



## Quick Guide: Direct Deposit

QuickBooks makes it easy to pay employees by direct deposit.

Once you've signed up for the direct deposit service and entered information for employees who want to be paid by direct deposit, QuickBooks automatically creates direct deposit orders for those employees when you create paychecks. All you have to do is send those orders to Intuit at the end of the payroll run.

There are two parts to setting up direct deposit:

- Sign up for direct deposit service and tell us about your bank account—where you want direct deposit funds to come from.
- Tell us which employees you want to pay by direct deposit and their bank account information—where you want direct deposit funds to be deposited.

### Signing up and validating your bank account

1. Click **Set Up Direct Deposit** in the Other Activities area on the Pay Employees tab and follow the on-screen instructions to sign up for direct deposit service, give us your bank account information, and create a direct deposit PIN (also called a “payroll service PIN”).

**Tips:** If you see the View Direct Deposit Status icon, you've already signed up for direct deposit service and validated your bank account. All you need to do now is tell us which employees you want to pay by direct deposit and provide their bank accounts.

If the on-screen instructions ask you to enter two one-time debits, you've already signed up for direct deposit, but you still need to validate your bank account. Go to step 2.

2. Check your bank account for two small withdrawals (under \$1.00 each) that we make and note the amounts. (It might take a day or two for these withdrawals to show up.)

By making these withdrawals, we validate that the bank account information you gave us is correct, and when you enter the amounts (in the next step), you verify that you are the person who has authorized access to the account. These two withdrawals are automatically refunded to your account several banking days after you complete direct deposit validation.

3. If necessary, click Set Up Direct Deposit again to see the Enter Two One-Time Debits page, and enter the amounts of the two withdrawals. Then click Next and follow the on-screen instructions.

Now you're ready to tell us about the employees you want to pay by direct deposit.

It's a good idea to have a record that your employee authorized you to pay by direct deposit, and an authorization form provides a convenient way to collect the necessary bank account information you'll need. Choose **Employees > Employee Forms > Direct Deposit Authorization** for a form you can use.

## Paying employees by direct deposit

1. Choose **Employees > Employee Center** (or click the Employees tab from the Payroll Center).
2. Double-click an employee who wants to be paid by direct deposit to edit the employee's information.
3. Click the **Payroll Info** tab, and then click **Direct Deposit**.

**Tip:** If you see a sign-up page instead of the Direct Deposit window, you need to go back to the previous steps to sign up for direct deposit and validate your bank account.

4. Check the **Use Direct Deposit for** box and supply the employee's bank account information. Then click **OK**.
5. Repeat steps 2 through 4 for each employee who wants to be paid by direct deposit.

Now, when you pay employees, you will see a checkmark in the Direct Deposit column next to each of these employees on the Review & Create Paychecks window. If you need to create a paper check for one of these employees instead of paying by direct deposit, you can just remove the checkmark.

When you create the paychecks, QuickBooks will remind you to click the Send to Intuit button send these direct deposit paychecks to Intuit for processing. If you forget to send, you'll see a To Send status in the Payroll History for this date as an additional reminder.

**Important:** You must send your direct deposit paychecks to Intuit **no later than 5 p.m. (Pacific time) two federal banking days prior** to the check date. Failure to do this will result in additional fees.

## Paying contractors by direct deposit

1. Choose **Vendors > Vendor Center**.
2. Double-click a 1099 vendor who wants to be paid by direct deposit.
3. Click the **Additional Info** tab, and then click **Direct Deposit**.

**Tip:** If you see a sign-up page instead of the Direct Deposit window, you need to go back to the previous steps to sign up for direct deposit and validate your bank account.

4. Check the **Use Direct Deposit for** box and supply the employee's bank account information. Then click **OK**.
5. Repeat steps 2 through 4 for each 1099 vendor who wants to be paid by direct deposit.

Now, you can pay this 1099 vendor by direct deposit whether you write a check or pay a bill, and QuickBooks will remind you to send these direct deposit payments for processing.

**Important:** Because of the time it takes to process bank transfers, you must send your direct deposit payments to Intuit **no later than 5 p.m. Pacific time two days prior** to the check date. Failure to do this will result in additional fees.