| | **POLICY: CMP 420-05** |
|---|---|
| **NORTHERN ARIZONA UNIVERSITY** | Section: 400 Disbursements |
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| | Responsible office: Comptroller |
| | Origination date: 01/01/2000 |
| Subject: Direct Deposits for Employee and Student Payments | Effective date: 03/10/2008 |
| | Revision date: 02/09/2016 |

## PURPOSE

Define direct deposit usage for employee and student payments.

## SOURCE

University policy

## APPLICABILITY

This policy covers all employee and student (payee) payments made from PeopleSoft Financials.

## POLICY

### CMP 420-05: Direct Deposits for Employee and Student Payments

Employees and students who receive paychecks and/or student refunds via direct deposit through PeopleSoft will automatically receive payments through the PeopleSoft Financials System via direct deposit (EFT payment document). Direct deposit information must be setup through the payroll system via Payroll's Direct Deposit Form or online through LOUIE Self Service. Direct deposit reimbursements can only be made to one bank account. The bank account used will be the primary or "balance" account setup in LOUIE. In addition, bank account information cannot be setup separately in PeopleSoft Financials, so employees and students must be enrolled for direct deposit in LOUIE to receive direct deposit payments in PeopleSoft Financials.

If a direct deposit reimbursement is rejected by the bank due to incorrect banking information or a closed account, payee will instead receive check reimbursements until such time as new or corrected bank account information is entered in LOUIE.

## PROCEDURE

**Incorrect or Closed Bank Accounts:**

The Comptroller's Office will be notified by the bank of any EFT direct deposit rejects. Depending on the type of payment (travel or expense reimbursement), either the Travel Coordinator or Accounts Payable department will notify the PeopleSoft Financials processor, the payee, and Payroll department via e-mail that the direct deposit payment rejected and the reason thereof. The Comptroller's Office will cancel the payee's EFT payment and request that a check be issued.

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**EFT E-Mail Notification and Timing:**

As part of the PeopleSoft Financials nightly batch process, employees and students will be notified via e-mail that an EFT payment request has been generated in their name. To allow for the verification of the EFT file to the bank, payments will be made with an effective date of two business days in the future. An example of the timing for an EFT payment, a travel payment request submitted on a Tuesday will generate an EFT payment request and e-mail notification on Tuesday night. The EFT file will be processed by the bank on Wednesday and the payment will post to the payee's bank account on Thursday. Payees will not receive a paper remittance advice detailing their direct deposit payment. However, if a payee has questions regarding the details of their payment, they can contact the appropriate PeopleSoft Financials processor in their department with the EFT reference information provided in their e-mail notification.

## CROSS-REFERENCE

CMP 420-01: Faculty and Staff Reimbursements
CMP 401-03: Prohibited Transactions