

220-RICR-20-00-1

TITLE 220 – DEPARTMENT OF ADMINISTRATION

CHAPTER 20 – Accounts and Control

SUBCHAPTER 00 - N/A

PART 1 – Rules and Regulations Pertaining to Direct Deposit Payroll System for State Employees

1.1 Issuing Agency

State of Rhode Island, Department of Administration, Controller, Office of Accounts and Control.

1.2 Scope

All State Agencies using the State Payroll System operated by the Office of Accounts and Control.

1.3 Statutory Authority

R.I. Gen. Laws § 35-6-1(e) requires the State Controller to establish a Direct Deposit Payroll System for State Employees and to promulgate rules and regulations as necessary for the implementation and administration of the Direct Deposit Payroll System. This Regulation is promulgated pursuant to R.I. Gen. Laws § 35-6-1(e) and in accordance with the “Administrative Procedures Act,” R.I. Gen. Laws § 42-35-1, et seq.

1.4 Definitions

“Controller” means the Controller within the Department of Administration appointed by the Director of Administration pursuant to R.I. Gen. Laws § 35-6-1(a).

“Direct Deposit” means an electronic funds transfer whereby a State Employee’s recurring Net Salary is credited to a Direct Deposit Account.

“Direct Deposit Account” means an account with a Financial Institution the title of which includes the State Employee’s name designated by the State Employee to receive Direct Deposits of the State Employee’s Net Salary by electronic funds transfer.

“Direct Deposit Authorization Form” means the standard form developed by the Office, as may be amended from time to time, required to be completed by the State Employee to designate or amend his/her Direct Deposit Account.

“Direct Deposit Payroll System” means the electronic funds transfer system for Direct Deposit established by the Office.

“Financial Institution” means any bank, savings bank, savings and loan association, credit union or similar institution located within the United States that is part of the electronic funds transfer network used by the Office to make Direct Deposits.

“HR Office” means the applicable Human Resources Office for the State Agency.

“Net Salary” means the remainder due to a State Employee after any and all mandatory or voluntary deductions have been taken from a State Employee’s gross biweekly salary.

“Office” means the Office of Accounts and Control within the Department of Administration.

“Pay Period” means the two week period in accordance with the Payroll Calendar.

“Payroll Calendar” means the yearly Department of Administration, Division of Human Resources’ Calendar.

“Payroll Office” means the applicable Payroll Office for the State Agency.

“Prenotification Testing” means when a \$0.00 test deposit is sent through the Direct Deposit Payroll System by the Office to the Financial Institution to verify the Direct Deposit Account information entered into the Direct Deposit Payroll System is correct.

“Salary” means payment of salary or wages to a State Employee for: work performed by a State Employee for a State Agency; authorized paid leave; accumulated leave; compensatory time; contractual stipends; allowances; reimbursable use fees; bonuses; and, benefits.

“State Agency” means any department, division, institution, board, bureau, office, commission, council, committee and any other governmental agency of the State that utilizes the State Payroll System operated by the Office including, but not limited to, the University of Rhode Island, Rhode Island College, Community College of Rhode Island, Judiciary and Legislature.

“State Employee” means an employee of a State Agency paid via the State Payroll System, including a person holding an elective office. State Employee for purposes of this Regulation includes temporary employees employed directly by the State, seasonal employees, part-time employees, and paid interns.

“State Payroll System” means the system used by the Office to maintain State Employee payroll data and to calculate Net Salary.

“Waiver” means the authorization by the Office for an exception from the requirements of R.I. Gen. Laws § 35-6-1(e) and this Regulation.

“Waiver Form” means the standard form developed by the Office, as may be amended from time to time, required to be completed by the State Employee to request a Waiver for exception from the requirements of R.I. Gen. Laws § 35-6-1(e) and this Regulation..

