ADMINISTRATIVE BOARD RULE 53[1]
METHODS OF PAYMENT

MANDATORY DIRECT DEPOSIT/ELECTRONIC PAYMENT MECHANISM

All exempt employees will be paid their regular salary through the City's direct deposit program or other electronic payment mechanism. The Finance Director may authorize payment of other compensation through the City's direct deposit program or other electronic payment mechanism. Employees' regular net pay will be deposited electronically on the regularly scheduled pay day. Other forms of compensation may be deposited electronically on any day.

Each exempt employee shall provide to the Appointing Authority a written authorization for payment by direct deposit. The authorization shall include the designation of the employee's financial institution equipped to accept direct deposits, the routing number of the financial institution, and the number of the account into which the funds are to be deposited. The authorization shall remain in effect until revised in writing by the employee or until dishonored by the financial institution.

Direct Deposit may be made to any financial institution capable of receiving direct deposits as designated by the employee. Requests for direct deposits to financial institutions not capable of receiving direct deposits will be rejected.

As an alternative to direct deposit and in the interest of employees, the Finance Director may establish other options of electronic payment that do not involve paper checks. Such options may include the use of prepaid debit accounts issued by a financial institution selected by the City Treasurer through the City's Procurement process.

Paper payroll advices will be made available to employees enrolled in either the City's direct deposit program or alternative electronic payment mechanism(s). At such time when the City develops the capability, payroll advices will be made available electronically.

53.1 **Reason for Direct Deposit / Electronic Payments Policy**

Direct Deposit is an electronic system of placing an employee's earnings and other compensation directly into a checking or savings account at a United States financial institution of the employee's choice.

Electronic payment allows for a secure and reliable paperless transmittal of payment to an employee between the City and the employee's financial institution. Electronic payment is also a safer and more secure method of receiving funds than paper checks, and it eliminates the possibility of checks being lost, misplaced, stolen, or subject to other fraudulent activities. Use of electronic payments is more efficient and cost-effective and provides assurance to employees that their pay will be deposited into their bank accounts on each scheduled payday even if severe weather or other circumstances would prevent them from reporting to work or going to a

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[1] Established November 21, 2014

financial institution to cash or deposit their paper check. Additionally, the elimination of paper checks supports the City's sustainability efforts.

53.2 **Changes to Banking Information for Direct Deposit**

It is the employee's responsibility to notify the Appointing Authority 30 days before the effective date of any change to their financial institution and/or bank account that affects their direct deposit or alternative electronic payment mechanism.

53.3 **Alternative to Direct Deposit**

An employee may be exempted from participating in direct deposit only by enrolling in another alternative electronic payment mechanism made available by the Finance Director.

53.4 **Mandatory Requirement**

All employees allocated, hired, or promoted to exempt positions on or after January 1, 2015 will be required to enroll in direct deposit or an alternative electronic payment mechanism.