

TEXAS SOUTHERN UNIVERSITY
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Fiscal Affairs

NUMBER: 03.04.01

AREA: Payroll

SUBJECT: Direct Deposit of Salaries

I. PURPOSE AND SCOPE

The scope and purpose of this policy outlines the procedures regarding the direct deposit of employees' salaries. This policy is in accordance with Texas Government Code, section 403.016, which states that the comptroller "shall use the electronic transfer system to pay an employee's net state salary and their travel expense reimbursements." This results in salary payments being deposited directly into payees' accounts in financial institutions.

II. POLICY PROVISIONS

- A. Under section 403.016 of the State Government Code, salary payments to employees will be made through direct deposit to the employee's bank accounts, unless the employee meets an authorized condition for exemption as codified in § 403.016 of the Government Code.
- B. The requirement for direct deposit applies to all employees - bi-weekly (including students and part-time hourly employees) and monthly (including part-time administrative staff and faculty).
- C. All university employees are required to have their salary paid electronically. To have their salary deposited to their bank account, an employee completes a Direct Deposit Authorization Agreement (Addendum A) through the Human Resources office. Employees who do not complete this authorization agreement before payroll is processed will have their salary electronically deposited to a university issued debit card (E-card).
- D. The Office of Human Resources will provide additional information and procedures for direct deposit enrollment to new employees during the new employee orientation process.
- E. On the first and possibly second payday following data entry of the direct deposit information into Banner, a regular paycheck may be issued. Automatic direct deposit of payroll funds will occur following a successful "pre-note" test from the employee's bank.

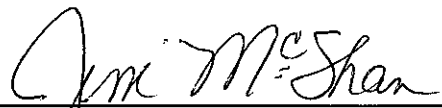
- F. Employees are responsible for contacting the financial institution directly to confirm the deposit to their account prior to expending the funds. Although financial institutions normally make deposited pay available no later than payday, each financial institution has its own policy.
- G. When a direct deposit is reversed, Texas Southern University requires that the money be returned to the University from the bank before a replacement or corrected check is issued to the employee.
- H. If a problem occurs that cannot be readily resolved between the employee and the financial institution, the employee should contact the university Payroll Department.
- I. Personnel Action Forms (PAFs) to end assignments and terminate employment should be processed immediately. Departments will notify payroll staff via e-mail or phone call when a termination falls after a payroll deadline to ensure termination of direct deposit at the appropriate time.
- J. Participants in the direct deposit program may request that funds be deposited to more than one bank account. All financial information should be verified by the financial institution(s) to ensure that funds are deposited to the employee's account(s) accurately and timely. If bank account information changes, the employee is responsible for timely notification to the Payroll office and for updating their information.

III. REVIEW AND RESPONSIBILITIES

Responsible Party: Chief Financial Officer

Review: Every three years, on or before September 1

IV. APPROVAL



Vice President for Finance



President

Effective Date: 11/23/09

ADDENDUM A

For Internal Use

Entered by: _____

Verified by: _____

Date: _____

TEXAS SOUTHERN UNIVERSITY

Direct Deposit Authorization Agreement

Pursuant to Section 403.018, Texas Government Code, I authorize Texas Southern University to deposit by electronic transfer payments owed to me by the State of Texas and, if necessary, debit entries and adjustments for any amounts deposited electronically in error. Texas Southern University shall deposit the payments in the financial institution and account designated below. I recognize that if I fail to provide complete and accurate information on this authorization form, the processing of the form may be delayed or that my payments may be erroneously transferred electronically.

I consent to and agree to comply with the National Automated Clearing House Association Rules and Regulations and the Comptroller's rules about electronic transfers, as they exist on the date of my signature on this form or as subsequently adopted, amended or repealed.

EMPLOYEE INFORMATION

(Please print)

Employee ID Number	Social Security Number	Department	
Name		Office Phone Number	
Mailing Address	City	State	Zip Code
Authorized Signature		Date	

BANK INFORMATION

Transaction Type (Check One): New Setup Cancellation Change Account Number

1. I wish to deposit: \$ _____ % of <input type="checkbox"/>		Entire Net Amount	
Bank Name	Account Number	Accounts Payable <input type="checkbox"/>	Payroll <input type="checkbox"/>
Routing Number	City	Type of Account: Checking <input type="checkbox"/>	Savings <input type="checkbox"/>
Bank Address	State	Zip Code	
1. I wish to deposit: \$ _____ % of <input type="checkbox"/>		Entire Net Amount	
Bank Name	Account Number	Accounts Payable <input type="checkbox"/>	Payroll <input type="checkbox"/>
Routing Number	City	Type of Account: Checking <input type="checkbox"/>	Savings <input type="checkbox"/>
Bank Address	State	Zip Code	
1. I wish to deposit: \$ _____ % of <input type="checkbox"/>		Entire Net Amount	
Bank Name	Account Number	Accounts Payable <input type="checkbox"/>	Payroll <input type="checkbox"/>
Routing Number	City	Type of Account: Checking <input type="checkbox"/>	Savings <input type="checkbox"/>
Bank Address	State	Zip Code	