

**STATE OF MISSISSIPPI
DEPARTMENT OF FINANCE AND ADMINISTRATION**

TOPIC	PAYROLL	SUB-SECTION 20.20.20
SECTION	PROCESSING	ISSUANCE DATE February 12, 2009
SUB-SECTION	DIRECT DEPOSITS	REVISED - 2018

DIRECT DEPOSITS

PURPOSE

Any individual who wants their paycheck to be direct deposited should provide written documentation to the designated person in the agency. This documentation must contain the individual's bank account information. Form 20.20.20 is the Authorization Agreement for Automatic Deposits. The information on the form is used to enter the direct deposit information into SPAHRS. The form should be filed in the individual's payroll folder.

Once an individual has selected this option, all payroll and travel checks will be direct deposited. An individual cannot choose to have payroll checks direct deposited and travel checks issued as paper warrants. In addition, all payments will be made to the same bank and account as indicated on the direct deposit record. Travel checks cannot be deposited into a separate account.

ELIGIBILITY

Policies governing when an individual can have their paycheck deposited directly into a bank account are established by each agency. Agencies have the option of establishing leave balance limits that the individual must reach prior to being provided this option and balances that must be maintained to stay on direct deposit. It is suggested that an individual should have at least 20 hours of accrued personal leave before being allowed to sign up for direct deposit. This requirement may be waived if the agency is on a delayed payroll. It is the agency's responsibility to determine if an individual is eligible to participate in direct deposit.

Direct deposits are available for all employees and contract workers regardless of their pay cycle once the agency has determined their eligibility.

TIMING REQUIREMENTS

Once a direct deposit record has been entered into SPAHRS, the system will generate a prenote, which transmits a zero deposit file to the bank to verify the bank account information. The prenote is transmitted with the next payroll run, whether or not the agency has payroll transactions on that payroll. If no errors are returned within twelve (12) days from the prenote processing, the direct deposit record will be changed to active status. If the prenote is returned with errors, a correction must be made by the agency for an additional prenote to be processed.

An individual needing to change direct deposit information should submit another authorization form with the new information. The individual will receive a warrant during the prenote processing. The status of the direct deposit can be verified in SPAHRS.

If an individual on direct deposit transfers from one agency to another, a new SPAHRS record must be created since the record is agency specific.

REMITTANCE ADVICE

Individuals choosing the direct deposit option will view their payroll stubs in electronic format in ACE, instead of receiving a paper copy.

DIRECT DEPOSIT CORRECTIONS

If the individual's funds cannot be deposited in the bank, BFC will receive a Return Resolution from the bank. A copy of the Return Resolution will be sent to the agency with a memo explaining the action needed. The agency payroll office is responsible for accessing the individual's direct deposit record and making the correction.

All error corrections and any recovery of overpayments made are the responsibility of the agency. Accuracy is critical

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when entering the direct deposit information into SPAHRS to ensure the correct information is entered for each individual. When adding multiple records at one time, the screen should be cleared between each entry to prevent one individual's bank information from being attached to a different individual.

Consideration is necessary when taking individuals with dangerous leave balances off direct deposit in order to prevent overpayments. The agency can establish a direct deposit leave balance policy and enter the minimum leave balance on the SPAHRS Agency Record. A Dangerous Leave Balance Report can be generated which lists all individuals not meeting the established minimum balance. This report can be used to suspend an individual's direct deposit and eliminate overpayments. It is easier to void a warrant than it is to recover an overpayment deposited into an individual's account.

REFERENCES

The data entry instructions are provided in the Employee Payroll Information of the SPAHRS manual. This manual can be obtained at [6311 SPAHRS Maintain Employee Payroll Information](#). The Dangerous Leave Balance Report is detailed in the SPAHRS Report Time Miscellaneous Manual, which can be obtained at [6325 SPAHRS PR Report Time Miscellaneous](#).