



# Standard Administrative Procedure (SAP)

## 31.01.07.L0.01 Direct Deposit of Payroll

**First Approved:** March 18, 2013  
**Revised:** March 16, 2015  
March 21, 2019  
**Next Scheduled Review:** March 21, 2024

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### Procedure Statement and Reason for Procedure

The purpose of this SAP is to provide the Texas A&M International University (TAMIU) process for enrollment and disbursement of payroll payments made via direct deposit.

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### Procedures and Responsibilities

#### 1. INITIAL ENROLLMENT – PAYMENT ELECTION WORKDAY PROCESS

During the new hire orientation process, employees are provided with the opportunity to make their payment election via Workday. As part of the onboarding process in Workday, the employee receives a task in their Workday inbox to make their payment election, which includes entering their direct deposit information or opting to receive a paper check.

#### 2. CHANGES TO BANK ACCOUNT INFORMATION AFTER INITIAL ENROLLMENT

Changes to direct deposit information made after initial enrollment/onboarding should also be updated by the employee via Workday. Changes to direct deposit information must be made *before the payroll calculation date* (normally a week before the associated pay date) in order for the change to take effect on the next pay date.

3. RETURNING EMPLOYEES

Employees who began working at TAMIU after 1/1/2018, separated from employment thereafter, and later rehired have their direct deposit information saved in Workday upon separation unless the employee manually removes it themselves. Upon rehire, the employee will receive a task in their Workday inbox asking them to review/update their direct deposit information, as necessary.

4. EMPLOYEES NOT ELECTING DIRECT DEPOSIT AT INITIAL ENROLLMENT

For employees who are unable to establish a qualifying account at a financial institution or for whom it would be impractical and/or more costly to receive payments via direct deposit, the option to receive a paper check can be selected in the Workday task they receive to update their payment election. If no selection is made in the Workday task, the employee will receive a paper check by default. The Workday task will remain in their inbox as un-submitted and will not disappear until a selection is made.

5. REJECTION OR RETURN OF DIRECT DEPOSIT

An employee's direct deposit of payroll may be rejected/returned for the following reasons:

5.1 **Incorrect Routing or Account Information Entered into Workday** – If an employee has not received their payroll deposit on a particular pay date, the employee should verify the accuracy of their bank account information in Workday. If information appears to be inaccurate, the Payroll Office should be contacted at 956-326-2375 and the employee should edit the routing and/or account number accordingly via Workday for future deposits. Once the ODFI receives the return of funds from the RDFI, the Payroll Office will be notified by the ODFI via fax or email and a manual paper check is issued by the Payroll Office to the employee. If new information is not entered for future pay dates, the ODFI will continue to receive a rejection of funds from the RDFI, the Payroll Office will be notified via fax or email, and a manual paper check will be issued to the employee. Whether the Payroll Office is contacted by the employee or not, if they receive a notification regarding the return/rejection of funds from the ODFI, the Payroll Office issues the employee a paper check. Payroll delivers paper checks to the Bursar's Office and advises the employee that their check is available for pick-up.

5.2 **Bank Account Closed** – If an employee's bank account is closed, new banking information should be entered via Workday as soon as possible to avoid missing a future payment. Once the ODFI receives the return of funds from the RDFI, the Payroll Office will be notified via fax or email and a manual paper check is issued by the Payroll Office to the employee. If new information is not entered for future pay dates, the ODFI will continue to receive a rejection of funds from the RDFI, the Payroll Office will be notified via fax or email, and a manual paper check will be issued to the employee. The Payroll Office delivers paper checks to the Bursar's Office and advises the employee that their check is available for pick-up.

## 6. DIRECT DEPOSIT REVERSALS/DELETIONS

- 6.1 **Monthly Employee Separated From Employment Between Payroll Calculation and Pay Date** – If a monthly employee is separated from employment (i.e., resigns, is laid off, quits, or is terminated) after payroll calculation has been finalized, and the ACH file transfer has been initiated but it is before the pay date, the Payroll Office will submit an “Item Delete/Reversal Request” to the ODFI to prevent the overpayment. A manual paper check will be issued to the employee with the corrected amount on the original pay date. Payroll delivers paper checks to the Bursar’s Office and advises the employee that their check is available for pick-up.
- 6.2 **Biweekly Employee Submits Incorrect Hours on Timesheet, Error Found Before Pay Date** – If a biweekly employee overestimates hours worked on a timesheet, or if hours are simply entered and approved incorrectly, the Human Resources Office and the Payroll Office should be notified immediately. If the ACH file transfer has been initiated but the pay date has not passed, the Payroll Office will submit an “Item Delete/Reversal Request” to the ODFI to prevent the overpayment. A manual paper check will be issued to the employee with the corrected amount on the original pay date. Payroll delivers paper checks to the Bursar’s Office and advises the employee that their check is available for pick-up.

## 7. REPAYMENT OF PAYROLL FUNDS ISSUED ERRONEOUSLY

If an employee receives an erroneous direct deposit of payroll, the Payroll Office should be notified immediately at 956-326-2375. Direct deposit overpayments received in error must be paid back to TAMIU as soon as possible. A mutually agreed upon deadline to return the erroneous funds, which depends on the circumstances of the overpayment, is given to the employee. Once that deadline has passed, a state hold is placed on the individual by the Bursar’s Office and the account will follow TAMIU’s normal collection procedures which include remittance to a collection agency with the resultant collection agency fees.

## 8. PAYMENTS SUBJECT TO STATE WARRANT HOLD

When certain payments are issued to payees with a state hold, those payments are issued as state warrants and are held by the State Comptroller’s Office. Lump sum payments of vacation and/or sick leave for terminated or deceased State employees will be held by TAMIU until appropriate debt arrangements are made for any debt reported to the State Comptroller’s Office.

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## Related Statutes, Policies, Regulations, or Rules

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[System Policy 21.01.03, Disbursement of Funds](#)

[System Policy 31.01.07, Direct Deposit of Payroll Payments](#)

[Texas Labor Code, Chapter 61, Payment of Wages](#)

[Texas State Comptroller Direct Deposit Guide](#)

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## Definitions

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**ACH (Automated Clearing House)** – An electronic network for financial transactions in the United States governed by the National Automated Clearing House Association (NACHA) and controlled through the system banking services agreement. ACH processes large volumes of credit and debit transactions in batches. ACH credit transfers include direct deposit payroll and vendor payments.

**Employee** – For the purpose of the direct deposit requirement, this includes biweekly, monthly, hourly, temporary, and part-time employees. The term does not include independent contractors or employees of independent contractors.

**ODFI** – The **Originating Depository Financial Institution** (TAMIU's bank) receives the automated ACH file from TAMIU indicating where the employees' pay is to go.

**Payment Election** – The selection an employee makes in Workday regarding receiving their paycheck via direct deposit or paper check.

**RDFI** – The **Receiving Depository Financial Institution** (each employee's bank) accepts the electronic payments from the ODFI and posts the payments to their customers' bank accounts.

**Workday** - TAMIU's web-based, self-service HR/Payroll system.

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## Appendix

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["Edit Payment Elections" Instructions for Workday](#)

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## Contact Office

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Office of Budget, Payroll, and Fiscal Analysis, 956-326-2375, [budgetandpayroll@tamiu.edu](mailto:budgetandpayroll@tamiu.edu)