Direct Deposit - Payroll and Non-Payroll Payments

Revised: 06/15
FSS/PPS No. 03.01.12
Issue No. 4
Reviewer: Director, Payroll and Tax Compliance
Effective Date: 06/01/01 (E5Y)
Review Date: 06/20

01. PURPOSE

01.01 This PPS establishes policies and procedures for processing payments to employees, students and university vendors for payroll and non-payroll items via electronic direct deposit. Please refer to FSS/PPS No. 03.03.01 for direct deposit policies and procedures for processing payments to students for tuition and fee refunds and financial aid residuals.

02. POLICY

02.01 Direct deposit is available to all employees, students and university vendors.

02.02 Payments will be made via direct deposit for both payroll and non-payroll items. Payroll payments include salaries, as well as performance and achievement awards. Non-payroll items include vendor payments and travel and business expense reimbursements.

02.03 Payments to employees choosing direct deposit will be made to the same bank/financial account for both payroll and non-payroll items. There is no option to be on direct deposit for payroll and not on direct deposit for non-payroll items or vice versa.

02.04 Changes to the employee's direct deposit record may be made via the SAP Portal's My Bank option, in person at the Payroll and Tax Compliance Office or via U.S. Mail. Changes to banking information may only be applied when payroll processing is not occurring. Refer to Section 03 Deadlines and Effective Dates.

02.05 Changes to a vendor’s direct deposit record may be made by submitting a Vendor Direct Deposit Authorization form to Procurement and Strategic Sourcing via email or fax. Changes to banking information will be applied only to payments that have not yet entered processing.

03. PROCEDURES

03.01 Activation - An authorization form must be completed to request payments be made via direct deposit. Refer to Section 04. Forms for appropriate authorization for payroll and non-payroll items.

03.02 Deadlines and Effective Dates:
(a) Payroll payments - To assure direct deposit of payroll payments on the following pay dates, an employee must enroll electronically, in person or via mail by the deadlines indicated below:

1. Faculty and staff paid on the 1st of each month - due on the 20th of each month to take effect on the upcoming payroll.

2. Student and wage employees paid on the 15th and last working day of each month - authorization forms are due on the 1st of each month to take effect on the 15th pay date or the 15th of each month to take effect for the final paycheck of that month.

(b) Non-payroll items - Generally, all received forms are processed on a daily basis by Procurement & Strategic Sourcing.

03.03 Changes or Termination of Direct Deposit

(a) Payroll payments - Employees may change their direct deposit information via the SAP Portal, in person at the Payroll and Tax Compliance Office or via mail. Employees may only terminate their direct deposit agreements in person at the Payroll and Tax Compliance Office.

(b) Non-payroll Payments - University vendors may change or terminate their direct deposit information by emailing or faxing the request to Procurement & Strategic Sourcing.

03.04 E-Mail Notices - Employees will be notified via a University e-mail account of the direct deposit of non-payroll payments. No other form of notification will be sent. If applicable, a listing of multiple Travel Vouchers and/or Payment Requests will be included in the e-mail message.

03.05 All employees may view or print their earnings statements online at https://ibis.sap.txstate.edu:50001/irj/portal

03.06 Rejected or misapplied payments are normally processed on the day the bank notification is received. For payroll items, a replacement check will be promptly issued. For non-payroll items, it may either be re-issued as a replacement check or a direct deposit. In either case, the Payroll and Tax Compliance Office or the General Accounting Office will contact the recipient, about the erroneous payment. In the event that an employee has withdrawn funds which were erroneously credited to their account and the University is unable to execute a reversal of the erroneous entry, the University will contact the employee about repayment of the funds. If the employee remains employed by the University, the overpayment may be deducted from other amounts subsequently paid (for either payroll or non-payroll items). Otherwise, the employee will repay the overpayment via check, certified check, etc., as determined by the Payroll and Tax Compliance Office or the General Accounting Office.
03.07 Closing Bank Accounts - Employees are advised to contact the Payroll and Tax Compliance Office when contemplating closing their bank account(s), to assure that direct deposit payments are not in transit and to minimize the possibility of delayed payments.

03.08 Employee Responsibility - Employees should verify the electronic deposits with their financial institutions before withdrawing funds. Employees are responsible for repayment to the University of all funds which are erroneously credited via direct deposit. Failure to repay funds will constitute theft of State assets and violators will be prosecuted.

03.09 The University reserves the right to terminate direct deposit authorizations for employees, students or vendors, due to extenuating circumstances (such as financial obligations owed by the employee to the university). The employee, student or vendor will be contacted when such issues arise.

04. FORMS

04.01 Direct deposit authorization forms for payroll items are available from the Payroll and Tax Compliance Office, JCK 582 or may be downloaded from their website at: Direct Deposit Authorization Form

Hard-copy request forms require the submittal of a void check or bank letter to ensure the accuracy of banking information.

04.02 Direct deposit authorizations for non-payroll items are available on the Procurement and Strategic Sourcing website at: http://www.txstate.edu/gao/procurement/Vendor-Maintenance

05. MAJOR RESPONSIBILITIES ASSOCIATED WITH THIS PPS

Major responsibilities for routine assignments associated with this PPS include the following:

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06. CERTIFICATION OF STATEMENT

This FSS/PPS has been approved by the following individuals in their official capacities, and represents FSS policy and procedure from the date of this document until superseded.
Director, Payroll and Tax Compliance, Senior Reviewer

Vice President for Finance and Support Services

Approved: __________________________
          Reviewer

Approved: __________________________
          Vice President for Finance
          and Support Services