

# Town of Brookline, MA



## Finance Division Office of the Comptroller

### Automated Clearing House (ACH) Vendor Payments

#### Electronic Payments save Time and Money

##### HOW ACH Payments benefit Vendors

Vendors that regularly do business with the Town of Brookline can receive their payments more quickly when using the ACH process. To do this they must supply the banking information necessary to direct funds to one checking or savings account and confirm their taxpayer ID to the Town. Following their first ACH payment, a letter will be sent to the Vendor confirming the payment and verifying the accuracy of the electronic payment made by the Town. Additional ACH payments will not be remitted until this confirmation has been returned to the Town of Brookline's Comptroller.

##### Vendors should work with their financial institutions to determine:

- If the financial institution is able to provide the required remittance information (whether they have CTX capabilities) – Per NACHA Ruling, financial institutions must make payment –related information available, upon request, to their customers who receive payments through certain ACH formats, including CTX. Additionally, they should work to ensure remittance information is passed along to their customers.
- How and when they will receive the remittance information from their financial institution

##### The benefits of receiving Vendor payments electronically include:

- Allowing the immediate availability of funds
- Eliminating the possibility of mail and deposit delays
- Eliminating the possibility of lost, stolen or misplaced checks
- Reducing the possibility of fraud
- Producing payments that are fully traceable through the NACHA system

Effective September 1, 2006, vendors that are regularly doing business with the Town of Brookline, MA , may be considered for ACH Payments

ACH is an alternative to issuing checks to vendors. The New England Automated Clearing House (NEACH) serves as the clearing house and processes electronic payments to the vendors' bank accounts.

This electronic payment method will enhance our current payment program and improve overall payment service.

NEACH will usually make the electronic (ACH) payments available to vendors one banking business day after the date that the ACH payment information is transmitted by the Town to their servicing bank.

After completing a simple set-up procedure, including a "prenote" (test record sent by the Town through their servicing bank to NEACH and the vendor's financial institution) test, qualifying vendors will receive ACH payments with detailed supporting addendum records that will assist vendors in identifying the payments. Vendors should contact their financial institution to ensure that the addendum records will be available to them if there is the possibility of multiple invoices being paid in the same transmission. The Town uses CTX format to provide the servicing banks with the addendum records when transmitting the payments.

##### Procedures

Vendors who wish to receive ACH payments must complete and return one Vendor ACH-EFT Application form (ACHAUTH0706). **For specific questions regarding this form, please call (617) 730-2036.** For a downloadable version of the setup information and 2 page form, please go to XXXXX and select the ACH Information button.

The steps in the ACH payment cycle are:

1. The vendor (and vendor's financial institution) completes both sides of the Vendor ACH-EFT Application form and returns the original of the form to the Town's Office of the Comptroller.
2. The Town's Office of the Comptroller verifies the data, updates the Town's Vendor master file and generates a pre-note through NEACH to the Vendor's bank.
3. After a successful pre-note (usually 15 days are required for verification), the vendor will be approved for ACH payment processing.
4. Brookline Town and School departments submit vendor invoices to the Office of the Comptroller for processing.
5. After each check run, the Town's Treasurer's Office transmits a file with detailed ACH payment data to the Town's servicing bank. The Town's servicing bank transmits the information to NEACH.
6. On the settlement date of the electronic payment, the vendor's financial institution credits the vendor's individual account.
7. Following the first ACH payment, an ACH confirmation letter is sent directly to the vendor to verify the payment was successfully transmitted to its account. This confirmation must be returned before any further ACH payments will be made.

**MAILING INSTRUCTIONS:**

Complete side 1: sections A-D and side 2, sign both sides of the Vendor ACH-EFT Application.

Mail to :

**Purchasing Office-ACH  
Brookline Town Hall-4<sup>th</sup> floor  
333 Washington Street  
Brookline, MA 02445**

***Incomplete forms or those lacking appropriate signatures on either side will not be processed and will be returned to you for completion***



**TOWN OF BROOKLINE, MA  
VENDOR ACH-EFT APPLICATION**

**Complete both sides of form**

**SECTION A: TO BE COMPLETED BY SUBMITTING VENDOR - See A1 Below**

DESCRIPTION

NEW  CHANGE  CANCEL

TAXPAYER ID TYPE (CHECK ONE AND INDICATE CORRECT NUMBER IN SPACE BELOW)

1 = FEIN-Federal Employer ID # \_\_\_\_ - \_\_\_\_ - \_\_\_\_ OR  2 =SOC SEC# \_\_\_\_ - \_\_\_\_ - \_\_\_\_

