

Direct Deposit

Direct Deposit

I. Purpose

To establish policies and procedures for direct deposit as it relates to the payment of employee wages.

II. Definitions

- *Direct Deposit*: the electronic transfer of a payment directly from the account of the payer to the recipient's account.
- *Phishing*: the fraudulent practice of sending emails purporting to be from reputable companies in order to induce individuals to reveal personal information, such as passwords, bank account numbers and credit card numbers.

III. Responsibilities

- A. Employee
 - 1. Complete direct deposit bank information by established deadlines listed in the procedures section.
 - 2. Validate all e-mail links prior to utilizing the link to update or verify direct deposit bank information to eliminate possibility of phishing attacks on employee bank and other personal information.
- B. Business officer/department administrator
 - 1. Verify that new employees have completed the direct deposit bank information by established deadlines.
 - 2. If [Authorization Agreement for Direct Deposit](#) form is used, validate government issued identification prior to forwarding to Payroll Services for processing.
 - 3. Notify supervisor of new employee if direct deposit information has not been completed by established deadlines.
 - 4. Encourage employees to be aware of phishing attacks.
- C. Supervisor
 - 1. Complete corrective action steps for employees who have not completed direct deposit information by the deadline.
 - 2. Encourage employees to be aware of phishing attacks.
- D. Payroll Services
 - 1. Will not ask UK employees to validate direct deposit bank information through an electronic link in any e-mail message.
 - 2. Will safeguard direct deposit bank information in locked cabinets submitted by employees on paper forms.

IV. Policy

- A. University of Kentucky employees are required by [Administrative Regulation 3:3 Payment of University of Kentucky Employees](#) to utilize direct deposit as the method for receiving their net pay each pay period. Direct deposit is a mandatory condition of employment for all University of Kentucky employees with the exception of Work Study students who by federal regulations are exempt from this Policy.

V. Procedures

Direct Deposit

- A. Each employee is required to submit direct deposit bank information through [Employee Self Service](#) or by [Authorization Agreement for Direct Deposit](#) form to Payroll Services located at 340 Peterson Service Building.
- B. New University employees who are paid on a biweekly basis must submit direct deposit bank information within six weeks or three pay periods of employment.
- C. New University employees who are paid on a monthly basis must submit direct deposit bank information within eight weeks or two pay periods of employment.
- D. Failure to submit direct deposit bank information within time periods stated will first result in a written warning sent to the employee's unit. The employee's check will be available in Payroll Services. The employee will need to show valid identification and will be asked to complete the direct deposit bank information when the check is picked up. Further neglect of adherence to policy will result in a second written warning and finally termination.
- E. Exceptions to this policy may be granted for rare or unusual circumstances and require completion of a [Request for Exception to Business Procedures Form](#).
- F. Employee bank information is retained in the HR/Payroll system and is also utilized for reimbursement of travel expenses.
- G. After an employee's separation of employment, the direct deposit information is retained for approximately 90 days in the HR/Payroll System and will be utilized should an employee receive a payment. After 90 days the direct deposit information is delimited and payment method is set to check.
- H. Paper forms received by Payroll Services will be processed prior to the next scheduled payroll processing run according to the [Payroll Schedule](#).