

UNIVERSITY OF HOUSTON SYSTEM  
ADMINISTRATIVE MEMORANDUM

**SECTION: Human Resources**

**NUMBER: 02.F.07**

**AREA: Payroll**

**SUBJECT: Direct Deposit of Salaries**

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1. PURPOSE

This administrative memorandum states policy regarding the direct deposit of employees' salaries.

2. POLICY

2.1. The requirement for direct deposit applies to all employees who are paid through the University of Houston System payroll office.

2.2. All component university employees are required to have direct deposit and enter their direct deposit information in [People Advantage Self Service \(P.A.S.S.\)](#) or sign up for a pay card administered by a financial institution appointed by the System. Employees who are unable to enter their direct deposit in [P.A.S.S.](#) may seek assistance from the component university human resources/payroll office.

3. PROCEDURES

3.1. The component university human resources department will provide procedures for direct deposit to new employees at the time new hire paperwork is completed.

3.2. On regular and subsequent paydays, employees may print the earnings statement portion of their paycheck from [P.A.S.S.](#)

3.3. Employees are responsible for contacting the financial institution directly to confirm the deposit to their account prior to expending the funds. Although financial institutions normally make deposited pay available no later than payday, each financial institution has its own policy.

3.4. When a direct deposit is reversed, the System requires that the money be returned to the System from the bank before a replacement or corrected payment can be issued to the employee.

3.5. If a problem occurs that cannot be readily resolved between the employee and the financial institution, the employee should contact the component university payroll representative, who will coordinate problem resolution with the System Payroll Department and the System Treasurer's Office.

- 3.6. It is important that electronic Personnel Action Requests (ePARs) to end assignments and terminate employment be processed promptly to ensure termination of direct deposit at the appropriate time.
- 3.7. Employees may request that funds be directly deposited to more than one bank account as designated in [P.A.S.S.](#) Employees enrolled in the pay card program do not have the option of depositing funds into multiple pay cards. All financial information should be verified by the employee to ensure that funds are deposited into the employee's account(s) accurately and timely.
- 3.8. If bank account information changes, employees are responsible for updating the information in [P.A.S.S.](#) in a timely manner and should contact the appropriate component university human resources or payroll representative with any questions. For security purposes, the employee must provide the appropriate previous banking information for changes to be executed.
- 3.9. In extraordinary circumstances, a paper payroll check may be required. These exceptions may only be authorized by the Chief Human Resources Officer (CHRO) at each component campus. Please see [SAM 03.D.04](#) for additional information.

4. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice Chancellor for Human Resources

Review: Every five years on or before June 1

5. APPROVAL

Approved: Jim McShan  
Senior Vice Chancellor for Administration and Finance

Renu Khator  
Chancellor

Date: June 14, 2016

## REVISION LOG

Revision Number	Approval Date	Description of Changes
1	11/12/1992	Initial edition
2	10/16/2002	Applied revised SAM template to meet current documentation standards. Rewrote Section 1. Added reference to Texas Government Code 403.016 in Section 2.1 and combined the contents of Section 2.2. Added Direct Deposit Authorization Form requirement to Section 2.2. Revised Section 2.3 to document conditions for exemption. Changed Section 3 from Exemptions to Procedures. Rewrote contents of Section 3 to combine two sections from the previous version. Changed the responsible party from Vice Chancellor for Administration and Finance to Associate Vice Chancellor for Finance. Changed review period from even numbered years on or before July 1 <sup>st</sup> to every three years on or before July 1 <sup>st</sup> . Added Vice Chancellor for Administration and Finance to approval process in Section 5. Added Exhibits A, B, and C
3	10/16/2007	Applied revised SAM template to meet current documentation standards. Revised Section 2.2 to indicate employees using PASS to enter direct deposit information. Updated Section 3.1 for Human Resources to provide procedures for new employees during the new employee orientation process, and removed Direct Deposit Authorization Form references and procedure. Revised Section 3.3 for employees to print earnings statement paychecks from PASS. Added Section 3.5 on direct deposit reversals. Removed Exhibits A, B, and C
Interim	06/09/2009	Removed all information regarding Texas Government Code 403.016 in Section 1 and Section 2.1. Added pay card alternative to Section 2.2. Removed Sections 2.3 and 2.4 on exemption from direct deposit. Split Section 3.7 into two sections, Sections 3.8 and 3.9. Changed review period from every three years on or before July 1 <sup>st</sup> to every three years on or before June 1 <sup>st</sup> . Removed Section 6, Indexing Terms
4	01/13/2010	Submitted as a housekeeping change; no additional redlines were indicated by the Subject Matter Expert (SME)

<b>Revision Number</b>	<b>Approval Date</b>	<b>Description of Changes</b>
5	06/14/2016	<p>Added new SAM Revision Log. Changed SAM number 03.D.07 to 02.F.07, and Section location from Fiscal Affairs to Human Resources' new Payroll section. Added that employees are required to have direct deposit in Section 2.2. Removed Section 3.2. Removed "the following" from Section 3.2. Added electronic ePAR to Section 3.6. Added requirement for employees to provide previous banking information for security purposes in Section 3.8. Added process for paper payroll check in extraordinary circumstances in Section 3.9. Changed responsible party from Associate Vice Chancellor for Finance to Assistant Vice Chancellor for Human Resources. Changed review period from every three years on or before June 1<sup>st</sup> to every five years on or before June 1<sup>st</sup></p>