1.5 Direct Deposit of a State Employee’s Net Salary

- A. State Employees hired after September 30, 2014 shall participate in the Direct Deposit Payroll System. At the time the State Employee is hired, the State Employee shall identify a Direct Deposit Account by completing and submitting the Direct Deposit Authorization Form. A State Agency shall not hire a person as a State Employee who has not completed and submitted the required Direct Deposit Authorization Form or been granted a Waiver.
- B. State Employees hired before September 30, 2014 shall participate in the Direct Deposit Payroll System, unless granted a Waiver by the Office. Such State Employees shall complete and submit a Direct Deposit Authorization Form or Waiver Form no later than June 30, 2016.
- C. Neither the Office, nor a State Agency, shall assess any fee or charge for a State Employee’s participation in the Direct Deposit Payroll System that reduces the Net Salary deposited.

1.6 Designation of a Direct Deposit Account

- A. Both State Employees hired after September 30, 2014 and State Employees hired before September 30, 2014 shall use the Direct Deposit Authorization Form required by the Office to designate a Direct Deposit Account.
- B. For State Employees hired after September 30, 2014, as part of the hiring process the Direct Deposit Authorization Form shall be submitted to the HR Office. All other Direct Deposit Authorization Forms shall be submitted to the Payroll Office. Such Payroll Office or HR Office shall transmit such Direct Deposit Authorization Form as soon as possible to the Office. For State Employees hired after September 30, 2014, if the Direct Deposit Authorization Form or Waiver Form is not included in the new hire paperwork transmitted to the Office, the State Employee shall not be added to the State Payroll System and the paperwork shall be returned to the HR Office.
- C. The State Employee shall designate one Direct Deposit Account. The Office in the future may permit designation of both a primary and secondary Direct Deposit Account whereby the secondary Direct Deposit Account is sent a fixed amount of the Net Salary and the primary Direct Deposit Account is sent the remainder of the Net Salary. If this option becomes available and the State

Employee elects this possible option, he/she shall execute a new Direct Deposit Authorization Form.

- D. The Direct Deposit Account shall include in its title the State Employee's name. No State employee shall designate as his/her Direct Deposit Account in which the employee is not named as a sole or joint owner of the account, unless the account is set up as a guardianship or custodianship for the benefit of the State Employee.
- E. Except for good cause shown, a State Employee is limited to three (3) changes of a Direct Deposit Account per calendar year. Good cause may include a legal order, identity theft issue or any other facts or circumstances applicable solely to that State Employee and after investigation and due consideration in the sole judgment of the Office constitute good cause.
- F. Once a Direct Deposit Authorization Form is in effect, it shall remain in effect until it is terminated by one of the following events:
 - 1. A change in the title of the Direct Deposit Account that removes the name of the State Employee from the Direct Deposit Account;
 - 2. The closing of the Direct Deposit Account or a change to the Direct Deposit Account such that a Direct Deposit would not be credited;
 - 3. A Waiver is granted; or,
 - 4. Termination by the Office.
- G. Upon the occurrence of § 1.6(F)(1) or § 1.6(F)(2) of this Part, the State Employee shall as soon as possible, but no later than the end of the next full Pay Period, submit a new Direct Deposit Authorization Form or Waiver Form to the Payroll Office. The Payroll Office shall transmit the Direct Deposit Authorization Form or Waiver Form as soon as possible to the Office.
- H. The Direct Deposit Account designation shall take effect on the next full Pay Period after the Office receives the Direct Deposit Authorization Form or any amendment thereto and after Prenotification Testing is successfully completed.

1.7 Electronic Salary Statement

State Employees who designate a Direct Deposit Account shall have access via Paystub RISM to an electronic salary statement that may be viewed, saved and printed. State Employees may access and print their electronic statements on State time using State equipment.

