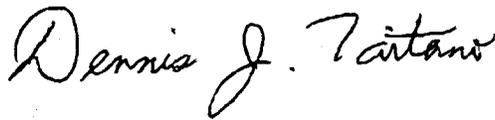


**For:** State and County Offices

**New Exception Reports for Bank Routing Numbers in Producer's Direct Deposit Profile**

**Approved by:** Acting Deputy Administrator, Management



**1 Overview**

**A Background**

In the past, a bank routing number on a producer's direct deposit profile was not validated until the first payment was made. If the bank routing number was invalid, FRB returned the producer's payment to KCFO as undeliverable. KCFO would contact the County Office to obtain the corrected bank routing number, if available, or authorize the county to cancel ACH and issue a substitute check.

A recent software modification transmits the producer's direct deposit profile when the profile is initially entered or modified. This allows the bank routing number to be validated against Treasury Department's database of valid bank routing numbers before a payment request is generated.

**B Purpose**

This notice provides instructions for County Offices to correct the bank routing number when KCFO reports a discrepancy between the bank routing number in the producer's direct deposit profile and Treasury Department's database of valid bank routing numbers.

**C Contact**

If there are any questions about this notice, contact Debbie Simmons, FMD at 703-305-1309.

**D Implementation of Direct Deposit Producer Profile Exception Reporting**

KCFO will generate the Direct Deposit Producer Profile Exception Reports weekly beginning April 4, 2003.

Disposal Date	Distribution
July 1, 2003	State Offices; States Offices relay to County Offices

## Notice FI-2582

### 2 **Producer Direct Deposit Profile Bank Routing Number Error Listing**

#### **A Description of Report MHU745R1, Direct Deposit Producer Profile Bank Routing Number Error Listing**

Report MHU745R1, Direct Deposit Producer Profile, is an exception report of producers' direct deposit profile bank routing numbers that do not match bank routing numbers in the Treasury Department's data base of valid bank routing numbers. The exception list shows:

- State and county codes
- producer's tax identification number and type
- producer/facility code
- customer name
- bank's tax identification number
- bank routing number
- producer's account number
- type of account.

Possible reasons for exceptions are:

- the bank routing number was incorrectly entered in the bank's name and address record
- the bank has merged with another bank and is changing routing numbers
- it is a new bank, and the routing number has not been updated to Treasury's database.

#### **B County Office Review of Bank Routing Number**

County Offices should compare the bank routing number on the direct deposit election form to the bank routing number entered in AS400. If the bank routing number is the same as the number entered on the direct deposit election form, contact the producer or vendor to ensure that the number is correct.

The County Office may contact the financial institution to confirm the bank routing number if this is more convenient.

**2 Producer Direct Deposit Profile Bank Routing Number Error Listing (Continued)**

**C Correcting the Bank Routing Number**

A financial institution's bank routing number is maintained in the Other Name and Address file on AS400. When a bank routing number is incorrectly entered in this file, all producers using the same financial institution will appear on the exception list. If the bank routing number was incorrectly entered, modify the bank routing number stored in the Other Name and Address file according to 1-FI, paragraph 84. This will correct all exceptions for producers using the same financial institution.

When a bank merges with another bank and the bank routing number is changing, the new bank routing number must be modified using the old taxpayer identification number for the bank. This will allow the bank routing number to automatically be updated for old customers, rather than entering a new bank taxpayer identification number for customers that have not changed banks. Affected customers should be notified of the change in routing numbers according to 1-FI, paragraph 70.

**D Deleting the Producer Direct Deposit Profile**

If the correct bank routing number cannot be determined, delete the direct deposit profile for the producer or vendor before issuing any payments. Failure to delete this profile will result in a delay of payments to the producer or vendor because FRB will return the payment.

**Note:** Instructions for deleting a direct deposit profile are in 1-FI, paragraph 99.

**3 Direct Deposit Producer Profile Missing Information Error Listing**

**A Description of Report MHU745R2, Direct Deposit Producer Profile Missing Information Error Listing**

AS400 validates that all required elements are entered when a producer or vendor's direct deposit profile is entered. However, there are instances when a transmission to KCFO does not contain all of the required elements. Report MHU745R2, Direct Deposit Producer Profile Missing Information Error Listing, is an exception report of required data that was not transmitted to KCFO.

**B County Office Action**

County Offices shall delete the entire direct deposit profile record for any producers or vendors on this list and enter the information again. If errors continue, contact the State computer specialist for assistance.