



# **Hot Topics in Payment Services and on TexPayment Resource**

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**Accounting Policy Meeting  
July 24, 2018**

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# TexPayment Resource

You can find the latest **Updates** to the website from [TexPayment Resource's Home tab](#).



The screenshot shows the home page of the TexPayment Resource website. At the top, there is a banner with the text "TexPayment Resource" in a stylized font. Below the banner is a navigation menu with tabs for "Home", "General Provisions", "Payment Processing Policy", "Payee Setup and Maintenance", "Direct Deposit", "Warrant Hold", and "Batch Transactions". The "Home" tab is selected. On the left side, there is an "Updates" section with a list of recent updates, including "Added SSN / ITIN / EIN Validation Rules" (06/15/2018) and "Updated Policy on Letters of Indemnity" (03/16/2018). The main content area is titled "TexPayment Resource" and includes a "Note" about the definition of "agency", a paragraph explaining the website's purpose, and a "Tips for Finding Information" section with a list of search tips. On the right side, there is a "Search This Guide" box and a vertical menu with links for "Training", "Reference", "Forms", "Reports", "Resources", "Tools", "Searches", "Calendars", and "Contacts".

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### Updates

**06/15/2018**  
Added [SSN / ITIN / EIN Validation Rules](#)

**03/16/2018**  
Updated [Policy on Letters of Indemnity](#)

**08/25/2017**

- New [Payee Warrants on Hold and Released \(PYWTHB\)](#) screen
- Updated [TINS Inquiry Menu \(INQMEN\)](#) screen
- Updated [Hold Inquiry Screens](#) section

### TexPayment Resource

Issued: May 12, 2017

FPP P.007

**Note:** Unless specifically noted otherwise, "agency" includes institutions of higher education.

The Texas Comptroller of Public Accounts created this website to provide state agencies and institutions of higher education a comprehensive resource for state payee processing information, including the warrant hold program.

The website includes instructions on how to enter payee data and make inquiries in the Texas Identification Number System (TINS). TINS is the Comptroller statewide system for tracking payee and payment information. You can also quickly and easily search for payment-related information.

Please contact the [Payment Services section](#) of the Fiscal Management Division to discuss your specific situation or for clarification about any topic found in this resource.

### Tips for Finding Information

- Search for any term in the box on the right at the top of every page.
- Browse the headings under the tab on the subject of your question.
- Use the [Table of Contents](#) site map.
- Go directly to:
  - [Quick Reference for TINS Screens](#)
  - [Inquiry Screen T-Codes and Descriptions](#)
  - [Online Entry T-Codes and Descriptions](#)
- Links in gold take you to the [Glossary/Acronyms](#).

### Training Available

Payment Services offers both classroom and web-based training on TINS and related subjects.

Please see the training links in the right feature box. Specialized training for your agency is also available upon request.

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# Letters of Indemnity



From the **Direct Deposit** tab, choose:

- **Direct Deposit Payments Made in Error** left navigation menu
- [Policy on Letters of Indemnity](#) left sub-navigation menu



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## Direct Deposit

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Payroll Reversals

Policy on Letters of Indemnity

Promoting Direct Deposit

## Direct Deposit Payments Made in Error Policy on Letters of Indemnity

When a state agency issues an erroneous **direct deposit** payment, and the five banking-day period has expired for requesting an **ACH reversal**, there is **no NACHA-sanctioned alternative for the Comptroller's office to attempt to recover the funds**. In these situations, the **Receiving Depository Financial Institution (RDFI)** typically requests a Letter of Indemnity from the **Originating Depository Financial Institution (ODFI)**, the state's contracted financial institution, in order to return the erroneous payment from the unintended receiver's account.

The ODFI is **prohibited from providing Letters of Indemnity** to the RDFI. Additionally, state agencies and institutions of higher education may not request a Letter of Indemnity from the state's ODFI. This policy is in accordance with [Attorney General Opinion MW-475 \(1982\)](#), as well as [Section 49, Article III of the Texas Constitution](#), which states in part, "No debt shall be created by or on behalf of the State."

In these circumstances, resolution may only be achieved by direct communication between the **payee** and their financial institution.

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# “3” Numbers



From the **General Provisions** tab, choose:

- **Payee Number Requirements** left navigation menu
- **Comptroller-assigned Payee Numbers** left sub-navigation menu

**TexPayment Resource**

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**Payee Number Requirements**

## Comptroller-assigned Payee Numbers

### Comptroller-assigned TIN

Agencies may need to make payments to businesses located outside the United States or to foreign individuals who reside in the U.S. Some of these payees may have an EIN, SSN or ITIN, while others may not. If the payee is a foreign entity or non-resident alien who does not have an EIN, SSN or ITIN:

- Perform a name search on the payee's name to check if another agency has already set up the payee under a Comptroller-assigned number.
- If not, contact [Payment Services](#) to request a Comptroller-assigned TIN. Payment Services will provide your agency with a number that begins with 3.

If your agency makes multiple or recurring payments for goods and services to a foreign payee, the foreign payee should apply for an SSN, ITIN or EIN when appropriate. Some countries have a treaty with the United States stating which entities do not have to have an EIN in order to do business within the U.S. To determine if a foreign business needs an EIN, contact IRS business assistance at (800) 829-4933.

If the foreign payee receives an SSN, ITIN or EIN, submit a [Payee Change Request form \(74-157\)\(login required\)](#) to have Payment Services change the Comptroller-assigned number to the new number.

### System-generated Random Number

To protect confidentiality, TINS will assign the payee a randomly based 7 TIN for an SSN or ITIN.

**CAUTION: Comptroller Taxpayer Identification Numbers**

Agencies must **not** use the 11-digit Comptroller-assigned Taxpayer Identification Number (TP Number) in TINS. TP Numbers begin with **30xxxxxxxxx, 32xxxxxxxxx, 38xxxxxxxxx or 39xxxxxxxxx.**

**Do not:**

- Set up payees or debtor hold records under TP Numbers.
- Issue payments under TP Numbers or their mail codes that begin with T.
- Set up numeric mail codes under a TP Number.

These actions are monitored and will be inactivated if set up by a state agency, which will prevent payments from being issued.

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## Fraud Prevention

- PS Forms and Web Forms
- Handouts with **Tips and Best Practices** coming soon to the TexPayment Resource website!



# Questions?





# Thank You!

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