintains the statewide vendor table. Part of the reason for this is because the bank account information is contained in the record. This is private information and, for security reasons, is not displayed on the screen to AFRS users.

One concern often expressed by users is that the statewide vendor address is different than the address shown on the vendor invoice. In general, larger corporations have a central location that processes electronic payments. This is often different than the location that processes paper warrants and may explain the difference in addresses. If you are concerned about a particular vendor address or if you notice an address change, contact the OFM Statewide Payee Registration Unit Helpdesk.

Any vendor doing business with the State of Washington and paid through AFRS may be added to the statewide vendor table. Vendors are required to complete a Statewide Payee Registration form and an IRS Form W-9 (Request for Taxpayer Identification Number and Certification). A printable Payee Registration Form is located at the following OFM website:

<https://www.ofm.wa.gov/sites/default/files/public/itsystems/payee/statewidePayeeRegistrationForm.pdf>

On the registration form, vendors are encouraged to also sign up for electronic payments although this is optional. Agencies who are interested in having OFM add more vendors to the

statewide vendor table should contact the Statewide Payee Registration Unit by email at payeehelpdesk@ofm.wa.gov or by phone 360-407-8180 to assist with the communication with the vendors.

PRIVACY PROTECTION:

Please protect the private information contained in your system files and reports. The AFRS system does not collect personal information from users of the system. However, the system files and products may contain personal information about citizens. Safeguarding and disposition of AFRS files and products must be consistent with Executive Order 00-03, April 25, 2000; and Chapter 56, Laws of 2000.

How Payment Type is Determined

There are several variables that AFRS evaluates during nightly processing to determine the type of payment/transfer to produce on each warrant/JV transaction. It is important to have a general understanding of how the process works.

The general order of precedence is:

- TC
- Vendor record
- Batch type

There are pros and cons for each of these variables. Please read this section thoroughly before deciding which features will work best for your agency.

Transaction Code (TC)

Transaction Codes are used to determine if the transaction entered is a payment. When looking up a Transaction Code on the “Transaction Code Decision Maintenance” (TM.1.2) screen you will need to look under the payment field for one of the following:

- ‘1’ = Warrants/ACH
- ‘3’ = Credit Memo for Warrants/ACH
- ‘7’ = Inter-Agency Payment (IAP)
- ‘8’ = IAP Credit Memo
- ‘5’ = Inter-fund Transfer (IFT) CREDIT
- ‘6’ = Inter-fund Transfer (IFT) DEBIT

Once it has been identified as a payment record it will then look at vendor record or batch type to complete the payment type.

Here are some examples of common Transaction Codes:

- 210 = Record Accounts Payable – No Encumbrance (Payment Type=1)
- 640 = Inter-Agency Payment – No Encumbrance (Payment Type=7)
- 025 = Interfund GL Transfer (Payment Type=5)

Vendor Record

For each transaction that includes a vendor number, AFRS will read either the statewide vendor record, or statewide employee record to determine the payment type. (Refer to screen view below).

If there is no statewide vendor number or statewide employee number present in AFRS the system will require you to enter an Exception Code. For transactions that have an exception code or Request Regular Warrant, AFRS will check for a batch type record to determine the payment type.

STATEWIDE VENDOR TABLE (VE.3)

```

=== AFRS =(VE.3)===== STATEWIDE VENDOR MAINTENANCE ===== C105P146 ===
TR: _____ ORIGINAL ADD: 09/30/11 LAST UPDATED: 02/06/13 USER AGENCY: 9990
   LAST ACCOUNT CHANGE: 09/30/11 LAST USED: 02/14/14
   TRANSFER: _ (ENTER 'Y' TO TRANSFER TO VENDOR EDIT ONLINE VIEW = IN.1.S)
FUNCTION: _ (A=ADD, C=CHG, D=DEL, V=VIEW, N=NXT, B=BCK, G=GEN)

   IAP PAYMENT
VENDOR NO: SWV0098117 40 CONTACT: MARCY BELLES _____
VENDOR NAME: DES STATEWIDE FINANCIAL SYSTEMS_ PHONE FAX
ADD1: PO_BOX_41460 _____ 360 407 8823 360 407 9174
ADD2: _____ VENDOR TYPE: 3
ADD3: _____ VENDOR STATUS: A
CITY/ST/ZIP: OLYMPIA WA 985041460 US/FOREIGN ADDR: U (U OR F)
E-MAIL ADDR: ELECINTERAGENCYPAY@DES.WA.GOV PROVIDER: _____
TIN: 45-2096870 TAX TYPE: T NCAGE: _____ W-9/8 ON FILE: Y
REMARKS: _____ LEGAL ADDRESS: N
OMWBE CERT: _____ EFT AVAILABLE: N
CCD/TX-LAYOUT: C _ VENDOR RA PRINT: N PAYMENT TYPE: J
ABA ROUTING: _____ ABA ACCOUNT: _____ DUNS: _____
PAYMENT DAY: _____ ACCOUNT TYPE: C SPECIAL USE: _
LU DETAIL: RB/ADDR CHG PER DES REVERSAL ALLOWED: N
BILLING AGCY: 1790 FUND: 419 MULTI-FUND: _____ BLOCK AGENCY VNDR: Y
PRENOTE SEND: N STATUS: _ DATE SENT: _ / _ / _
F1=HELP, F2=EMAIL, F3=RETURN, F4=LAST VE VIEW, F5=AGY LINK, F12=MSG, PAUSE/BRK=EXIT
RECORD FOUND AND DISPLAYED
  
