

Direct Bank Depositing of Employee Wages

FIN-PAY-IV-20



About This Policy

Effective Date:

11-01-2009

Last Updated:

11-11-2013

Responsible University Office:

Financial Management Services

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

Mary Byrde

Director, Payroll and FMS Support

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Related Information

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Scope

Policy applies to all people paid through the University payroll system.

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Policy Statement

Effective January 1, 2008, all people paid through the University payroll system (including staff, faculty, graduate students, retirees and hourly employees) are required to utilize direct deposit for payroll. This change revokes original policy language from 2006 that grandfathered employees employed prior to December, 2006.

Indiana University shall provide the service of direct bank depositing of all wages and salaries. It shall be the responsibility of each employee or retiree to enter direct deposit information in the Employee Center in OneStart or complete the prescribed application for this service and to give adequate notice for changes in the application or termination of the application. Employees or retirees who have not entered their direct deposit information via the Employee Center or completed the prescribed application for this service prior to receiving their first paycheck will automatically be issued a paycard by the central payroll department. All wages will be deposited on the card until direct bank deposit information is received.

For those employees or retirees who are unable to have their funds directly deposited into the bank account of their choice, Indiana University will immediately issue a paycard and deposit all wages and salaries on the reloadable paycard. All current or former employees who were hired prior to

October 1, 1997 and therefore grandfathered from this policy in prior years will lose such grandfathered status. Paper payroll checks will only be drawn during the interim enrollment period for either direct deposit or paycard deposit.

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Reason For Policy

To establish a policy to govern the administrative policies and procedures relating to the direct bank depositing of wages.

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Procedure

The payroll office is unable to stop a pending direct deposit if the bank file has already been sent to the bank when an employee or retiree requests to stop a pending direct deposit.

At the time that the departmental payroll clerk is gathering data from a new employee, i.e. required tax forms, they will be asked to provide the individual with the direct deposit form and have the employee fill out the form at that time. This form should then be forwarded to the campus payroll department. If the employee has a University login, they should enter their direct deposit information via the Employee Center in OneStart rather than filling out a paper enrollment form. If direct deposit information is not received prior to the employee's first paycheck, a paycard will automatically be issued to the employee. All wages will be deposited on the paycard until direct deposit information is received. The paycard will be sent to the campus payroll office for the employee or department Fiscal Officer to pick up.

If an employee or retiree requests to have their direct deposit deactivated, they must provide new direct deposit information at that time. If they are unable to provide new direct deposit information, a paycard will automatically be issued to the employee or retiree. Wages will be deposited on card until direct deposit information is received.

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Additional Contacts

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Policy, Paycard Information	Mary Byrde	812.855.3274	mbyrde@indiana.edu
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History

Replaces policy IV-240.

The last paragraph ("Note") of the Procedures section was moved to be the first paragraph to add emphasis to the content of that paragraph on November 2013.