



DIRECT DEPOSIT PROCEDURE (PAY-P005)

Clarksville-Montgomery County School System

1.0 SCOPE:

- 1.1 This procedure outlines the processing of direct deposit of payroll checks.

The online version of this procedure is official. Therefore, all printed versions of this document are unofficial copies.

2.0 RESPONSIBILITY:

- 2.1 Payroll Staff

3.0 APPROVAL AUTHORITY:

- 3.1 Chief Financial Officer

4.0 DEFINITIONS:

- 4.1 Bank Account Number/Routing Identifier: encoded numbers on checks or deposit slips unique to each bank
- 4.2 ACH: Automated Clearing House
- 4.3 Pre-Notification/Trial Run: process where just bank numbers are run through Automated Clearing House to check for errors
- 4.4 Federal Reserve Bank: bank where all direct deposits are routed through and transmitted to employee's bank using bank account number and routing identifier

5.0 PROCEDURE:

- 5.1 The employee completes a Direct Deposit Authorization Form (ref. [PAY-F006](#)).
 - 5.1.1 The employee attaches a voided check with bank number and routing identification to the direct deposit form.
- 5.2 The form is mailed, couriered or hand carried to the Payroll Office.
- 5.3 Payroll Staff reviews form for completeness.
 - 5.3.1 If form is not completed correctly, payroll staff contacts employee by telephone and asks employee to come to the Payroll Office to complete form.
- 5.4 The information is keyed into the computer database by payroll staff.
- 5.5 Pre-notification/trial run is done the first payday after information is keyed.
 - 5.5.1 If an ACH error message is received from the Federal Reserve Bank, the errors are corrected and entered.
 - 5.5.2 If employee errors are found, the employee is contacted for the correct information.
 - 5.5.3 When correct information has been received the information is re-entered into the database.
- 5.6 Direct Deposit starts the second payday after information is keyed.



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6.0 ASSOCIATED DOCUMENTS:

- 6.1 Direct Deposit Authorization ([PAY-F006](#))
- 6.2 Personnel Actions Verification ([PAY-P004](#))
- 6.3 ACH Bank Error Notification

7.0 RECORD RETENTION TABLE:

<u>Identification</u>	<u>Storage</u>	<u>Retention</u>	<u>Disposition</u>	<u>Protection</u>
Direct Deposit Authorization	File Cabinet	Until Termination of Employment	Shred	Secured Building
ACH Bank Error Notification	File Cabinet	Indefinitely	N/A	Secured Building

8.0 REVISION HISTORY:

<u>Date:</u>	<u>Rev.</u>	<u>Description of Revision:</u>
9/25/03		Initial Release
11/04/03	A	Clarify 5.2 and update flowchart
10/30/06	B	Remove reference to IED Record and deposit slip, update flowchart

9.0 FLOWCHART:

- 9.1 A flowchart detailing this process can be found in "Exhibit A" of this procedure.

***** End of procedure *****

