

Department of Finance and Administration Policy 1
Automatic Deposit of Paychecks For New Employees

Applicable State Law

1. Chapter 509 (Appropriation Bill), Section 41, Item 15 of Public Acts of the 97th General Assembly, 1991 Session states: "From the appropriations made in this act to pay the salaries of state employees who are hired on or after July 1, 1991, the commissioner of Finance and Administration is authorized to require that these salaries be paid through direct deposit procedures."

Background and Purpose

2. Direct deposit of salaries of state employees reduces costs and ensures that employees receive pay on the exact date for which they are so entitled. This policy statement is designed to implement the above referenced regulation, and to provide appropriate procedures for employees who cannot comply.

Applicability and Effective Date

3. The requirements of this policy statement apply to employees of all agencies and deposit systems, with the exception of employees whose probable length of employment is 120 days or less. Students who are part-time employees of state colleges and universities are also exempt. This policy statement shall become effective July 1, 1992.

General Rule for Executive and non-Executive Branch Agencies

4. All Executive branch departments and agencies will follow procedures established by the Department of personnel and the Department of Finance and Administration to ensure that salaries of new employees are paid through direct deposit. Employees should be notified of this requirement when an offer of employment is first made. Direct deposit forms should be completed and sent to the Division of Accounts within 10 business days of the first day of actual employment. Non-executive branch agencies should develop procedures to ensure that new employees are enrolled in direct deposit.

Exception

5. All exemptions must be approved prior to appointment. Employees whose probable length of employment is 120 days or less are automatically exempt, as are students who are part-time employees of state college or university. There will be no other exceptions to this policy statement except for the following reasons: (a) Religious or ethical objections from an employee whose practice would not permit participation, or (b) in cases where it is impossible or impractical for an employee to establish an account with a financial institution or (c) in cases where it is not feasible or practical for the employee to participate. This might include an employee who is not capable of maintaining a bank account, or for whom local financial institutions refuse to offer banking services.

Exceptions in Executive Branch Agencies

6. Personnel officers in each department should review any claim for an exemption to this policy, and after determining the request is reasonable, submit the request to Technical Services, Department of Personnel. Request for exemption should be submitted to Technical Services immediately since action must be taken on these requests prior to appointment. The division of Technical Services will review the request for completeness and forward it to the Chief of Accounts for a decision. Requests for exemption should be treated in a confidential manner.

Exceptions in Non-Executive Branch Agencies

7. Non-executive branch agencies should develop an appropriate procedure to review request for exemption for reasonableness and completeness and to reach a decision on such requests before an employee reports for work.

Approval of the commissioner of Finance and Administration

I, David L. Manning, hereby approve of this policy statement 1 of the Department of Finance and Administration, and as such agree with and authorize actions necessary to implement its requirements.

signed _____ Date _____

Approval of the comptroller of the Treasury

I, William R. Snodgrass, hereby approve of this policy Statement 1 of the Department of Finance and Administration, and as such agree with and authorize actions necessary to implement its requirements.

Signed _____ Date _____