Preparing CAFT Credit Payments [*]

Overview

Priority supports issuing the **Payments Canada** Standard 005 format for credit payments.

This format is recognized by banks across Canada for placing digital instructions to banks to make credit payments.

The functionality in this document refers only to transactions within Canada.

Aim

- To prepare vendor payments based on purchase invoices and create a CAFT-compatible file to make credit payments via bank transfer.

Working Assumptions

- For credit payments: The system contains purchase invoices with a status allowing for payment.

Setups

To set up credit payments:

1. Enter the Bank Accounts form and retrieve the bank account from which you make vendor payments via CAFT.

2. In the **Bank Paymt Interface** field, choose **Canadian Automated Funds Transfer** so that payments will be transferred electronically via CAFT.

3. In the **Additional Information** subform, record the client number/originator ID in the **Company Id#-Pay** field, as well as the destination data center ID in **Immediate Dest. No.**

4. In the **Next File ID** record the last file ID from your previous number +1. The file ID is used to make sure that the file isn't processed twice.

   Note: Type **-1** in the **Next File ID** to transmit **TEST** instead of a number. This will indicate the file should not be processed. Consult your bank before transmitting a test payment file.

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[*] Customers are strongly advised not to use the procedure without prior testing to make sure they fit their own requirements and work practices.

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priority™
www.priority-software.com
priority@priority-software.com | +972-3-925-1000

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5. Enter the Financial Parameters for Vendors form and retrieve the vendor whose payments will be made using CAFT. In the **Bank Account Details** subform, specify the vendor's **Bank Account** and **Routing Number**.

6. Enter the Financial Constants form and make sure that the value of the **ITPAmountLimit** constant reflects the maximum amount that you are permitted to transfer in a single payment via CAFT.

Procedure

Credit Payments

Stage I: Preparing Payments via Bank Transfer

1. Enter the Pay by Bank Transfer/Credit Card form and specify the **Vendor's Account** and **Bank/Credit Account**.

2. Make sure the values appearing in the **Payment Date** and **Currency** fields are correct. CAFT supports both CAD and USD currencies.

   Note: The **Currency** field appears in the **Payment Data** tab.

3. Make sure the data appearing in the **Vendor's Bank** tab (e.g., **Vendor's Bank Account**, **Vendor's Routing No.**) are correct.

4. If the payment is being made against a purchase invoice, enter the **Flag Invoices for Payment** subform and mark the **Pay** checkbox for every relevant invoice.

5. Move to the adjacent **Payment Details** subform and make sure the payment amounts are correct.

   Tip: In order to make a partial payment against an invoice, manually revise the amount in the **Sum** field.

Stage II: Finalizing Payments via Bank Transfer

To finalize a batch of payments:

1. Run the Finalize Bank Transfers program.

2. In the form that opens, retrieve all the payments (by bank transfer) that you wish to finalize.

3. Exit the form to continue running the program.

To finalize a single payment:

1. Enter the Pay by Bank Transfer/Credit Card form and retrieve the payment in question.

2. Run the **Finalize Bank Transfer Payment** program from the Actions list.

Stage III: Creating the CAFT Standard 005 File

1. Enter the Flag Bank Transfers for ACH/AFT form and retrieve the bank transfers to be executed via CAFT.

2. Mark the **Upload to ACH/AFT** checkbox for each bank transfer to be executed via NACHA.

3. Before exporting the transfers, make sure that they appear in the Bank Transfers to be Exported report. If not all desired transfers appear in the report, return to Step 1.

4. Run the Vendor Payment Interface program.

5. In the **Bank Account** input field, specify the account from which payment will be made.

   Notes:
   – The bank payment interface chosen in Step 1 of Setups determines the format of the payment file.

   – In the program input screen, you can restrict the payments to be exported to a range of transfer dates, range of payment dates or payments assigned to a particular user.

6. Specify the location in which to save the output file.

7. If errors were encountered during program processing, an error message will be displayed. To see the content of the errors, run the ACH/AFT Payables - Errors report.

Results

• Invoices for which payments have been prepared are automatically reconciled with their respective payments.

• If a partial payment was made against an invoice, the **Prior Payments on Invoice** subform of the **Flag Invoices for Payment** form displays the current payment.

• A journal entry is automatically created for the payment.

• A CAFT-compatible file is created, which can be sent to the bank to execute the transfer.