```

B

C

D

E

A

A. PAYMENT TYPE - “J” indicates Inter-Agency Payment (IAP). Other types are mentioned below.

B. BILLING AGCY - This field contains the billing agencies 4 digit agency number.

C. FUND - This field contains the account to be credited for the payment. Fund (Account) must be treasury or treasury trust accounts.

D. MULTI-FUND - This field needs an entry in the agency TM.3.4.B - IAP MULTI FUND MAINTENANCE table. This is used when cash is received in more than one account.

E. E-MAIL ADDR - where IAP or ACH payment notification is sent. Email distribution list is highly recommended.

For a transaction with a **Statewide Vendor Number**, AFRS will check:

1. Vendor Status

- a. If ‘A’ (Active): go to step 2
- b. If ‘B’ (Blocked): the vendor number will not be allowed for on-line transaction input. If the transaction was interfaced into AFRS, the transaction will be flagged as error and the batch will be in error status on the IN.3 screen.

2. Payment Type

- a. If 'I': AFRS will produce an Inserted Warrant
- b. If 'J': AFRS will produce an IAP
- c. If 'T': transactions are in an IFT journal voucher- no warrant.
- d. If 'N': this vendor is not available for payment and vendor number will not be allowed for on-line transaction input. If the transaction was interfaced to AFRS, the transaction will be flagged as error and the batch will be in error status on the IN.3 screen.
- e. If 'R': AFRS will produce a Regular Warrant. Usually for Vendor Status V= third party payroll payments but can be done for special reasons.

STATEWIDE EMPLOYEE MAINTENANCE (VE.2)

```
=== AFRS =(VE.2)===== STATEWIDE EMPLOYEE MAINTENANCE ===== C105P140 ===
TR: _____ ORIGINAL ADD: ..... LAST UPDATED: ..... OWNERSHIP
    LAST ACCOUNT CHANGE: ..... LAST USED: ..... AGENCY: ....

    FUNCTION: _ (V=VIEW, N=NEXT, B=BACK, C=CHANGE)
              EFT PAYMENT
VENDOR NO: EE00000000 00
VENDOR NAME: MOUSE MICKEY_W_____
ADD1: _____
ADD2: _____
ADD3: _____
CITY/ST/ZIP: SPOKANE_____ WA 99224_____ US/FOREIGN ADDR: U (U OR F)
E-MAIL ADDR: MICKEY.MOUSE@OFM.WA.GOV_____
TIN: ***-**-1111 TAX TYPE: S

EFT AVAILABLE: Y (B) PAYMENT TYPE: I (A)

LU DETAIL: _____

F1=HELP, F3=RETURN, F4=LAST VE VIEW, F5=OWNER/INT, F12=MSG, PAUSE/BRK=EXIT
```

A. PAYMENT TYPE - "I" indicates "Inserted Warrants". Other types are mentioned below.

B. EFT AVAILABLE- This field contains a Y or N.

For a transaction with a **Statewide Employee Number**, AFRS will check:

1. Vendor Status

- a. If 'A' (Active): go to step 2
- b. If 'B' (Blocked): Employees that are blocked will not be allowed for on-line transaction input. If the transaction is interfaced to AFRS, the transaction will be flagged as error and the batch will be in error status on the IN.3 screen.

