

**ELIZABETH CITY STATE UNIVERSITY**  
**Mandatory Direct Deposit Policy**

**Preamble**

It is the policy of Elizabeth City State University (ECSU) that all SPA, EPA, Temporary and student employees paid and administered by the University of North Carolina Payroll Share Services and the Office of the State Controller (OSC) be required to use the direct deposit feature to receive payroll related payments. In accordance with federal requirements regarding direct deposit of payroll, the employee may select the financial institution of his/her choice to accommodate the receipt of direct deposit payments.

As a condition of employment, all newly hired or rehired employees on or after August 1, 2007 shall be required to enroll in the direct deposit feature within (30) days of hire or rehire. Any such employee who does not complete the appropriate direct deposit enrollment form within 30 days of hire or rehire, and who is not granted an exemption as provided herein, may be subject to dismissal.

This policy is intended to maximize the utilization of electronic payments and to minimize the number of paper checks issued by the State, thereby obtaining efficiencies for the State and providing employees with a reliable and efficient manner of receiving their pay.

**1. Covered Issues**

Under this policy, all payroll related payments shall be made in accordance with G.S.143B-426.39B(a), which requires the delivery of payment to be legally designated by United States mail or its equivalent, including electronic funds transfer. Effective October 1, 2007, all paper checks shall be mailed by the payroll center on the employee's designated payday and shall be dated the date of the employee's pay date. No postdated paper checks shall be mailed prior to the designated payday. Any employee receiving his/her pay by paper check shall be required to provide the payroll center a valid mailing address.

**2. Exemptions**

The following exemptions shall apply under this policy:

**A. Employee Exemption**

An employee may be exempted from participating in the direct deposit feature if he/she does not have an account at an eligible financial institution, and further provides evidence that he/she cannot obtain an account at an eligible financial institution.

**B. Exempting Authority**

In his/her role of prescribing the manner in which agencies make disbursements, the State Controller has exclusive authority to grant any exemption from the direct deposit requirement. A personal exemption may only be granted for the reason above (i.e., unable to acquire an account at a financial institution) or other specific situation that the State Controller may deem to be an extreme hardship. An employee desiring to request an exemption from the direct deposit requirement shall do so by completing a "Direct Deposit Exemption Request Form (OSCPXA22)." For those employees who are granted an exemption, the State Controller may secure and offer other payment methods as options, other than paper check, when such options may become available.

**C. Business Exemption**

The State Controller may allow for a business exemption for direct deposit to accommodate the payroll center's special business needs, such as payment cancellations and re-writes, limited employment period, categories of employees not eligible for direct deposit, etc. Distribution of checks for a business exemption shall be determined by the State Controller.