



November 4, 2022

TO: Business and Accounting Administrators
Los Angeles County K-12 School, Community College Districts, Regional
Occupational Centers/Programs (ROC/Ps), and Selected Joint Powers Authorities
(JPAs)

FROM: Sachiko Enomoto, School Accounting and Finance Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Treasury Cash Deposits (*School Deposits*) into the County of Los Angeles
Department of Treasurer and Tax Collector by Automated Clearing House (ACH)

The Los Angeles County Office of Education (LACOE) is pleased to announce that Treasury Cash Deposits (school deposits) by Automated Clearing House (ACH) is now available. Districts will now have the option to send school deposits by ACH and/or check. This new process will allow districts to:

- Expedite deposit processing
- Minimize journal posting delays in the BEST Advantage Financial System (FIN)

Please note that sending school deposits by ACH is optional, and not a requirement. Districts may continue sending checks while also utilizing ACH school deposit if preferred.

Details of completing deposits by ACH into the Los Angeles County Treasurer are included in Attachment No. 1 - Treasury School Deposit by method of Automated Clearing House (ACH) Procedures.

Instructions for school deposits by check is available on [Bulletin #6603 – School Deposits Schedule and Deposit Preparation Procedures into the County Treasury](#).

If you have questions or need assistance, please contact the Revenue and Apportionment unit at SFSRevenue@lacoed.edu.

If you have questions regarding this bulletin, please contact me at (562) 922-6191 or by email at Enomoto_Sachiko@lacoed.edu.

Treasury Cash Deposits (*School Deposits*) into the County of Los Angeles Department of Treasurer and Tax Collector by method of Automated Clearing House (ACH)

November 4, 2022

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Approved:

Nkeiruka Benson, Director

Division of School Financial Services

SE:ei

Attachments

SFS-A19-2022-2023

Los Angeles County Office of Education

Treasury School Deposit by Automated Clearing House (ACH) Procedures

Prepared by the

Division of School Financial Services

October 2022

Attachment No. 1
Info. Bul. No. 6612
SFS-A19-2022-23

Automated Clearing House (ACH) Treasury School Deposit Procedures

This document includes the requirements for districts that would like to send school deposits by ACH to the Los Angeles County Treasurer (TTC). The following are included: set-up procedures, ACH school deposit procedures for districts, School Financial Services (SFS) procedures, and additional requirements to note.

Deposit Schedule

ACH School deposits can be processed by the district on any Los Angeles County Office of Education (LACOE) business day.

Requirements

Minimum Amount Threshold

The minimum required minimum for each ACH school deposit sent is **\$10,000**.

Clearing Account

The bank account associated with the ACH transaction must be a clearing account. A bank clearing account is a commercial bank account in the district's name for check clearing or cash deposit purposes. It should be established and operated in accordance with district policies.

NOTE: Please note that the ACH school deposits are initiated and completed through the district's local bank (clearing account) and are not vendor payments, therefore districts will not be able to initiate deposit transfers through the BEST Advantage System – Financial (FIN).

ACH School Deposit to the TTC Set-Up Procedures for Districts

1. Interested districts should send an email to SFSRevenue@lacoedu expressing interest in sending school deposits via ACH.
2. School Financial Services (SFS) will send the following documents via e-mail to the requesting district:
 - a. ACH School Deposit Set-Up Instructions
 - b. ACH Authorization Instruction Sheet
 - c. Authorization Agreement for ACH Credits
 - i. NOTE: Section 2 -LACOE's RECEIVING FINANCIAL INSTITUTION INFORMATION - will be left blank when sending the form to the districts for security purposes
2. Follow the ACH Authorization Instruction Sheet when filling out the Authorization Agreement.
3. Districts will send a scanned copy of completed forms via secured email or mail.
4. SFS will review the form, then send the form to the Los Angeles County Treasurer's office (TTC).