2. Employee EFT

a. If 'Y' (Yes): AFRS will produce an ACH payment if a bank account is found in the HRMS GAP file – this only pertains to employees (vendor type = 1)

NOTE: If "Allow EFT" is set to 'Y'-Yes on (TM.3.2.B), AFRS will read the HRMS payroll file to obtain the bank account information.

b. If 'N' (No) or blank: go to step 3

3. Warrant Type

a. If 'I': AFRS will produce an Inserted Warrant

b. If 'R': AFRS will produce a Regular Warrant

c. If **blank**: AFRS will check the Batch Type (see "Batch Type" section)

The benefit of using the vendor record to determine the payment type is that you do not have to separate payments into different batches based on the type of payment you want. All invoices can be processed within a single batch even though the output may include ACH, IFT, IAP, Inserted Warrants, and Regular Warrants.

Warrant Type Override

The Warrant Type Override field allows Agencies the ability to Request Regular Warrant and is used in conjunction with a Statewide Vendor number or Statewide Employee number. There are 3 options available with this field:

1. "Blank" = Default and will use either the Statewide Vendor Payment Type or the Batch Type
2. R = Override the Payment Type on a Statewide Vendor number and produce a Regular Warrant that is summarized.
3. S = Override the Payment Type on a Statewide Vendor number and produce a Single Warrant by transaction.

This allows agencies the ability to redirect a payment from ACH to a regular warrant within a batch without having to create a separate individual batch.

Note: The Warrant Type Override works with Statewide Employee Numbers if an ACH (EFT) record exists in the HRMS system.

Agency needs to remember that if you use this feature and you want the warrant to be **returned** to your agency you will need to make sure that your **Batch Type is an "R" for Regular on the VE.6 screen.**

Batch Type

If the payment type has not already been determined by the TC or vendor record, AFRS will check to see if the Batch Type used indicates the payment type. This is for one-time payments using an exception code. This feature is maintained on the Payment Process Controls (VE.6) screen.

- If the Pay Type Switch for this batch type is I, AFRS will create an Inserted Warrant.
- If the Pay Type Switch for this batch is R, AFRS will create a Regular Warrant.
- If there is no Payment Process Control record for this batch type, AFRS will default to a Regular Warrant.

Payment Documents & Master Inquiry for Payments

Payment Registers

These are no longer produced out of AFRS. Agencies must set them up in the Daily Reports Folder out in the Reporting Portal for Standard Reports. Agencies have more flexibility using the Warrant Registers within the Reporting Portal.

There are four (4) report options available:

1. Agency Payment Register – This is an agency copy of the Payment Register.
2. Agency Payment Register Summary Flexible – This summarizes up to the Fund or Program level.
3. Official Agency Payment Register – This is the document that is used to verify the payment transactions and is filed with the original documentation.
4. OST Warrant Register – This register is used by the State Treasurer for its verification process.

Some of the options agencies have are:

- Set the report up to run automatically and be emailed to staff for the verification process.
- You can run by batch type
- You can run by Program
- You can run by vendor
- There are many options to choose from.

Vendor/Employee Remittance Advices

All remittance advices are printed on a standard 8 1/2 by 11 sheet of paper. OFM created special remittance advices to be sent to the vendor for the following:

- Inserted Warrants – Mailed out by Consolidated Mail Services (CMS) using a barcode system for matching the warrants to the remittance
- ACH Payments – Paper mailed out by CMS, or
- ACH Payments – E-mailed to an email address stored on the SWV screen.

The agency should send the Vendor Copy of the remittance advice (DWP827V) to the vendor/employee along with the warrant. This remittance is **created only** when a regular warrant is requested and is sorted numerically by warrant/payment number.

There is no requirement to print and retain RAs, but some agencies keep a copy in their accounting or field offices. Agencies should use the Reporting Portal Vendor Remittance Advice for these secondary copies. You have the following sorts available:

- Vendor Name (Default)
- Payment number
- By Batch and Vendor Number
- By Batch and Vendor Name

To order these secondary remittances please follow the instructions under “REPRINT REMITTANCE ADVICES”.

Employee Email Remittance Advices

Employee Email Remittance advices will be available for employees who receive payments by Electronic Transfer (EFT). The email address that will be used must be on file in the Human Resource Management System (HRMS).

