

## **WEST**consin Business Connect Prenote/Payroll/Prefund Processing

The following instructions will provide you with information on Prenotes and Prefunding processes. If you have any questions or need additional assistance, please reach out to Business Services directly. If you are a business owner and would like to apply for Business Connect, <u>CLICK HERE</u>. If you are a business that currently uses Business Connect and have questions, <u>CLICK HERE</u>.

## **KEY TERMS**

**Prenote**: When adding a recipient to an ACH template, a prenote initiates a \$0 ACH transaction to be sent to the payee's Financial Institution to "test" and validate the account number. This helps ensure the first "live" transaction is accepted instead of being rejected due to an invalid account number. Please note – it is not required for the receiving Financial to validate the name on the transaction; per NACHA rules, only the account number is required to be validated.

• Note: After submitting a prenote, ACH payments to the recipient will be disabled within Business Connect for 3 business days to allow for account validation and correction. This is a NACHA rules requirement.

**Prefund**: When submitting an ACH file, funds are moved from the business' funding account to a holding account to ensure there will be enough funds for the total amount of the ACH file.

- If settlement date is within 2 business days: Prefunding attempts every 5 minutes until daily cutoff time of 1:00 PM CST. If past cutoff time, prefunding attempts the next business day, beginning at 2:00 AM CST.
- If settlement date is 3 or more business days out: prefunding attempts at 2:00 AM CST 2 business days before settlement date.
- Regardless of selecting batch or individual settlement, all items will be debited from the selected funding
  account in 1 lump sum with transaction description of "InternetAccess month/date/year ACH Prefund Payroll"
  when prefunded.

Settlement Date: Date selected for the ACH file to be processed (Pay day!)

## PRENOTE/TEMPLATE PROCESS

Best Practice: Due to the amount of time it can take for a prenote to be validated or corrected, WESTconsin recommends prenote templates be submitted at least <u>one</u> full pay period <u>prior</u> to first payroll settlement date.

Business Administrator/User creates ACH Template
Select to send prenote when adding recipients
Enter \$0 as amount to pay

Business Administrator/User approves ACH template
Only applicible to businesses using dual approval

\*\*WEST\*consin\* Credit Union processes ACH file with prenotes
Settlement date of 1 business day if template is approved by the business before 1 PM
Settlement date of 2 business days if template is approved by the business after 1 PM

\*\*WEST\*consin\* Credit Union receives returned prenote/notice of change within 2 business days of prenote settlement date

\*\*WEST\*consin\* contacts business same day return/notice of change is received with reason for return or correction needed

\*\*Business\* Administrator/User makes change(s) to template if needed

\*\*Business\* Administrator/User approves template change(s) - Only applicible to businesses using dual approval

\*\*Template is ready to be used!

## **PAYROLL WITH PREFUNDING PROCESS**

Business Administrator/User submits payroll ACH
Submitted at least 2 business days prior to the settlement date (payroll date)
If using a template, update amount to pay accordingly

Business Administrator/User approves payroll ACH
Approved by 1:00 PM CST 2 business days prior to settlement date (payroll date)

ACH prefunded
Business account will be prefunded 2 business days prior to the settlement date

WEST consin approves or declines ACH file
Email is sent to all Business Administrators opted in for ACH notifications

WEST consin processes ACH payroll file

Payroll recipients receive payroll on the selected settlement date