

POLICY

Effective Date: December 11, 2006

Revised Date: January 12, 2016

Approved By: President Bruce Shepard

Authority: SAAM [85.36](#); [25.70](#); [85.34](#)

Cancels: POL-U5341.03 Distributing Payroll Payments
 POL-U5341.04 Distributing Non-Payroll Payments

See Also: [PRO-U5341.03A](#) Distributing Payroll Payments
 [PRO-U5341.03B](#) Distributing Non-payroll Checks
 [PRO-U5341.03C](#) Requesting a Manual Paycheck
 [POL-U5348.12](#) Reimbursing for Official University Business
 [POL-U5351.01](#) Billing and Receiving Payment for Tuition, Fees, Goods and Services
 [POL-U5348.10](#) Authorizing and Reimbursing for Travel for Official University Business

POL-U5341.03 DISTRIBUTING PAYMENTS TO PAYEES

This policy guides the distribution of payments to payees for both payroll and non-payroll payments, regardless of payment method, to ensure internal controls and protection of financial resources.

Definitions:

Automated Clearing House (ACH) Direct Deposit – electronic funds transfer of payments from the University’s bank account to a participating payee’s bank account.

Non-payroll Checks – include but are not limited to, checks to vendors and independent contractors, financial aid checks, and checks for reimbursement, travel advances and refunds.

Payee – the recipient of a payment from the University including, but not limited to, employees, vendors, independent contractors, and students.

Payroll Checks – refers to employment compensation via bank check due to an employee, including emergency checks and check reissues.

1. Vice President for Business and Financial Affairs Ensures Controls over the Distribution of Bank Checks Generated by the University

The Vice President delegates the daily administration and oversight of this policy to the Director of Financial Services who will ensure internal controls to safeguard funds against loss and compliance with state rules for payment methods.

2. Payees Choose Payment Distribution Method

Payees may select from distribution methods available, but must adhere to written procedures in order to receive payment. Eligible payees are encouraged to enroll for ACH direct deposit of

POLICY

payments to increase payment efficiency and the reliability of payment under unusual circumstances (e.g. natural catastrophe, severe weather).

3. **Payees Responsible for Keeping Personal Mailing Address and Bank Information Current**

Payees who have consented to receiving payment via ACH direct deposit are responsible for updating their bank account information when necessary.

Payees are to ensure their mailing address is current with the University in the event a check is to be mailed via postal service.

4. **Payments Owed to Deceased Employees to be Paid to Court Appointed Personal Representative**

The amount owed to the deceased includes amounts owed for labor performed by the deceased and/or expense reimbursements or allowances.

Exception: If no personal representative has been appointed by a court on behalf of the deceased's estate, then the University will ensure compliance with SAAM 25.70.30 to ensure proper distribution of amounts due to deceased employees.

5. **Accounting Services Will Deliver Uncashed Check Payments to the State Unclaimed Property Division**

Non-payroll checks that are outstanding in the University's bank account after two fiscal years, and payroll checks that are outstanding in the University's bank account after one fiscal year from the issue date, will be reported and delivered to the State's Unclaimed Property division.