

II. Payment Processing Procedures

This policy covers procedures for posting Accounts Receivable payments received by mail.

A. Mail – In Checks

B. Customer Service Checks

C. To Post Checks to Accounts

D. Processing Applied Credit Payments

E. Direct Deposit Checks

F. To Post Direct Deposits to Accounts

G. Checkbook Recording Procedures

H. Posting Online Payments

A. Mail – In Checks

- a. Pull checks from drawer
- b. Sort size of checks out – pull all with paper clips/staples to one stack, small checks and full page checks to separate stacks.
- c. Make copies of all checks. Be sure to count and to have all checks and copies.
- d. Tear stubs off of checks. Keep stubs. Make sure checks are stamped on back and are for ISTC.
- e. Go to Texas First Bank log-in.
- f. Follow steps and procedures for electronic deposit.
- g. Deposit name is the date of the stamped date of checks followed by M (031910M)
- h. For checks that do not scan do the following:
 - ❖ Put in separate batch
 - ❖ Fill out deposit slip. On envelope write “MAIL IN CHECK”, DATE, AMOUNT.
 - ❖ On deposit slip write “MAIL IN CHECK”
 - ❖ Goes in bag for deposits.
- i. Once all are scanned and electronic deposit has been made, run report. One copy to Daily Reports File, one copy with copy of deposit slip for checkbook.
- j. Put checks with tape in envelope. On envelope write “DATE, AMOUNT”. If any checks did not scan, put the amount of the deposit being made at the bank. On tape, write the amount of the bank deposit.
- k. Take envelope with checks and put in box of checks.
- l. Checks are kept for 2 months.

B. Customer Service Checks

- a. Pull checks from drawer
- b. Go to Texas First Bank log-in.
- c. Follow steps and procedures for electronic deposit.
- d. Deposit name is date of the deposit slip followed by CST (031910CST)
- e. For checks that do not scan, on the envelope write CST, DATE, AMOUNT, and goes in bag for deposits.
- f. Once scanned and electronic deposit has been made, run report. One copy to Daily Reports File, one copy with copy of deposit slip for checkbook.
- g. Put check in envelope, write on envelope “DATE, AMOUNT, CST”
- h. Take envelope with checks and put in box of checks.
- i. Checks are kept for 2 months.

C. To Post Checks to Accounts

- a. Open Dynamics
- b. Open Module
- c. Choose Accounts Receivable
- d. Choose Reports
- e. Choose Invoice/Memo Forms
- f. Choose Load Template
- g. Choose Select
- h. Click on box under Value
- i. Type in invoice number
- j. Choose Print Preview

- k. This will display a copy of the invoice to get the Client ID
 - l. Write Client ID on copy of the check; some checks will have the Client ID on the check.
 - m. Once all checks have been coded with Client ID, close
 - n. Go to Dynamics SL Menu/File Choose Business Date; choose the date that is stamped on the checks
 - o. Choose Payment Application
 - p. Tab to Customer ID box
 - q. Type in Client ID#
 - r. Tab to Payment Number box / type in check number
 - s. Tab to Pmt/Memo Orig Amt / type in amount of check
 - t. Tab down to invoices and apply amounts as listed on check for each invoice they are paying
 - u. F3 to start a new document
 - v. Repeat steps o-u for each check
 - w. On the last check **DO NOT** F3 when finished. Check totals in the Total box compared to Deposit Report. ****These totals must match. EXCEPTION: If there was a mail in check for something other than payment on an account. This should be noted on the Deposit Report.**
 - x. If totals match, type in amount in the Control box
 - y. In the Handling box, choose Release Now
 - z. Close. The report will automatically print.
 - aa. Take this report and the Daily Deposit Electronic Report; staple together put totals on the Daily Reconciliation Report.
- *Note – If posting a credit card the COA account number MUST be changed to 12700.**

D. Processing Applied Credit Payments

- a. Log into Dynamics
- b. Verify date is correct
- c. Select Accounts Receivable Module
- d. Select Payment Application
- e. Enter down to Customer ID number – type in Client ID#
- f. Enter to “Number” – press F3
- g. Click on “Ref Nbr” of credit being used and write that number on copy of deposit and “applied credit of \$” – click on “OK”
- h. Enter down to amount to apply and scroll down to invoice number to apply credit to and type in the amount being applied.
- i. When finished applying all credits – click on “save”
- j. Click “Handling” – scroll down to “Release Now”
- k. Close screen by clicking on the “x” in the top right hand corner.
- l. Click yes to save

E. Direct Deposit Checks

- a. Direct deposits will come through the accounting email or accounting fax line.
- b. Take all direct deposits for the day and run tape.
- c. Add the direct deposits twice to be sure totals match.
- d. Follow the procedures listed below to post deposit to the accounts.

