

NUMBER: BUSF 6.09
SECTION: Business and Finance

SUBJECT: Distribution of Payroll Statements of Electronic Deposit and Payroll Checks

DATE: November 1, 2006

Policy for: All Campuses
Procedure for: All Campuses
Authorized by: Rick Kelly
Issued by: Payroll

The language used in the Business and Finance policies does not create an employment contract between the employee and the University of South Carolina. The University reserves the right to revise the content of the Business and Finance policies, in whole or in part, with or without notice. In all cases, the Business and Finance policies are intended to be consistent with the prevailing state and federal laws and regulations. However, in the event the language contained in the Business and Finance policies conflicts with state or federal laws or regulations, the state or federal laws or regulations will control. The University of South Carolina Division of Business and Finance has the sole authority to interpret the University's Business and Finance policies.

I. Purpose of Policy

This document sets forth the University of South Carolina policy on distribution of payroll statements of electronic deposit and payroll checks.

II. Policy Statement

All University of South Carolina employees must enroll in electronic deposit. The Payroll Department has established procedures, described below, for distributing payroll statements of electronic deposit and payroll checks.

III. Procedure

A. Distribution

Payroll statements of electronic deposit are distributed to departments for distribution to individual employees. Payroll checks will be distributed to departments for distribution to individual employees if an authorization for electronic deposit form has been submitted to the Payroll Office or a bank pre-notification and account verification is in process. If an authorization for electronic deposit is not on file in the Payroll Office, the individual employee or

the department must submit the authorization form in person to the Payroll Office and pick up the payroll check.

B. Changes

No pay data will be changed on the basis of telephone requests. Such changes must be documented and processed through normal channels or by using the VIP electronic deposit enrollment process.

C. Depositing Paychecks

The University of South Carolina requires all employees to complete an authorization agreement for electronic deposit designating a financial institution and an account for electronic deposit. The method of deposit involves a concept known as electronic funds transfer. This standardized system requires verification of account numbers and account types before live data may be transmitted for deposit of paycheck proceeds. The procedure for such verification is known as prenotification and may require a delay of one payday before the authorization can be activated. During the prenotification process, a payroll check will be issued for that pay period. After the prenotification process is complete, all payroll payments will be made electronically. For additional information regarding various regulations and procedures involved in the electronic deposit process, employees are advised to refer to the reverse side of the authorization agreement. The banking system has guaranteed that funds covered by our electronic deposit system are to be available to the employee for withdrawal by all regular means at the opening of the bank business day on the scheduled University payday. Any difficulties encountered regarding the guarantee should be reported to the office of the Director of Payroll.

D. Early Delivery of Payroll Checks

State law prohibits advance payment to employees. The University is, however, authorized to make early payment during the month of December due to the holiday schedule.

E. Paychecks Not Delivered to Payees

Departments are required to return to the Payroll Department all paychecks that have not been picked up by the employees within one week following the payday. Any exceptions should be determined in advance and approved by Payroll and Internal Audit.

F. Lost Payroll Checks

If an employee loses or misplaces a paycheck, the Payroll Department should be notified immediately. Payroll will place a Stop Payment Order on the check involved and will replace it at the earliest date allowed under State and University regulations. The interval between notifications of a lost check and replacement generally averages 7 to 10 days.

G. Salary Advances

In isolated instances, when an employee through no fault of his/her own was not paid, a temporary salary advance may be given. Salary advances will be made only in emergency hardship cases upon the approval of the Office of Financial Services and the Director of Payroll. No advance can be made until complete authorization and documentation of employment has been received in the Payroll Department.

H. Endowed Chair Salary Supplements

Faculty members who receive salary supplements as holders of distinguished professorships will be paid these supplements in a lump sum, no earlier than November 30 and no later than December 31. Only mandatory withholdings, including S.C. retirement, will be reflected.

I. Sabbatical Leave/Educational Leave without Pay

If the individual will be receiving anything less than full checks during such leave, the Benefits Office in Human Resources should be consulted for advice regarding retirement contributions, continuance of insurances in effect, etc. The Benefits Office and Payroll will coordinate efforts to ensure compliance with the wishes of the individual involved.

IV. Reason(s) for the most recent policy change

These changes support the Board of Trustees' decision to change University policy to require employees to receive payroll payments using electronic deposit.

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