

Harmony P (CA) - Direct Deposit (EFT) with Canadian Banks

NOTE: This article only applies to Canadian Harmony customers.

Setting up Employees for Payment by Direct Deposit

1. Navigate to Payroll > Payroll Employees > Employee List.
2. Click on the three (3) dots next to the employee's name to see their detailed information.
3. At the top of the employee's profile, you will see **"Payment Method"**. Select **"Direct Deposit"** from the dropdown list.

Employee profile for GREENE, RACHEL (ID: 1). The form includes fields for Last hire date (03/03/2012), Termination date, Payroll status (checked), Payroll group (Biweekly (Labor) - Bi-Weekly), Tax province (Ontario), Password, and Billing rate (0). The **Payment method** dropdown is highlighted with a red box and set to **Direct deposit**. Other options include 'Other', 'Bank Account', 'Federal Tax', 'Ontario Tax', and 'Notepad'. A 'Save Changes' button is in the top right.

4. Scroll down to the bottom of the page. Click on the **"Bank Account"** tab.

The same employee profile form for GREENE, RACHEL, but with the **Bank Account** tab selected and highlighted with a red box. The 'Payment method' dropdown is still set to 'Direct deposit'. At the bottom, there is a '+ New' button and a table with columns: ORDER, INSTITUTION, TRANSIT NUMBER, TYPE, ACCOUNT NO, and AMOUNT. The AMOUNT column has 'Amount' and 'Percentage' sub-headers.

5. Select the **"Percentage"** button and click on **"+ New"** button.
6. Enter the employee's banking information.
 - **"Order"**: The number entered into this field will be the order of the employee's bank account(s). Enter **"1"** for the employee's main bank account. If the employee has a secondary bank account, enter **"2"**.
 - **"Institution"**: Select the employee's banking institution from the dropdown list. Harmony provides the major Canadian banking institutions out of the box, including CIBC, TD, RBC, Scotiabank, and BMO. If your employee's banking institution is not in this list, you will need to create one. Refer to the next section, *Setting Up a Company Bank Account*, for more information.
 - **"Transit Number"**: This is your employee's bank transit number. Your employee will provide this to you.
 - **"Account Type"**: This is the type of bank account that your employee holds, such as Checking/Chequing, Credit, or Savings.
 - **"Account Number"**: Your employee's bank account number. Your employee will provide this to you.
 - **"Percentage"**: You can split the employee's payments across several bank accounts. If your employee only has one bank account, enter **"100"**, meaning 100% of the employee's pay will be deposited into this bank account. If the employee would like to split their payments among several accounts, enter the appropriate percentage for each bank account (e.g. account #1 = 80% and account #2 = 20%; therefore 80% of the employee's pay will be deposited into account #1 and 20% will be deposited into account #2).

Note: Ensure that the percentages across all bank accounts sum up to 100%.
7. Repeat steps 2 through 6 for each employee who is paid via direct deposit.

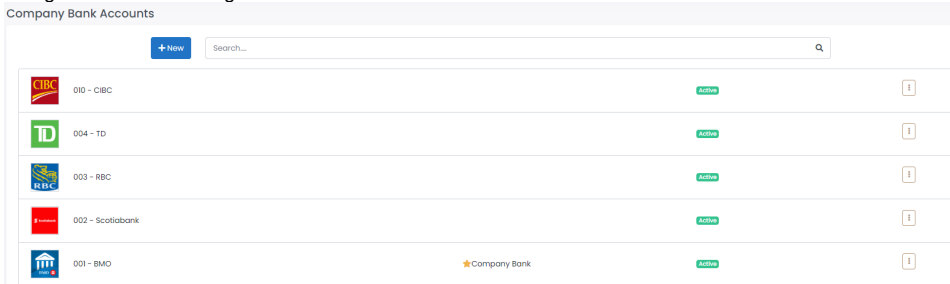
Tip: If you are looking to have multiple bank accounts for the employee, split by dollar amount instead of percentage, you can select 'Amount' in step #5 above instead of 'Percentage'. For the final account in which the remaining balance is supposed to go to, enter "0" for the amount.

Setup a Bank Account if missing from the list

1. Go to Payroll > Admin Settings > Bank Accounts > click **"+NEW"** > toggle **"Active Bank"** > enter the bank code and Bank name > save
2. Update employee profile as required : Payroll > Payroll Employees > Employee List > locate the employee and click **"..."** to expand > Payment method = Direct deposit > Go to Bank Account Tab > click **"+NEW"** > select, enter information > save.

Setting Up a Company Bank Account

1. Navigate to Admin Settings > Bank Accounts.



2. Harmony provides the major Canadian banking institutions out of the box, including CIBC, TD, RBC, Scotiabank, and BMO. If your banking institution is listed, go to step #5. If your employee's banking institution is not in this list, click the "+ New Bank" button to create a new one.
3. Enter the appropriate information into "Bank Code" and "Bank Name". If desired, you can also upload the bank's logo.
Note: "Bank Code" refers to the bank's institution number.
4. Ensure that the bank is made active by toggling on the "Active Bank" toggle.
5. Select the three (3) dots next to your bank to view the bank's details.
6. Ensure that this bank is indicated as the "Company Bank" by activating the relevant toggle.
7. In the "Bank Interfaces Groups" field, select your bank interface from the dropdown list. For example, if you are using Bank of Montreal, select the Bank of Montreal bank interface group. If your bank is not listed, select the "CPA - Standard 005" interface.
Note: The "CPA - Standard 005" bank interface is a 1464-byte file that is the CPA standard and is compatible with all Canadian banking institutions.
 - "Description": This field is how your company name will show in the bank. This will be provided by your banking institution.
 - "Next bank file sequence number": This is the next number in your bank files.
Note: If this is your first transmission out of Harmony, we highly recommend sending a test file to the bank first. Call the bank in advance before sending this test file to notify them. Your test file will have the sequence number "0000" and will change everytime after you've sent the file. Once you have sent the file, call the bank to ensure that your file was received properly. After confirmation, you can submit a real bank file.
 - The following fields are provided by your banking institution: "Originator number", "Originator's long name", "Receiving data centre", "Institution number", "Transit number", "Company account number", "Originator name", "Originator client number", and "Originator's sundry information".
 - "Currency code identifier": If your bank does not specifically ask for this, use the CPA currency rule.
 - "Item trace number format": If your bank does not specifically ask for this, use the CPA currency rule.
 - "Debit Record (Company Total)": If your bank does not specifically ask for this, leave this unchecked.
8. Click the "**Save**" button to save your changes.

Creating a Bank File

1. Process your payroll as normal. Ensure that you have at least one employee who is paid by direct deposit in your payroll. If you're using Harmony's payroll process wizard, this is the "Create Bank File" step. If you are not using Harmony's payroll process wizard, navigate to Processing > Create Bank File and skip to step #3.
2. Select your bank from the dropdown list and click the "**Save**" icon button at the top-right corner of the page.
3. Verify that the information is correct, especially the "Next bank file sequence number".
4. Click the "**Create**" icon button at the top right corner of the page.
5. Harmony will then create a bank file and download to your browser's default downloads folder.
Note: Ensure that you know where your browser's default downloads folder is. If you're not sure, look at your browser's settings or contact your IT department.
6. Transmit this downloaded file to the bank, by your bank's specified method.