F. To Post Direct Deposits to Accounts

- a. Open Dynamics SL.
- b. Open Module.
- c. Choose Accounts Receivable.
- d. Choose Reports.
- e. Choose Invoice/Memo Forms.
- f. Choose Load Template.
- g. Choose Select.

- h. Click on box under Value.
- i. Type in invoice number.
- j. Choose Print Preview.
- k. This will display a copy of the invoice to get the Client ID.
- l. Write Client ID on copy of the direct deposit.
- m. Once all direct deposits have been coded with Client ID, close.
- n. Go to **Dynamics SL** Menu/File Choose Business Date; choose the date that is on the direct deposit forms.
- o. Choose Payment Application.
- p. Tab to Customer ID box.
- q. Type in Client ID#.
- r. Tab to Payment Number box / type in the EFT/ACH number + DD(12345DD). If no number, put date with DD at the end.
- s. Tab to Pmt/Memo Orig Amt / type in amount of direct deposit.
- t. Tab down to invoices and apply amounts as listed on direct deposit for each invoice they are paying.
- u. F3 to start a new document.
- v. Repeat steps p-u for each direct deposit.
- w. On the last deposit **DO NOT** F3 when finished. Check totals in the Total box compared to Deposit Tape. These totals must match. If totals match, type in amount in the Control box.
- x. In the Handling box, choose Release Now.
- y. Close. The report will automatically print.
- z. Take this report and put totals on the Daily Reconciliation Report.

G. Checkbook Recording Procedures

Nederland Checkbook:

- a. Select Microsoft Excel from Program Menu (or shortcut on desktop if available)
- b. Open "TFB Checkbook"(or current page number) if continuing on page.
- c. Entering Checks
 - ❖ Enter Date
 - ❖ Enter Check Number (if entering a large number of checks, click on cell of first check number, hold cursor at bottom right corner (+), then drag to last check number of batch.
 - ❖ Enter Vendor Check Payable to
 - ❖ Enter Check amount in "Checks" column
- d. Entering Deposits
 - ❖ Enter Date of transaction – corresponding to customer service or mail date
 - ❖ Enter Deposit amount in "Deposits" column
- e. Page will automatically total itself based on debit or credit
- f. Continue entries on page until line 50. At line 50 save page, print and place in checkbook.
- g. To start a new page
 - ❖ Add new worksheet to Checkbook
 - ❖ Copy and paste from last blank page – be sure there is nothing entered on the page
 - ❖ The first line in Balance column will pick up the balance from the previous page.
 - ❖ On new page, change formula to pick up total from previous page number.
 - ❖ Select "FILE" – "SAVE AS"
 - ❖ Save file as "CHECKBOOK255" (next page number)

Baytown Checkbook:

Each day Baytown will fax a copy of the deposit slip.

- a. Select Microsoft Excel from Program Menu (or shortcut on desktop if available)
- b. Open "BTC Checkbook"
- c. Follow same procedures to enter deposits as the Nederland checkbook. There will not be any checks written out of this account.

NOTES: When making your deposit each day, prior to placing in deposit bag and sealing, you should record daily deposits in checkbook. When cutting payables checks, the checks should be recorded in the checkbook as soon as they are processed.

These steps will eliminate balancing errors at the end of the month

H. Posting Online Payment from AccountCentral

The following procedure shall be followed in order to process online payment made through the ISTC Account Central program. These steps should be done once a day in the morning (processing for previous days payments) or as needed in the future.

- a. Print the credit card report from PayPal Manager
 1. Logon to <https://manager.paypal.com/logout.do>
 2. Enter Partner
 3. Enter Merchant Login
 4. Enter Password
 5. Click on Report Tab
 6. Click on Daily Activity
 7. Enter date for the day of processing you want the report to run
 8. Click Run Report
- b. Open Dynamics SL
- c. Open Accounts Receivable Module
- d. Module A/R
- e. Click AR Batch Register
 - ❖ Sort tab – choose batch.batnbr
 - ❖ Select tab – Field* field F3 click batch.status
 - ❖ Operator field – Equal
 - ❖ Value field – H
 - ❖ Click Print Preview – be sure it is the period you are posting
 - ❖ Click Print
 - ❖ Close
- f. Go to Module Payment Application
- g. Type in batch number from report
- h. Open the batch
- i. Verify all payments are correct with the credit card report from Paypal
- j. Verify COA number is 12700 in the Payment/Memo field
- k. Click Handling field
- l. Click Release Now
- m. Click Close
- n. Click Yes to save changes
- o. Repeat steps for each batch on HOLD
- p. File batch reports and AR Batch Register Report along with the Paypal report into the A/R batch folder for that day