5. Once the TTC sends the approved signed form, SFS will send a secured email of the approved form to the District with:
 - a. ACH Agreement Returned to Districts Letter (ACH letter)
 - b. Signed Authorization Agreement (with TTC approval) for ACH Credits
 - c. ACH Format Specifications - Attachment A
6. District will follow the instructions in the ACH letter with a \$0.01 ACH Test.
 - a. The information provided in the ACH Format Specification for Fields 7 & 8 will identify the deposit. Districts should work with the local bank that you have the clearing account with to ensure proper formatting on the ACH specification fields.
7. Upon receipt of the pre-test in the bank account, LACOE will notify the district the ACH test was successful and that the district is approved to originate ACH deposits to LACOE. The district will receive an email confirmation that the set-up was finalized.

NOTE: The estimated timeline of completing the set-up for the ACH school deposit may be upwards of one (1) month.

Treasury ACH School Deposit Procedures for Districts

Once the district receives an email confirmation from School Financial Services (SFS) that the set-up is finalized, the district is ready to start sending ACH School Deposits. Please follow below steps:

1. As required with school deposits via check, districts will create a school deposit journal document (JVDEP) for the ACH school deposit. For instructions on how to create JVDEP documents, please refer to the [FIN-401: General Ledger](#) training guide (pages 88 – 99) on the Customer Resource Center [site](#).
2. Print the Daily Deposit Checklist Report (JVDEP) to PDF by clicking on the **Print** button on the JVDEP document created.
3. Ensure that the JVDEP is routed to SFS GL Unit by selecting **Collaborate**.
4. District will e-mail the Daily Deposit Checklist Form (JVDEP) to show the amount that matches the ACH deposit before 2pm **one day prior** to sending the ACH to SFSRevenue@lacoedu.
5. In the subject line, the district should follow the naming convention:
 District#_ACHDEPOSIT_JOURNAL ID_ANTICIPATED DEPOSIT DATE_DEPOSIT AMOUNT
Example: 12345_ACHDEPOSIT_JVDEP230000000024_10.31.2022_\$950,000.00
6. District is now ready to submit the ACH deposit. When sending the ACH, please use the information provided in the ACH Format Specification for Fields 7 & 8. This information will be used to review accuracy of the deposit journals to be posted.

SFS Procedures

After the deposit is received, it is reviewed, and processed by the SFS Revenue & Apportionment (R&A) unit.

1. R&A unit will validate the ACH deposit to ensure proper information is entered by the district.

2. Once the deposit is validated, the ACH school deposit list is sent to the General Ledger, Accounting & Budget (GL) unit for review of the JVDEP entry.
3. GL Accounting Technician approves or denies the district JVDEP entry.

The Accounting Technician in the GL unit assigned to your district will assist with the resolution of any denied entries.

ACH School Deposit Tips and Notes:

1. Per ACH deposit transaction minimum amount is **\$10,000**.
2. Individual checks, money orders, warrants should be deposited into the district's clearing account, then a ACH transaction greater than \$10,000 may be sent for deposit.
3. Ensure that the ACH amount matches the JVDEP entry submitted.
4. Ensure the Daily Deposit Checklist Form (JVDEP) is sent to LACOE timely. Failure to notify LACOE in advance of the ACH school deposit and provide us with the deposit may result in a posting delay.
5. If the JVDEP deposit form is not received and/or cannot be identified via the ACH Format Specification Fields 7 & 8, LACOE will contact the district to send the Daily Deposit Checklist Form (JVDEP) related to the deposit received. However, if we do not receive a reply by the end of the business day, LACOE will record the ACH school deposit in the district's suspense account (9910) and the district will need to re-class the entry to the desired account string.
6. ACH method for school deposits are optional. Districts may continue sending checks while also utilizing ACH if preferred.
7. **Districts must follow the procedures outlined to ensure timely posting of your ACH school deposits. Districts that repeatedly fail to comply with the ACH school deposits requirements may be denied participation in ACH processing.**