

## **DIRECT DEPOSIT REQUEST - EXTERNAL APPLICANTS INSTRUCTIONS**

**INTER:** 20-545E (2019-07-04)

One bank account registration per business address will be accepted.

If the applicant's account name is not IDENTICAL as the vendor name used for payment in the financial system, the direct deposit will be rejected by the bank.

The Direct Deposit request form should be filled out by applicants holding a Canadian currency bank account in Canada only.

In accordance with the *Income Tax Act*, all unincorporated entities must provide their social insurance number (SIN) or Business Number (BN) and all incorporated entities must provide their Business Number (BN) when entering in a **contract for services and/or payments for products, expenses, or reimbursements** with a federal department or agency, or Crown corporation. Each time you do not provide your SIN when you are supposed to, the Canada Revenue Agency may charge you a \$100 penalty. The SIN and BN are not required for Grants and Contributions payments and Trust fund payments.

Confirmation of the test payment is REQUIRED from the applicant prior to activate the direct deposit. In the event of a technical problem with the direct deposit system, payments could be sent to the address as indicated on the request form.

The applicant will continue to receive payment according to the method currently in effect (by cheque or direct deposit) until the request is processed.

Note that direct deposit payments carry no stub information but a payment notification will be sent to the email address indicated on the request form. This notification will contain the amount of the payment, the invoice number and a description of the payment. To ensure that the payment notifications are not caught in your spam filters, add [aadnc.depotdirect-directdeposit.aandc@canada.ca](mailto:aadnc.depotdirect-directdeposit.aandc@canada.ca) to your address book.

You must inform the department of all modifications to be made to your account (financial institution, Branch Transit number, account number) and fill out a new Direct Deposit Request form. If you do request a modification to your profile, DO NOT CLOSE THE ACCOUNT which is presently serving as the direct deposit until you receive the payment reflecting your request of modification. For all other modifications (postal address, email address, telephone number, etc.), please send the request to your departmental contact.

Please see the list of [exceptions to direct deposit](#) on the next page. Please specify the exception number on the Form (first page).

**Return completed form to** the Officer who provided it to you or to:  
Manager of Corporate Accounting,  
10 Wellington, Room 1139, Ottawa, ON. K1A 0H4

**Keep a copy of this form and instructions in your personal files.**

**\*\*You should receive your first direct deposit within three (3) months after you send us this form. In the meantime, we will continue to send you a cheque.**

**Please be aware that your direct deposit request will also be used to issue payments from the Canadian Northern Economic Development Agency**

## EXCEPTIONS TO DIRECT DEPOSIT

1. The recipient is unable to obtain a bank account.
  - The unbanked recipient is unable to meet the basic banking requirements for opening a bank account as per the [Access to Basic Banking Services Regulations](#).
2. The recipient is unable to obtain a bank account due to living in a remote location.
  - The unbanked recipient lives in a remote location where there is no financial institution present within 50km.
3. Cheques issued in Canadian dollars to recipients living in a foreign country where direct deposit is not available.
  - The Receiver General does not have direct deposit arrangements with every foreign country and in some cases a cheque must be issued. The Government of Canada currently has 48 countries where direct deposit is available.
4. Payments issued to members of religious groups that do not have a community or church bank account.
  - Religious groups that have taken a vow of poverty and cannot have a bank account, requiring cheques to be issued.
5. Canadians with health or aging issues that prevent them from managing a bank account.
  - Individuals whose advanced age or state of physical or mental health prevents them from managing a bank account may continue to receive cheques.
6. Payments to closed businesses who no longer have a bank account.
  - If a business has ceased operations and their business bank account is closed and cannot be re-opened because they are no longer that business, in some circumstances a cheque must be issued.
7. Canada Pension Plan or Old Age Security Assignment of Benefits payments.
  - Under section 65 of the *CPP Act* and 36 of the *OAS Act*, ESDC is not allowed to assign benefits under a name other than the payee. In some cases this requires payment by cheque.
8. Payments to inmates upon release.
  - Corrections and Conditional Release Regulations 120(2) and Commissioner's Directive 860 require immediate payment when releasing an inmate and as such a cheque will be required.
9. Payments issued by law enforcement for covert or operational purposes.
  - In some cases the payee is at risk of physical harm and cannot use electronic payment methods.
10. Payees no longer participating in Department of Agriculture programs.
  - The special bank account created for the recipient has been closed and a one-time reimbursement payment needs to be issued by cheque.
11. Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)/Indigenous Services Canada (ISC) Trust payments.
  - Payments of funds held in trust for individuals, especially minors reaching age of majority, will often need cheques as a bank account is not available.

12. Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)/Indigenous Services Canada (ISC) Treaty payments.
- Payments distributed on a reserve by a Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)/Indigenous Services Canada (ISC) employee require the issuance of a cheque.
13. Third party payments (including payments to long term care facilities, private pension plans, law/litigation offices, public trust entities and third party GST/HST credits, and payments to estates with no bank account).
- **Long term care facilities** - Payments for recipients who are residents in long term care facilities may need to be issued by cheque. Facilities often cannot accept direct deposit.
  - **Private Pension Plans** - RRSP accounts that don't have the ability to receive payment by direct deposit will require a cheque.
  - **Law/Litigation Offices** - Direct deposit is not an option as the law office requires details regarding payments relative to specific cases. These payments also typically include legal paperwork that must be completed and exchanged along with the payment or could result in the disbursement of the payment among multiple payees.
  - **Public Trust Entities** - Payments to Public Trustees or Curateur Public require cheques.
  - **3'd Party GST/HST Credits** - Payees, often in Native Bands, authorize to have their payment sent to a 3'd party and a cheque is required to process the payment.
  - **Payments to Estate** - Death benefit payments to an estate with no bank account where direct deposit is unavailable.
14. Payments for Residential Settlement Claims are being phased out and have a very low volume of cheques left to be issued and will therefore be granted an exception to direct deposit, when required.