**Direct Deposit - Payroll and Non-Payroll FSS/PPS No. 03.09**

**Payments Issue No. 5**

**Effective Date: 09/22/2020**

**Next Review Date: 06/01/2025 (E5Y)**

**Sr. Reviewer: Director, Payroll and Tax Compliance**

**01. POLICY STATEMENT**

01.01 This document establishes policies and procedures for processing payments to employees, student workers, and university vendors for payroll and non-payroll items via electronic direct deposit. Please refer to [Student Business Services Refund Information](https://www.sbs.txstate.edu/students/refunds.html) in regard to policies and procedures for processing direct deposit tuition and fee and financial aid refunds to students.

**02. POLICY**

02.01 Direct deposit is available to all employees, including undergraduate and graduate student workers, 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 or 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 Employees can make changes to their direct deposit record via the S[AP Portal](https://www.txstate.edu/sap/) My Personal Profile 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 is not processing (see Section 03.02, for Deadlines and Effective Dates).

02.05 Vendors can update their direct deposit information by submitting their updated information into the university vendor portal [PaymentWorks](https://www.txstate.edu/procurement/resources/VENDOR-Self-Service.html).

**03. PROCEDURES**

03.01 Activation – The employee must enroll electronically on the [SAP Portal](https://www.txstate.edu/sap/), in person, or via U.S. mail to request payments be made via direct deposit (see 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 on the [SAP Portal](https://www.txstate.edu/sap/), in person, or via U.S. mail on or before these deadlines:

1) faculty and staff paid on the first of each month - due on the 20th of each month to take effect on the upcoming payroll; and

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

b. Non-Payroll Items – Generally, Procurement & Strategic Sourcing processes all submitted [PaymentWorks](https://www.txstate.edu/procurement/resources/VENDOR-Self-Service.html) requests within 48 hours.

03.03 Changes or Termination of Direct Deposit

a. Payroll Payments – Employees may change their direct deposit information via the [SAP Portal](https://www.txstate.edu/sap/), in person at the Payroll and Tax Compliance Office, or via U.S. mail. Employees may only terminate their direct deposit agreements in person at the Payroll and Tax Compliance Office.

b. Non-Payroll Payments – University vendors must update their direct deposit information by submitting their updated information into the university vendor portal [PaymentWorks](https://www.txstate.edu/procurement/resources/VENDOR-Self-Service.html).

03.04 Email Notices – Employees will be notified via a university email 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 or payment requests will be included in the email message.

03.05 All employees may view or print their earnings statements online via the [SAP Portal.](https://www.txstate.edu/sap/)

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 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 accounts, 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 because of 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](https://www.txst.edu/payroll/resourcesforms/directdeposit.html) for payroll items are available from the [Payroll and Tax Compliance Office](http://www.txstate.edu/payroll/). Payroll direct deposit hard-copy requests must include a voided check.

**05. REVIEWERS OF THIS PPS**

05.01 Reviewers of this PPS include the following:

Position Date

Director, Payroll and Tax Compliance June 1 E5Y

Director, Accounting June 1 E5Y

Director, Procurement and Strategic Sourcing June 1 E5Y

**06. CERTIFICATION STATEMENT**

This PPS has been approved by the following individuals in their official capacities and represents Texas State Finance and Support Services policy and procedure from the date of this document until superseded.

Director, Payroll and Tax Compliance; senior reviewer of this PPS

Associate Vice President for Financial Services

 Executive Vice President for Operations, Chief Financial Officer