

## Frequently Asked Questions...

# Direct Deposit

### **Q.** What is Direct Deposit?

**A.** It is the method the University uses to pay employees by having their net pay (pay after taxes and other deductions) or travel or other reimbursements deposited directly into the employee's checking or savings account.

### **Q.** How does Direct Deposit work?

**A.** Direct Deposit is simple. Once you have signed up for Direct Deposit, you don't have to go to the bank to deposit checks. On paydays, your net pay is deposited into your account by electronic fund transfer based on information provided by the Payroll Office to your bank. There is no check to pickup from your department, no waiting in line at the bank, and no special arrangements to be made when you are out-of-town. Your pay is immediately available to you in your designated checking or savings account on payday.

### **Q.** Is Direct Deposit safe and confidential?

**A.** Yes, Direct Deposit is considered a very safe method of payment. The process has been around for almost 40 years. The limited number of problems that have occurred on campus (<1%) were linked to inaccurate routing/account numbers or closed accounts. The process is confidential and money is transferred electronically passing through fewer hands than a paper check.

### **Q.** Do other companies use Direct Deposit? Are there any statistics on the satisfaction level?

**A.** Over 145 million Americans use Direct Deposit. Ninety-seven percent (97%) of people who get paid via Direct Deposit are satisfied with it.

**Q. Why has the University chosen to require Direct Deposit?**

**A.** The University recognizes the need for all employees to safely and timely receive their pay check or travel reimbursement regardless of weather conditions, unforeseen events, scheduled vacation or out-of-town travel. Direct deposit allows all paychecks and reimbursements to be placed in an employee's checking or savings account (whichever the employee designates) confidentially. Should the University area experience a natural disaster or catastrophic event (such as a hurricane or pandemic flu outbreak), an electronic file can be sent to assure employees are paid promptly. Employees will not be subjected to coming to the University to pick up a paper check when officials advise us to stay home. In addition, a cost savings occurs for the employee (no trips to the bank on payday), as well as the employer (paper check stock and processing time) when direct deposit is in place.

**Q. How will I know how much I have been paid and how much has been withheld for taxes and deductions?**

**A.** At least two days before payday you will receive an email with a link to Banner Self-Service which allows you to view your current pay stub, as well as a year-to-date summary of gross pay and deductions. Other selections within Banner Self-Service allow a review of vacation, sick, and bonus leave balances. If you do not have an email account, you can link to Banner Self-Service anytime from any internet connection and print your pay stub. If you have problems utilizing Self-Service, contact the Payroll Department at Ext. 75795.

**Q. When can I withdraw money from payments deposited to my account using Direct Deposit?**

**A.** Your money will be available to you when your financial institution opens for business on payday. There is no waiting for checks to clear.

**Q. What if my pay date falls on a holiday?**

**A.** If your pay date falls on a holiday or other dates when financial institutions are closed, your money will be available on the day before your scheduled pay date.

**Q.** Can I have my pay deposited to the banking institution of my choice?

**A.** Yes, you may have your pay deposited to the banking institution of your choice. Almost all banking institutions have incentives (free checking or savings accounts) to encourage you to use Direct Deposit.

**Q.** What if I do not have a bank account?

**A.** If you do not have a checking or savings account, go to several financial institutions and select the banking arrangement that is best for you in terms of convenience, safety, service, interest on your deposits, and cost of service. Many financial institutions now offer either a free or an economy type banking account to employees who receive their pay by Direct Deposit.

**Q.** How do I sign up for Direct Deposit?

**A.** Utilize the manual Direct Deposit Enrollment Form located at <http://www.finance.uncc.edu/Forms/DirectDepositForm.xlsx>. Simply complete, print, and forward the form to the Controller's Office. Allow 10-15 days of processing time for your information to be entered into the Payroll system.

**Q.** When is Direct Deposit effective after I enroll?

**A.** Employees who enroll utilizing the manual Direct Deposit Enrollment and Change form will be subject to a 10-15 day waiting period before receiving their first scheduled pay via Direct Deposit. (Example: An employee, who submits the form to Payroll on June 15<sup>th</sup>, may not receive their June 30<sup>th</sup> pay via Direct Deposit; but, would receive their July 15<sup>th</sup> pay via Direct Deposit.)

