



**TEXAS SOUTHERN UNIVERSITY**  
**MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES**

**SECTION: Fiscal Affairs**  
**AREA: Payroll**

**Policy 03.04.01**

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| <b>SUBJECT: Direct Deposit of Salaries</b> |
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**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.
- 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: Associate Vice President/CHRO



Review: Every three years, on or before September 1

**APPROVAL**

Edward Ness  
Vice President for Administration & Finance

John Rudley  
President

Effective Date: July, 2015



I authorize Texas Southern University to deposit my payments from the university to my financial institution(s) electronically for both payroll and non-payroll items (such as travel reimbursements) to my account(s) listed below. I further authorize Texas Southern University to reverse any payments made to my account(s) in error. I understand that changes must be submitted to the Texas Southern University's Payroll Department before processing begins for that payroll cycle. I agree that if changes occur in my account, i.e., switching account from checking to savings, changing banks, etc. it is my responsibility to contact the Payroll Department immediately. 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. Employees may only cancel their direct deposit agreements in person at the Payroll Department. I cannot hold Texas Southern University responsible for my failure to provide timely notification of such changes.

Employees are responsible for verifying that funds are posted and available in their account prior to spending against them. Texas Southern University will not be responsible for insufficient funds, overdrafts, returned items or other fees charged by the bank caused by my failure to verify that the funds have been posted and are available.

I further understand that Texas Southern University will comply at all times with the National Automated Clearing House Association's rules. (For further information on these rules, please contact your financial institution.)

**Privacy Notice:** Under Ch. 559, Government Code, requires that you be informed of the following: (1) You are entitled to request to be informed of the information about yourself collected by use of this form (with a few exceptions as provided by law); (2) you are entitled to receive and review that information; and (3) you are entitled to have the information corrected at no charge to you.

Transaction Type

SECTION 1
New setup
Change financial institution
Change account number
Change account type
Cancellation

Employee Identification

SECTION 2
TSU ID Number or Social Security Number (SSN)
Payee name
Mailing address
City
State
ZIP code
Mail code (If not known, leave blank.)
Phone number ( ) ext.

Banking Institution

SECTION 3
Banking institution name
City
State
Routing transit number (9 digits)
Customer account number (maximum 17 characters)
Type of account: Checking, Savings
Banking representative name (optional)
Banking Phone number (optional) ( ) ext.
I wish to deposit \$
I wish to deposit Entire Net Amount

SECTION 3
Banking institution name
City
State
Routing transit number (9 digits)
Customer account number (maximum 17 characters)
Type of account: Checking, Savings
Banking representative name (optional)
Banking Phone number (optional) ( ) ext.
I wish to deposit \$
I wish to deposit Entire Net Amount

Authorized Signature

sign here Signature
Phone number ( ) ext.
Date

For Payroll Use Only

Entered by:
Verified by:
Entry Date: