

Direct Deposit - Frequently Asked Questions

What is a direct deposit payment?

Direct deposit is an electronic method of payment where your funds are deposited directly into your bank account. No paper warrant is issued.

What are the benefits of direct deposit?

Easy – Receiving your payments by direct deposit eliminates check handling and manual deposits (mail room or the post office) where checks can be misdirected or lost. The money is credited directly to your account.

Fast – Payments by direct deposit go directly from the State of Idaho to your account.

Secure – Direct deposit uses the Automated Clearing House (ACH) network – the same network used by your bank to handle transactions with other banks. When direct deposits are credited to your account (two days after the payment is processed), the funds become available immediately.

How reliable and safe are direct deposits?

Direct deposits are much safer than warrants because they eliminate:

- Forged warrants
- Lost in transit warrants
- Stolen warrants
- Cancel requests due to missing warrants

Is my bank information secure?

Yes. The Idaho State Controller's Office has only a few designated staff who have access to update or view vendor bank information. Bank account information is not available to any agency personnel.

If I decide to participate in this program, will I receive all my State of Idaho payments electronically?

Not necessarily. Tax refunds and certain benefits payments from Idaho Department of Health and Welfare are processed using a different vendor list than that what is used to process other regular invoice type payments. Also, if your business has more than one 'remit to' address or more than one business name, you must set up each address or business name separately to receive direct deposit payments for each. However, you can assign different bank accounts to each unique address or business name.

How do I sign up for direct deposit payments?

Complete and sign the Combined Substitute W9/Direct Deposit Authorization Form and attach a voided check (not a deposit slip) or bank verification of your checking or savings account number. Mail the form and documentation to:

Vendor Coordinator
Idaho State Controller's Office
PO Box 83720
Boise, ID 83720-0011

After the forms and documentation are reviewed, your record will be set up in the Statewide Accounting System known as STARS. Idaho State Controller's Office (SCO) personnel will then request verification of the bank account information directly from your financial institution. The verification

process can take up to two weeks. When the verification process is completed, you will then be paid by direct deposit. Until the verification process is completed, payments will be made by Idaho State warrant.

Why do I need to attach a voided check?

A voided check provides the information needed to assure that your direct deposit is sent to the correct account at your financial institution. If you chose to not provide a voided check, then your financial institution can provide the same information (ACH routing number, account number and type of account) in letter format on their letterhead.

Can I have more than one bank account?

For any one address or business name there can be only one bank account assigned. Arrangements should be made with your financial institution to transfer funds from the bank account you designate for direct deposits to other accounts as necessary.

If I am already signed up for Direct Deposit, how do I notify the State of changes to my account?

1. To update your bank account information, complete a State of Idaho Combined Substitute W9/Direct Deposit Authorization Form. Mail these forms to the address below.
2. To update your business name, business type or mailing address, send an e-mail to dsahelpline@sco.idaho.gov. Please include the vendor name and a phone number in the e-mail so that we can contact you with any questions. We do not recommend including your EIN or social security number in any e-mail. Updates can also be mailed on company letterhead (not applicable to individuals) to:
Vendor Coordinator
Idaho State Controller's Office
PO Box 83720
Boise, ID 83720-0011
3. To update your EIN, complete a new IRS Form W9 or a State of Idaho Combined Substitute W9/Direct Deposit Authorization Form and send it to the address above.

What if I change banks and forget to notify you?

If your original account is closed, the funds are returned through the ACH network to the Idaho State Treasurer's Office and credited to the agency's account. If this should happen, a warrant will be mailed to you. While the returning and reissuing is done as quickly as possible, the process will delay your receipt of the payment by a week or two.

How will I know that I have received a direct deposit payment?

Payment information is available on the State Controller's Web Vendor Remittance Advice service. Direct deposit warrant numbers on the remittance advice begin with a 0 (zero). Also see the Remittance Advice FAQs on the Vendor Services Web site menu.

What if I cannot identify the payment from the remittance information?

Call the originating agency at the telephone number provided on the remittance advice.

Will my bank notify me that I have received a direct deposit payment?

Each financial institution has its own internal procedures. Please contact your financial institution for more information.

How soon will the direct deposit be in my account?

The funds become available two days after the payment has successfully processed through STARS. For example, if the payment is processed on Monday, the funds will be available on Wednesday.

What is a warrant?

A warrant is a promise to pay and is due only if cash is available at the time of presentment. (By contrast, a check is a demand draft that is due immediately upon presentment for payment.)

Am I required to participate in the program?

No. Although the Idaho State Controller's Office (SCO) is encouraging participation, direct deposit is a voluntary program. The SCO believes that the advantages and benefits of direct deposit (eliminating check handling and delays, plus strengthened internal controls and improved cash management opportunities) are significant. If you do not participate in direct deposit, warrants will be printed and mailed as they are now and payment notification will remain unchanged.

Who do I contact if I have additional questions?

You can contact the Vendor Coordinator at dsahelp@scoidaho.gov or (208) 332-8827.