**Q.** If I wanted my paycheck to be deposited in my checking account and my Accounts Payable payments (student refunds, travel or expense reimbursements) to be deposited into a different checking account or a savings account, is that possible?

**A.** Yes, you may deposit your paycheck one place and your Accounts Payable payments to another. Just indicate the specific accounts when signing up.

**Q.** What should I do if I change financial institutions or wish for the deposit to be made to a different account?

**A.** Complete a new Direct Deposit Enrollment and Change form marked as “Change” and provide the financial institution’s routing number, as well as the new account number.

***Remember to leave your old bank account open until the first Direct Deposit transaction appears in your new bank account.*** This could prevent your Direct Deposit from being channeled to a “closed account” on payday should the changes in Banner not occur before payroll is finalized.

**Q.** How does being on Direct Deposit affect my State Employees’ Credit Union Deduction?

**A.** Direct Deposit is established to deposit your net pay (gross pay minus taxes and deductions), into your chosen bank account and does not affect any deductions you may have withheld. You may choose any bank (including the State Employees’ Credit Union) to deposit your net pay without affecting deductions you elect.

## *Typical Employee Concerns*

**Q.** As an employee hired prior to July 1, 2009, what will happen if I fail to enroll in Direct Deposit?

**A.** Failure of an employee hired prior to July 1, 2009, to enroll in Direct Deposit will not affect the employee’s employment. ***However, beginning July 1, 2009 all paper checks will be mailed directly to the employee from UNC Charlotte’s Controller’s Office on payday instead of being available for pickup by the employee.*** The employee is advised that the University assumes no responsibility for the delay in receiving a paper check via the United States mail or its equivalent. Should a paper check have to be reissued due to a lost check, the employee may have to wait up to seven days before a replacement check can be issued and mailed.

**Q.** As an employee hired or re-hired on or after July 1, 2009, what will happen if I refuse to enroll in Direct Deposit?

**A.** Refusal of an employee hired or re-hired on or after July 1, 2009, to enroll in Direct Deposit may possibly affect his/her continued employment. Until such employment status is determined, ***beginning July 1, 2009, all paper checks will be mailed directly to the employee from UNC Charlotte's Controller's Office on payday instead of being available for pickup by the employee.*** The employee is advised that the University assumes no responsibility for the delay in receiving a paper check via the United States mail or its equivalent. Should a paper check have to be reissued due to a lost check, the employee may have to wait up to seven days before a replacement check can be issued and mailed.

**Q.** As an employee hired prior to the policy enactment date (July 1, 2009) and currently not participating in Direct Deposit, when should I enroll?

**A.** To assure all employees receive their pay through direct deposit by the first pay day (July 15, 2009) of the effective policy date, ***employees hired prior to the effective date of the policy should do so as soon as possible but no later than July 1, 2009.***

**Q.** Why does UNC Charlotte ask for a voided check to sign up for Direct Deposit?

**A.** The University uses the financial institution identification number (also known as a routing transit number) as well as the account number that appears on the check to set up the Direct Deposit. The voided check is a way to make sure the information is correct. *A voided check is not required if you choose to sign up utilizing Banner Self-Service Online Enrollment.*

**Q.** If I sign up for Direct Deposit, will more people have access to my personal account information?

**A.** No. Once you sign up for Direct Deposit, the information that you provide simply becomes part of the transfer information read by computers. If a deposit were to occur erroneously, the transaction would simply be reversed.

**Q.** The amount of money I receive is confidential. With Direct Deposit can I be sure my privacy is protected?

**A.** Yes. In fact, your privacy will increase when you use Direct Deposit. Once you have authorized the Direct Deposit, computers are processing the payments - not people. Multiple levels of security are in place to protect the payment as it passes electronically through the banking system.

**Q.** What if my deposit does not show up in my bank account on payday?

**A.** It's very rare that your deposit would not post to your account on your scheduled pay date. *A very small number of direct deposit problems have been encountered by the University with the majority occurring due to the closure of a bank account or the wrong account number specified. To avoid this situation, double check all entries into Banner Self Service when entering the routing and account numbers. If you change bank accounts, keep your old account open until a direct deposit has processed to your new account.* In the event a problem occurs, the Controller's Office will work swiftly to rectify the situation.