SAMPLE OF WHAT THE EMAIL WILL LOOK LIKE:

From: DISNEY.LAND@OFM.WA.GOV [mailto:DISNEY.LAND@OFM.WA.GOV]				
Sent: Tuesday, March 22, 2016 11:47 AM				
Subject: Automated EFT Remittance Advice Notification				
DUCK DAISY K		Deposit Date: 03-03-17		
		Vendor Number: XXXXXXXX56-00		
This is an automated notification to you regarding electronic payment(s) processed by the State of Washington.				
CONSOLIDATED TECHNOLOGY SERVICES - 1630				
Payment #:	973094!	Batch ID:	RM-090	Phone #: (360) 407-8823
				Pymt Total: \$670.00
Inv Date	Invoice Number / Message	Account Number / Provider ID	Curr Doc #	Amount
03-01-17	TRAVEL		TRAV-7	\$670.00
Total From CONSOLIDATED TECHNOLOGY SERVICES				\$670.00
<hr/>				
Total Direct Deposits From State of Washington				\$670.00
QUESTIONS REGARDING THE PAYMENT INFORMATION ABOVE, PLEASE CALL THE PHONE NUMBER LISTED ON THE PAYMENT DETAIL FOR EACH PAYMENT.				

Agencies who would like to have their employees receive the email Remittance Advice will need to submit an “AFRS Return Address Form” (Appendix A). The agency will need to supply an email distribution list and it can be added to the Agency Level (blank batch type) or a specific Batch Level.

Undeliverable RA emails will be sent back to the distribution email as it is the agencies responsibility to resolve these emails. Documentation titled “Instructions on how to handle Undeliverable Emails-Employees reimbursed via EFT” is available at the following website:

[Undeliverable Employee Emails](#)

REPRINT REMITTANCE ADVICES

To get a reprint of the Vendor Remittance Advice you will need to go to the Reporting Portal. Under the Daily Folder you will find the Vendor Remittance report. You can set it up to run automatically every day or as needed.

1. Report can be ran by one of the following:
 - a. Last Payment Date (DEFAULT) – Start & End Dates will default to today's date.
 - b. Calendar (OPTIONAL) – Start & End Date can be changed to any range of dates.

2. You can narrow your search to a specific option of:
 - a. Batch Type
 - b. Payment Number
 - c. Vendor Name
 - d. Vendor Number

3. Or, you can simply change the Sort Order to one of the following:
 - a. Vendor Name (Default)
 - b. Payment Number
 - c. Batch and Vendor Name
 - d. Batch and Vendor Number

AFRS Daily Reports

Payment transactions are reported along with all other AFRS transactions on the AFRS Daily History Transaction Report (DWP7101). This report shows all the AFRS coding elements that were entered for each transaction and can be used for verification.

If you do not receive this report or want to have one electronically you can request the AFRS Transaction History Report from the Reporting Portal under the Daily Reports Folder.

One group of reports that is very important to review for payments is the DWP8200 series.

- DWP8201 – AFRS Daily Payment Status Report – shows each payment that will be made and those payments that won't be.
- DWP8221 – AFRS Payments In-Process Report – is where you can find out why payments will NOT be made.

It is important to review these reports daily to avoid delays in getting payments to vendors.

Problem Resolution

There are several problems that can occur with the various payment types. The next sections have a list of some of the problems, how they are handled and who is responsible to correct them.

PAYMENT TO INCORRECT VENDOR

If an agency makes a payment (ACH, IAP, Inserted Warrant, Regular Warrant), to an incorrect vendor, they are responsible for recovering the cash. The agency should contact the incorrect vendor as soon as they are aware of the situation.

If paid by **ACH**, agencies may:

- Ask vendor for refund.
- Take a credit against another current invoice.
- Ask vendor to reject the payment through their bank. (This returns the money electronically to the state – see below for Returned ACH Procedure in the PAYMENT CANCELLATION AND RETURNS manual)

If paid by **IAP**, agencies may:

- Contact the paying agency and ask them to initiate the correcting JV.
- Take a credit against another current invoice.

If paid by **Warrant**, agencies may:

- Ask the vendor to return the warrant if it has not been cashed.
- Ask the vendor for refund if the warrant has been cashed.
- Take a credit against another current invoice.

OFM will assist agencies if they are having problems dealing with a particular vendor who received an overpayment or an electronic payment in error. OFM can attempt to reverse ACH payments. It has to be within four days of settlement and records must still be available. It is **essential** that agencies verify vendor information *prior to releasing batches for processing.*

INSERTED WARRANT DAMAGED BY CMS

Occasionally, the CMS machines damage an inserted warrant. When this occurs, DES takes responsibility to issue an X-warrant. An X-warrant is a replacement warrant that is normally issued and mailed within one day of the date the original warrant would have been sent. These warrants are processed with a reference to the original warrant number, so agencies can track the warrant as they would the original warrant.

