

I. POLICY STATEMENT

Texas Southern University shall compensate employees through electronic funds transfer in accordance with applicable provisions of the **Texas Government Code § 403.016** and other governing laws. The University requires the use of direct deposit for salary payments to ensure timely, secure, and efficient disbursement of payroll, subject to any authorized exceptions permitted by law.

II. PURPOSE AND SCOPE

The purpose of this policy is to outline the procedures regarding the direct deposit of employees' salaries. This policy aligns with **Texas Government Code § 403.016**, which mandates that the Comptroller use the electronic transfer system to pay an employee's net state salary and travel expense reimbursements. This results in salary payments being deposited directly into payees' accounts in financial institutions. This policy applies to all University employees—including full-time, part-time, and student employees—who receive compensation through the University payroll system.

III. POLICY PROVISIONS

A. Statutory Requirement: Under **Texas Government Code § 403.016**, salary payments will be made through direct deposit unless the employee meets an authorized condition for exemption as codified in the statute.

B. Applicability: The requirement for direct deposit applies to all employees, including bi-weekly (students and part-time hourly) and monthly (part-time administrative staff and faculty) pay cycles.

C. Enrollment: All University employees must have their salary paid electronically. To initiate this, an employee must complete a **Direct Deposit Authorization Agreement** through the Human Resources office.

D. New Employees: The Office of Human Resources provides direct deposit enrollment information and procedures during the new employee orientation process.

E. "Pre-note" Process: Following the data entry of direct deposit information into Banner, a paper paycheck may be issued for the first (and potentially second) pay cycle. Automatic direct deposit begins only after a successful "pre-note" test from the employee's financial institution.

F. Employee Responsibility: Employees are responsible for verifying the deposit with their financial institution prior to expending funds. Each institution maintains its own policy regarding when funds are made available.

G. Reversals: If a direct deposit is reversed, the University requires the funds to be returned by the bank before a replacement or corrected check is issued to the employee.

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H. Conflict Resolution: If a deposit issue cannot be resolved between the employee and the financial institution, the employee should contact the University Payroll Department.

I. Terminations: Personnel Action Forms (PAFs) to end assignments or terminate employment must be processed immediately. Departments must notify payroll staff via email or phone if a termination occurs after a payroll deadline to ensure direct deposit is stopped at the appropriate time.

J. Multiple Accounts: Participants may request deposits into more than one bank account. Employees are responsible for verifying all financial information with their institutions and providing timely notification to the Payroll office of any account changes.