ACH Payment Configuration

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Introduction

ACH format creates payment media for domestic payments in the USA. Incoming and outgoing payments in US are supported.

ACH format is in accordance with version 004000 and conforms to the specifications of the National Automated Clearing House Association (NACHA).

So let us configure the ACH Payment format using the payment medium workbench.
1. Update company number in House Bank


Click on New Entries
Update the following:-

Click

Scroll down
Click on "Data medium exchange"
New Entries: Details of Added Entries

Dialog Structure
- House Banks
  - Bank Accounts

- HDI partner profiles
  - Data medium exchange

Data Medium Exchange

General data for data medium exchange
- Alternative bank ID
- Bank receiving DME
- Customer number
- Company number

Charges account
- Bank number
- Account number
- Control key
- ISO Currency Code

Running mode
- Instruction key
- Lead Days
Update company number

Double click Bank Accounts

Click on New Entries
Update the following:-

Click on

[Image of SAP ACH Payment configuration interface]
2. Update company number in the company code details


Double click on 9102
Click Environment → Additional Data
### Maintenance of Additional Data for Company Code 9102

<table>
<thead>
<tr>
<th>Name</th>
<th>Parameter value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detail Tax Entry with MRO</td>
<td></td>
</tr>
<tr>
<td>Tax Rate for Country Currency</td>
<td></td>
</tr>
<tr>
<td>Plants Abroad Not Required</td>
<td></td>
</tr>
<tr>
<td>Tax Without Rounding Tolerance</td>
<td></td>
</tr>
<tr>
<td>LC Tax with Translation Date</td>
<td></td>
</tr>
<tr>
<td>Tax Entry for Ex. Rate Diff.</td>
<td></td>
</tr>
<tr>
<td>Generate KDT Item when Paying</td>
<td></td>
</tr>
<tr>
<td>Ledger Group for Tax Posting</td>
<td></td>
</tr>
<tr>
<td>SAPERS</td>
<td></td>
</tr>
<tr>
<td>ITSR Clerk</td>
<td></td>
</tr>
<tr>
<td>Cash payment order ID number</td>
<td></td>
</tr>
<tr>
<td>INTRASTAT ID number</td>
<td>10051952</td>
</tr>
<tr>
<td>INTRASTAT additional number</td>
<td></td>
</tr>
<tr>
<td>EXTRASTAT company number</td>
<td></td>
</tr>
<tr>
<td>EXTRASTAT material number</td>
<td></td>
</tr>
<tr>
<td>Shipper's Auth. Symbol</td>
<td></td>
</tr>
<tr>
<td>Authentication code CUSDEC</td>
<td></td>
</tr>
<tr>
<td>Reporting party name (INTRASTAT)</td>
<td></td>
</tr>
<tr>
<td>Reporting party city (INTRASTAT)</td>
<td></td>
</tr>
</tbody>
</table>

Page down by clicking

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### Maintenance of Additional Data for Company Code 9102

<table>
<thead>
<tr>
<th>Name</th>
<th>Parameter value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID number</td>
<td>EXTRASTAT</td>
</tr>
<tr>
<td>EID number</td>
<td></td>
</tr>
<tr>
<td>Tax number USA (TIN)</td>
<td></td>
</tr>
<tr>
<td>SEPA ID</td>
<td></td>
</tr>
<tr>
<td>SEPA IR</td>
<td></td>
</tr>
<tr>
<td>Withholding Tax EDI Referen No</td>
<td></td>
</tr>
<tr>
<td>Withholding Tax Reference No.</td>
<td></td>
</tr>
</tbody>
</table>
Update the Company number as shown below

![Maintenance of Additional Data for Company Code 9102]

**Note:** The 10 digit company number does not fit in the above field hence we will have to update the company number in Step number 9 (Create/Assign the variants).

Click

Click on

The remaining steps are for the Payment program set up
3. Set up all company codes for Payment Transactions


Click on **New Entries**

Update the following:-
4. Set up Paying Company codes for Payment Transactions


Click on New Entries
Update the following:

5. Set up Payment Methods per country for Payment Transactions

Double click

Bank transfer (ACH CTX)
Scroll down

Double click
This is a very important step – SAP ACH CTX must exist as shown above.

6. Set up Payment Methods per Company code for Payment Transactions


Click on New Entries
Update the following:

Scroll down

Click on

Pyt adv.ctrl
### New Entries: Details of Added Entries

<table>
<thead>
<tr>
<th>Drawer on the form</th>
<th>Sorting of the</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horion Ltd.</td>
<td>Correspondence</td>
</tr>
<tr>
<td>Queens Street</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>Line items</td>
</tr>
<tr>
<td>USA</td>
<td></td>
</tr>
</tbody>
</table>

#### Payment advice note control

- **Note to payer lines on the form**
  - None
  - Restricted to
  - As many as req

- **Payment advice output according to no. of lines**
  - Payments adv. after... lines
  - Always payments adv.
  - No payments adv.

### Payment advice note in all instances

The note to payee on the payment medium can comprise as many lines as you like. In addition, a payment advice note is always created to inform the business partner of the purpose of the payment. Therefore, the payment information is transmitted via the payment medium as well as the payment advice note.
7. Set up Bank determination for Payment Transactions


Select

Double click
Click on **New Entries**

Update the following:-

![Image of New Entries: Overview of Added Entries]

Double click **Bank Accounts**

Update the following:-
Click on 

Double click 

Click on 

New Entries
Update the following:

The remaining steps are for the payment medium workbench configuration.

8. Adjust Note to Payee

SAP Customizing Implementation Guide → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Automatic Outgoing Payments → Payment Media → Make Settings for Payment Medium Formats from Payment Medium Workbench → Adjust Note to Payee

Here you can use Customizing and/or function modules to change a note to payee.

The note to payee that you configure in Customizing is made up of four line types. The most important of these is type 1. This consists of the usual note to payee lines
(with invoice number, date, and amount, for example), as well as sub-types 5 and 6. Type 6 controls whether control levels are to be created with the selected header in the various company codes that are settled with this payment. Type 5 specifies whether a text for the alternative payee - if one exists - is to be created as a header for the whole note to payee. Note to payee line types 2 and 3 specify the internal (payment document number, for example) and external (account number in the business partner's accounts, for example) references respectively. Under type 4, you specify what sort of note to payee is to be created if the space defined by the format is not sufficient and a payment advice note is created. The payment advice note thus replaces the specifications under type 1.

We use SAP standard Note to payee.
9. Create/Assign Selection Variants

SAP Customizing Implementation Guide → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Automatic Outgoing Payments → Payment Media → Make Settings for Payment Medium Formats from Payment Medium Workbench → Create/Assign Selection Variants
Update Z1 in co. code 9102 and press enter

Click on Yes

Select
Click the "Continue" button.
Press enter
Click on "Format Parameters" in the Payment Medium Format section.
ACH Batch hdr. Company description:- This will help update the type of payment – Vendor payment

Company identification: Must be entered here since the company code configuration global parameters for Tax number (TIN)- PAVAL - T001Z is only a 9 digit field, which we saw earlier (screen shot shown below)
We therefore update the company number in the company identification shown below.
Default location or folder can be specified here for storing the file on your computer or a shared folder on the presentation system.
Maintain Variant: Report SAPFPAYM, Variant Z1

Format
- Payment Medium Format: ACT

Print Control
- Data Medium Exchange
- Payment Summary
- Error Log

Output Control
- Payment Document Validation
- Output to file system
  - File name
  - Form Type: SAPscript

SAP ACH Payment configuration
Click on **Payment Summary** to access the print parameters.
Click ⬤
The above path is in case a default is required.

We remove the defaults since we do not want any default path
Click on
The ACH configuration is done
10. ACH Output

The ACH file is generated as follows in transaction code F110.

VENDOR_PYM – this was set in the variant as ACH Batch Header Company entry description

The company number is shown in 2 places above (It comes from the House bank definition and also in the default we set in the variant

Vendor Bank number

Vendor name