RETURNED ACH PAYMENT

Occasionally, an ACH payment is returned because a vendor's bank account has been closed and the vendor has not notified OFM. Also, the vendor could reject the payment because it does not belong to them, as in the example above, or because it is a duplicate payment. In these cases, OST receives the monies and they require a cash receipt document (A8) so that they can record the receipt. OST sends a file to OFM on a daily basis that provides information about the returned ACH.

The Return process has been automated by OFM who prepares the offsetting transaction to the Treasurer's and places it out on the IN.3-Batch Header File for processing by the Agency if they have opted in to the automated process. Please follow the PAYMENT CANCELLATION AND RETURNS PROCEDURES on the OFM Website.

RETURNED WARRANTS OR PAPER ACH REMITTANCE ADVICES

Agencies should have at least one "Agency Return Address on the VE.9" screen. This screen provides agencies with the capability to create a return address that will be entered on the remittance advice. This feature is controlled by OFM and is based on batch type.

Agencies can fill out a form and submit it to OFM. OFM will enter the information on the form on the AD.7. Agencies can view the information on the VE.9 screen.

Access 'Agency Return Address' screen

On the VE screen type '9' in the SELECT FUNCTION field.

Then press 'ENTER' to access the AD.7 screen.

```
=== AFRS =(VE)===== VENDOR/PAYMENT/CANCELLATION MENU ===== C105P05F ===
TR: _____
      1 -- COMBINED VENDOR SELECTION
      2 -- AGENCY VENDOR MAINTENANCE
      3 -- STATEWIDE VENDOR MAINTENANCE
      4 -- TIN (FED ID) CONFIRMATION REQUEST
      6 -- PAYMENT PROCESS CONTROLS
      7 -- PAYMENT CANCELLATION AND RETURNS
      8 -- INTER-AGENCY VENDORS
      9 -- AGENCY RETURN ADDRESS
          SELECT FUNCTION: 9
PF3=RETURN, PF12=MESSAGE, CLEAR=EXIT
```

```

=== AFRS =(AD.7)===== AGENCY ADDRESS BY BATCH TYPE ===== C105P340 ===
TR: _____ CREATE DATE: ..... LAST UPDATE: ..... AGENCY: 9990

FUNCTION: V (V=VIEW, N=NXT, B=BCK)

AGENCY: 9990
BATCH TYPE: ____

AGENCY NAME: _____
CONTACT OFFICE: _____
CONTACT OFFICE PHONE: _____
MAILING ADDRESS 1: _____
MAILING ADDRESS 2: _____
CITY/STATE/ZIP: _____ WA _____

PAYEE RA FROM EMAIL: _____
EFT NOR TO EMAIL: _____

AGENCY SYSTEM: _____
REQUESTED BY: _____
REQUESTED BY PHONE: _____

F3=RETURN, F12=MESSAGE, PAUSE/BREAK=EXIT

```

FUNCTION LINE:

You have three options available to you at the function line.

V = View which allows to see a specific batch type address.

NOTE: This is the default setting.

N = Next which allows you to see the next batch type address.

B = Back which allows you to see the previous batch type address.

The screen will show you the date of when the Agency Address was CREATED and LAST UPDATED.

Agencies can have individual Batch Type’s on this screen or you can leave it with a blank in the batch type and all your payments will have this return address on the remittance.

If your agency wants to sign up for this feature please fill out the form in Appendix A and E-mail HereToHelp@OFM.wa.gov.

Inserted Warrants are placed in a dual envelope that contains the Agency Return Address in the top window so the warrants will be delivered directly to the originating agency.

If an agency has not set up an Agency Return Address the default will be returned to OFM who will research and send on to the originating agency with a form to set them up with an Agency Return Address.

The usual cause is an incorrect or incomplete address. To avoid delays and returns, agencies should ensure that when vendor information changes that they request the vendor to send an updated form to the Statewide Payee Registration Unit as soon as possible. Agencies should notify the Statewide Payee Registration Unit to let them know that the address is invalid and that

you have requested the vendor to update their address information and send to it to the Statewide Payee Registration Unit.

If this was made using an exception code the agency should make sure that the address is updated on saved templates or A19's – including street address or post office box, city, state and zip code.