VENDOR NAME (30 CHARACTERS MAX)		LEGAL NAME OF ENTITY OR INDIVIDUAL (30 CHAR MAX) (see (A1) below)	
ADDRESS		TELEPHONE NUMBER WITH AREA CODE (____) ____ - ____	
CITY		STATE	ZIP CODE ____ - ____
VENDOR ACH CONTACT NAME	VENDOR ACH CONTACT EMAIL ADDRESS	VENDOR ACH CONTACT FAX NUMBER (____) ____ - ____	

**SECTION B: TO BE COMPLETED BY SUBMITTING VENDOR & CERTIFIED BY FINANCIAL INSTITUTION**

FINANCIAL INSTITUTION NAME (30 CHARACTERS MAX)		IF CHANGE PLEASE INDICATE PREVIOUS FINANCIAL INSTITUTION NAME	
FINANCIAL INSTITUTION ADDRESS		FINANCIAL INSTITUTION TELEPHONE NUMBER (____) ____ - ____	
FINANCIAL INSTITUTION CITY		STATE	ZIP CODE ____ - ____
DEPOSITOR ROUTING NUMBER		IF CHANGE PLEASE INDICATE PREVIOUS ROUTING NUMBER	
DEPOSITOR ACCOUNT NUMBER		IF CHANGE PLEASE INDICATE PREVIOUS ACCOUNT NUMBER	
DEPOSITOR ACCOUNT TYPE (CHECK ONE) <input type="checkbox"/> 1 = SAVINGS OR <input type="checkbox"/> 2 =CHECKING			

**SECTION C: FINANCIAL INSTITUTION CERTIFICATION - see C1) below**

I certify the above Depositor Routing Number and Account Number to be true and accurate for the Vendor.

FINANCIAL INSTITUTION NAME	Authorized Signature	Date
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**SECTION D: VENDOR AUTHORIZATION- SEE D1) BELOW**

I (We) hereby authorize the Town of Brookline, MA, to initiate credit entries to my (our) account and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my (our) account indicated above at the depository financial institution named above, and to credit and if necessary debit the same such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of US law.

This authorization is to remain in full force and effect until the Town of Brookline, MA, Office of the Comptroller, has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the Town of Brookline and the financial institution a reasonable opportunity to act on it.

I (We) have attached a copy fields necessary to be included in the CTX addenda record (see D2) below.

I (We) hereby cancel my/our ACH/EFT authorization.

AUTHORIZED VENDOR REPRESENTATIVE OR STATE EMPLOYEE SIGNATURE	Date
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**SECTION E: TOWN OF BROOKLINE USE ONLY**

I have reviewed the Vendor Information for Completeness and Accuracy and have entered the above information:

REVIEW SIGNATURE	DATE	ENTRY SIGNATURE	DATE
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**General Instructions:**

If the applicable sections of this application and the W9 are not complete, the application will not be processed by the Office of the Comptroller.

ACH Transactions will be effective approximately one month after the application is approved by the Office of the Comptroller

Changing Financial Institution or Depositor Account (within the Same Financial Institution- all deposits will continue to be deposited into your present account until the office of the Comptroller has been notified in Writing that you have changed your banking information. With notification, you will need to submit a new Vendor ACT/EFT Application making sure to check the appropriate "CHANGE" box at the top of the form, and completing the applicable fields on this form.

**NOTE: Failure to obtain the Financial Institution Certification may result in delayed payments to vendor. Do not close an old account until the first transaction from the Town of Brookline has been deposited into your new account.**

**A1) Enter Legal Name of Entity or Individual as filed with the IRS:**

- Individual** Enter your name (Last Name, First Name and Middle Initial as it appears on your IRS form 1040.
- Sole Proprietor** Enter Owner's name (Last Name, First Name and Middle Initial ) as it appears on your IRS form 941.
- Corporation** Enter your corporate name as it appears on your IRS form 941.
- Partnership** Enter your partnership name as it appears on your IRS form 1065.
- Other** Enter your entity's name as filed with the IRS

**C1) Financial Institution Certification- Application must be signed by a representative of your bank after bank verification.**

**NOTE: IF THIS SECTION IS NOT COMPLETED, THE APPLICATION WILL BE RETURNED AND NOT PROCESSED**

**D1) VENDOR AUTHORIZATION- Application must be signed by an authorized representative or you (if an individual) before application can be processed by the Office of the Comptroller**

**D2) APPROVED CTX ADDENDA RECORD FORMAT: if your Treasury department has data that must appear in the CTX Addenda records to properly credit ACH payments to our account, check the appropriate boxes in section D and attach a detailed description of the fields, together with a contact name and telephone number should we have questions.**

**Mailing Instructions:**

Please complete both sides and return to Purchasing Office-ACH, Brookline Town Hall-4th floor, 333 Washington Street, Brookline, MA 02445

