Introduction to SEPA in Blackbaud CRM

SEPA is the Single Euro Payments Area as defined by the European Commission. See the SEPA pages on the European Commission website for more information. When you add bank accounts in *Treasury*, you specify the banking system, such as "USA (ACH)" or "Europe (SEPA)."

In order to process direct debit payments in euros from a constituent with a bank account which uses the "Europe (SEPA)" banking system, the organization must have a signed SEPA mandate on file from the constituent which authorizes the organization to draw funds from the constituent's account. In the **Mandate** field, which appears when you add any type of revenue or a pledge for a constituent with a payment method of direct debit, select an existing mandate for the constituent or you can add a new one.

SEPA Banking Systems and Your Accounts

In order to process payments from a SEPA banking system, you must first set up the banking system. In *Treasury*, click **Banking systems** to enable or disable the banking systems your organization uses to process direct debit transactions. One banking system option is **Europe (SEPA),** the Single Euro Payment Area banking system. "BIC" and "Account number (IBAN)" display in many related areas of the program where **Europe (SEPA)** is the selected banking system.

When more than one banking system is enabled, the **Banking system** field as well as fields associated with the enabled banking system, such as routing number or BIC (or bank identifier code) fields, display throughout the program. When only one banking system is enabled, these fields do not appear.

Note: In some areas of the program, such as the bank account page, when "Europe (SEPA)" is the selected banking system, the **Account number** column header does not change.

After you set up the banking systems, you must set up your organization's bank accounts. In order for the bank to process direct debit payments, you must enter two pieces of information for the bank account: the **Initiating party name**, which is the name of your organization as the bank recognizes it, as well as the **Creditor ID**, which is an identifier used to represent your organization as an authorized "biller." Billers may have to request this identifier according to local practice.

After you add a bank account, you can click **Add SEPA information** on the bank account page to enter this information. After the information is entered, you go to the SEPA Information tab and click **Edit** to change it, if needed.

Constituents, Bank Accounts, and SEPA

With the banking systems and your organization's bank accounts set up in *Treasury*, you can then enter information in *Constituents* about the financial institutions your constituents use. You manage this information on the Constituent Financial Institutions page. To access the Constituent Financial Institutions page from *Constituents*, click **Constituent financial institutions** under **Configuration**.

Under **Constituent financial Institutions**, you can view financial institutions in the database. For each institution, you can view information such as its name, branch name, and routing number. You enter this information when you add the financial institution to the database.

> *Note:* Depending on the banking systems enabled for your organization, additional columns that represent banking system and routing number or BIC information may display on this page. You can enable or disable banking systems for your organization from the **Banking systems** link in *Treasury*.

After the constituent financial institutions are set up, you can associate those institutions with your constituents, as well as enter and manage specific bank account details, such as the name on the account and the account number.

From a constituent record, click the Revenue tab and then click the Accounts tab. From here you can add and edit account information. If the account is a SEPA banking system account, any SEPA mandates for the constituent's account will appear after they have been associated with revenue or a pledge from the constituent. To add a SEPA mandate, see Add a SEPA Mandate on page 2. For information on how to edit a SEPA mandate, see Edit a SEPA Mandate on page 2.

Add a SEPA Mandate

In order to process direct debit payments in euros from constituents, the organization must have a signed SEPA mandate on file from the constituent which authorizes the organization to draw funds from the constituent's account from the "Europe (SEPA)" bank.

When you add any type of revenue or a pledge for a constituent with a payment method of direct debit, you select the bank account to use. If the revenue is in euros and is drawn from a SEPA bank, you will also need to enter or select a SEPA mandate in order to process the revenue. By default, **Mandate ID** is automatically generated; however, you can override this if needed. You also enter a signature date indicating the date when the constituent signed the mandate which authorizes the organization to draw funds from the SEPA bank.

In addition, you specify whether the mandate is one-off for a single transaction or recurrent and can be used for more than one transaction. You also select the status of the mandate. If there is no signature date for the mandate, the status is "Pending signature." After the signature date is entered, the status is "Active." If you change the status to "Active" manually, the signature date is required. If you remove the signature date from a mandate, the status is automatically set back to "Pending signature." After a payment is entered with a one-off SEPA mandate, the mandate status is changed to "Closed."

Edit a SEPA Mandate

In order to process direct debit payments in euros from constituents, the organization must have a signed SEPA mandate on file from the constituent which authorizs the organization to draw funds from the constituent's account.

You can edit the mandate as needed, such as to add the signature date after the constituent has signed and returned the SEPA mandate form. If there is no signature date for the mandate, the status is "Pending

signature." After the signature date is entered, the status is "Active." If you change the status to "Active" manually, the signature date is required. If you remove the signature date from a mandate, the status is automatically set back to "Pending signature." After a payment is entered with a one-off SEPA mandate, the mandate status is changed to "Closed."

You can edit the mandate from the constituent's Accounts tab. You can also edit mandate information from a direct debit payment or pledge which has been associated with a mandate.

Direct Debit Payments and SEPA Banking Institutions

When you create a direct debit file process, the **Banking system** field appears if your organization has more than one banking system configured in the **Banking systems** configuration task in *Treasury*, such as ACH accounts for US banks and SEPA accounts for European banks. This field displays the type of banking system for the bank account you selected. If you generate a direct debit file for a SEPA bank account, you download the transmission file in the PAIN.008 XML format for those banks to process.