When ACH vendor remittance advices are returned, OFM checks the vendor number. If it is a statewide vendor number, OFM works with the vendor to update their address information and the remittance advice is forwarded to the vendor.

ELECTRONIC REMITANCE ADVICES (RA) FOR EMPLOYEE REIMBURSEMENTS

Employees that receive an Electronic Funds Transfer (EFT) for employee reimbursements will receive a paper RA unless they do both of the following:

- Employees need to validate that an email address exists in their Employee Self Service (ESS) profile.
- Agencies must have a **default** distribution email address added to the “Agency address by Batch Type” (AD.7) screen accessible by agencies under (VE.9). The distribution email can also be added at batch level.

PAYEE RA FROM EMAIL: _____

(Complete the form on *page 25, Appendix A*)

If the employee email in HRMS is undeliverable, the RA emails will be sent back to the email added on the AD.7 screen. It is then the agencies responsibility to resolve the undeliverable emails. (*See page 18 in the “Undeliverable Emails” instructions*)

MISSING OR INCORRECT ACH REMITTANCE ADVICES

The ACH Vendor Remittance Advice reports display the agency phone number that is either on the VE.6 screen or the Agency Return Address screen. This allows the Vendor the ability to talk with the agency responsible for the payment.

OFM ASSISTANCE

If an agency has problems with a vendor not showing ACH payments posted to their accounts, they may call the OFM Statewide Payee Registration Unit at 360-407-8180 or by email at PayeeRegistration@ofm.wa.gov for help in resolving the problem.

Questions about HOW the AFRS payment process works please contact the Support Center at 360-407-9100 or by email at HereToHelp@OFM.wa.gov.

APPENDIX A



AFRS RETURN MAILING ADDRESS FORM

Agency Name: _____
(32 characters/Required)

Agency Number: _____ (4 characters/Required)

Batch Type: _____ (2 characters/Optional)

Contact Office: _____
(32 characters/Required)

Contact Office Phone: _____ (7 characters/Required)

Return Address for Remittance Notifications:

Mailing Address 1: _____ (32 characters/Required)

Mailing Address 2: _____ (32 characters/Optional)

City: _____ (18 characters/Required)

State: _____ (2 characters/Required)

Zip Code: _____ (5 {required} & 4 {optional} characters)

Return Email for Employee Remittance Notifications:

Payee RA FROM Email: _____
(40 characters/Required)

Notice of Returns (NOR) Email Notifications:

EFT NOR TO EMAIL: _____
(40 characters/Required)

Agency System: _____
(56 characters/Optional)

Requested By: _____ (32 characters/Required)

Phone Number: _____ (7 characters/Required)

Please complete this form and email to the OFM Help Desk at HereToHelp@OFM.wa.gov. If you have questions, please call the OFM Help Desk at 360-407-9100.

APPENDIX B

Common Terms and Acronyms

Term	Description
ACH	Automated Clearing House – a processing and delivery system that allows for distribution and settlement of electronic credits and debits.
AFRS	Agency Financial Reporting System
CMS	Consolidated Mail Services – DES campus mail service
IAP	Interagency Payment – an automated payment through AFRS between two state agencies. It is the preferred method for payments between state agencies when both are using treasury accounts.
IFT	Inter-fund Transfer – an automated transfer through AFRS. This is the preferred method to transfer cash between accounts within the same agency.
JV	Journal Voucher – a form used to generate payments through OST. It can be used to transfer monies between agencies and accounts that are treasury and/or treasury trust accounts. A JV can also be used to record accruals and other adjustments to account balances.
Local accounts	Accounts under control of an agency at a local bank account and requiring the signature of agency officials on a check. Some local accounts are on deposit with OST as a matter of convenience or statutory requirement.
OST	Office of State Treasurer
SAAM	Statewide Administrative and Accounting Manual
SWV	Statewide Vendor – a common vendor record maintained by OFM that can be used by any agency; certain payment types (all IAP and some ACH) require the use of SWV.
TC	Abbreviation for Transaction Code – a three digit code that determines which accounting entries are produced in AFRS.
Treasury Accounts	Cash is on deposit and under the control of OST. Treasury accounts are subject to expenditure authority unless specifically exempted. Refer to SAAM 75.30.20 and 75.30.50 for a list of accounts.
Vendor Remittance Advice	A form that is sent with each payment to identify what invoice/account is being paid. The vendor’s remittance advice should reference the appropriate payment number and the invoice number.