

## TEXAS SCHOOL FOR THE DEAF

### ACCOUNTING: PAYROLL PROCEDURES

CFE

#### PAY DAY

All regular TSD employees shall be paid on the first working day of the month following the pay period.

"Working day" is defined as "... a day other than Saturday, Sunday, a national holiday, or a state holiday as listed in the Texas Gov't. Code, Chapter 662. A day does not cease to be a holiday because a state agency maintains, or is required to maintain, a minimum working staff on the holiday."

#### WARRANTS AND DIRECT DEPOSIT

State employees are paid by warrant or direct deposit.

If an employee chooses to receive a paper warrant, a check against reserved funds is created by the state that guarantees or "warrants" a payment.

An employee who chooses direct deposit will have his or her funds deposited into the bank account of choice through the Electronic Funds Transfer (EFT) process.

The EFT process allows payments to be issued by transmitting the information directly to a specific financial institution. State agencies set up and transmit payment information, such as account number and payment amounts, through the Comptroller's payroll systems.

#### EXEMPTING FROM DIRECT DEPOSIT

Direct deposit transactions are strongly encouraged. However, state law currently allows employees to exempt themselves from direct deposit by notifying the Comptroller's office that:

- Receiving the payment by electronic funds transfer would be impractical, or
- Receiving the payment by electronic funds transfer would be more costly than receiving a payment by warrant, or
- They are unable to establish a qualifying account at a financial institution to receive electronic funds transfer, or
- The employee simply chooses to receive the payment by warrant.

Employees who are classified under the state's position classification system below a pay group 8, or non-classified employees earning a gross salary below the equivalent of a pay group 8, are specifically exempted from direct deposit payments by law. However, these employees may choose to be paid through direct deposit by completing the Direct Deposit Authorization form.

**Government Code 403.016**