Direct Deposit / ACH Processing

The Texas A&M University System started using the Federal Reserve Bank’s Automated Clearing House (ACH) System for direct deposit of payrolls on May 22, 1992. With the conversion of the State Comptroller’s Office to the Uniform Statewide Accounting System (USAS) in September, 1993, all TAMUS payroll checks are generated and paid from local funds with the State Comptroller’s Office reimbursing the TAMUS parts for those employees paid from funds on deposit in the State Treasury. Once an entry is made into the B/P/P System, it immediately is honored and ACH transactions will be generated based on this information.

In order for an employee to be paid via direct deposit, the ACH data (type of account, bank routing number and the employee’s bank account number) must be entered on the Personal Data screen (101) in the Personnel Maintenance module of the B/P/P System. The B/P/P Operations Center coordinates with Wells Fargo to pass these transactions on to the Federal Reserve’s ACH System.

The ACH System processes the transactions by sorting through all of the bank routing codes and distributing the transactions to each financial institution. Most institutions receive the transactions “on-line” (via telephone connection) while some receive a magnetic tape or diskette with the transactions.

A process called “memo posting” allows bank tellers and automatic teller machines (ATMs) to “see” the deposit and recognize that the employee has been paid. Banking institutions that do not “memo post” do not have this visibility and will not be able to verify to an inquiring employee that he has been paid, even though the transaction has been received and will be processed as part of that day’s business. Most institutions use the “memo posting” process. The following deadlines will ensure that the Direct Deposits are credited to the employees' accounts on payday.

The Federal Reserve Bank’s Automated Clearing House System has specific limits as to when data entering the system will process and clear or be transmitted to the receiving banking institutions. Generally, most items are categorized as to how many days it requires for the item to clear the ACH system, and charges are based on the time period allowed to process the item. Generally, the longer time allowed to process the item, the lower the cost. The two general time periods and the deadlines associated with them are as follows:

For information on Wells Fargo’s Processing Schedules, Holidays, File Corrections, ACH Reversals, Wells Fargo ACH Services Item Delete/Reversal Request.
See ACH Quick Reference