



State of Arizona Accounting Manual

Topic 55 Payroll and Personnel
Section 20 Direct Deposits of Payroll

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INTRODUCTION

Electronic direct deposit of employee compensation benefits both employees and the State.

POLICIES

1. All State employees must enroll in the State's electronic direct deposit program.
2. In the event that an employee has not designated an account or institution, the employee's compensation may be credited to a payroll card account in the employee's name.
3. The employing agency is responsible for entering direct deposit account information into HRIS for its employees.
4. While an employee's compensation may be directly deposited to more than one account, one hundred percent (100%) of his compensation must be directly deposited.
5. The form (or forms) to be used in connection with direct deposits is the Form GAO-65, available from the GAO Website at <http://www.gao.az.gov>.
6. The Authorization to start, change or stop the direct deposit of an employee's compensation must be signed by the employee or his legal representative.
 - 6.1. A legal representative is one legally recognized to make decisions on behalf of the employee. Such legal representatives would include, but not necessarily be limited to, those holding power of attorney or powers of appointment granting sufficient authority to act on an employee's behalf in financial matters of this type.
 - 6.2. An employee's spouse is not his legal representative unless the spouse has power of attorney or powers of appointment granting sufficient authority, even if the account into which funds are to be deposited is jointly held.
7. The employee must be a signatory on the account into which funds are to be deposited, a fact that must be confirmed by attaching one of the following to the Form GAO-65:

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- 7.1. A statement or photocopy thereof from his financial institution displaying the employee's name and account number and the financial institution's routing transit number, or
- 7.2. If the account into which deposits shall be made is a checking account, a voided check that upon which are printed the employee's name and address.
8. Prenotification is required for all direct deposit accounts when initially established. Prenotification is accomplished by retaining the default selection of "Not Prenotified" in the Prenotify Status drop down on HRIS Screen XR12.1.
 - 8.1. Prenotification files are submitted each Tuesday night.
 - 8.1.1. At the time the payroll is next run, a prenote will be sent to the designated bank account and the Prenotify Status drop down will be automatically changed to "Prenotified."
 - 8.1.2. At the time the following payroll is run, if the prenote has not been rejected, the Prenotify Status drop down will be automatically changed to "Accepted" and the employee's direct deposit request will be honored for future payrolls.
 - 8.2. If the prenote is rejected, the GAO will notify the payroll office of the agency for which the employee works.
9. While they should establish new direct deposit accounts for employees, agency personnel cannot establish new RDFIs.
 - 9.1. If, when entering the RTN in the Receiving DFI field on the HRIS Online Form XR12.1, the name of a financial institution appears, the RDFI has been previously established and the employee's direct deposit request can be processed.
 - 9.2. If, when entering the RTN in the Receiving DFI field on the HRIS Screen XR12.1, the name of a financial institution does not appear, the RDFI has not been previously established and the employee's direct deposit request cannot be processed. GAO's Central Payroll Office must be contacted so that the RDFI can be established in HRIS.