1.8 Request for Direct Deposit Waiver

- A. State Employees or prospective State Employees may request an exemption of the requirement for Direct Deposit by completing and submitting the Waiver Form required by the Office. For State Employees hired after September 30, 2014, as part of the hiring process the Waiver Form shall be submitted to the HR Office. All other Waiver Forms shall be submitted to the Payroll Office. The HR Office or Payroll Office shall submit the Waiver Form to the Office as soon as possible for the Office to approve or deny. Limited exceptions shall be granted by Waiver to R.I. Gen. Laws § 35-6-1(e) and this Regulation.
- B. A Waiver may be granted by the Office for a State Employee or prospective State Employee:
1. Who is underage as defined by a Financial Institution;
 2. Who has a physical or mental disability supported by acceptable medical documentation that would prevent the State Employee's ability to gain access to electronically deposited funds or comply with this Regulation;
 3. Whose sincerely held religious beliefs preclude compliance with R.I. Gen. Laws § 35-6-1(e) and this Regulation;
 4. By law cannot be required to receive Net Salary by a Direct Deposit System;
 5. Where the Office, after investigation and due consideration, has identified in writing a class or group of State Employees where it is impractical to require participation or continued participation or a State Agency where participation or continued participation will result in administrative burdens;
 6. For any State Employee hired for a period of less than a total of three (3) consecutive Pay Periods; or,
 7. When the Office in its sole judgment determines, after investigation and consideration, the facts and circumstances applicable only to that State Employee as set forth in the Waiver Form justify granting a Waiver.
- C. Granted waivers shall be reviewed periodically by the Office. If there is a change of the facts or circumstances upon which a Waiver was granted, a Waiver may be revoked by the Office and the State Employee shall complete a Direct Deposit Authorization Form as soon as possible, but no later than the end of the next full Pay Period. The State Employee shall notify the Office of any such change of facts and circumstances within ten (10) business days of such change and complete a Direct Deposit Authorization Form as soon as possible, but no later than the end of the next full Pay Period.

1.9 Termination of the Direct Deposit Account Designation by the Office

- A. A Direct Deposit Account designation shall be terminated by the Office:
1. Upon the death of the State Employee;
 2. Upon termination or separation of the State Employee from State employment;
 3. When a State Employee is placed on leave without pay;
 4. When the Direct Deposit is returned by the Financial Institution and after investigation it is determined that such return is not a result of a mistake of the Office;
 5. When required by judicial action; or,
 6. When in its sole judgment the Office determines, after investigation and due consideration, that facts and circumstances applicable solely to that State Employee justify such termination.
- B. If there is a change of the facts or circumstances that led to the Office's termination of the Direct Deposit Account designation, the State Employee shall complete and submit a Direct Deposit Authorization Form or Waiver Form to the Payroll Office as soon as possible, but in no event later than the end of the next full Pay Period. The Payroll Office shall transmit as soon as possible such Direct Deposit Authorization Form or Waiver Form to the Office. If a State Employee is returning from leave without pay, the State Employee shall submit the Direct Deposit Authorization Form or Waiver Form to the HR Office. When the HR Office forwards the return from leave paperwork to the Office, if a Waiver Form or Direct Deposit Authorization Form is not included with the paperwork, the State Employee shall not be added to the State Payroll System and the paperwork shall be returned to the HR Office.

1.10 Payment by Check

In the event that electronic funds transfer is not available due to any of the above circumstances, then payment of such Net Salary shall be made by the Office by check in the time mandated by law.

1.11 Improper Payment

In the event a Direct Deposit by electronic funds transfer results in an improper overpayment to a State Employee, the Office should be notified immediately. The Office shall attempt to recover such payment by notifying the State Employee. The State Employee may voluntarily reimburse the Office. In the event that the

State Employee does not reimburse the Office within fourteen (14) days after receipt of such notification, then the Office among its other remedies may deduct as authorized such overpayment from the State Employee's Net Salary or pursue collection of any such amount.

1.12 Noncompliance

Failure of a State Employee to submit the Direct Deposit Authorization Form or Waiver Form or to otherwise comply with this Regulation may result in progressive discipline up to and including termination.

1.13 Severability

If any part or provision of this Regulation or the application of any part or provision to any person, entity, or circumstances is judged invalid by any court of competent jurisdiction, the judgment shall be confined in its operation to the part of or provision of or application directly involved in the controversy in which the judgment has been rendered and shall not affect or impair the validity of the remainder of these Regulation or its application to other persons, entities, or circumstances.

1.14 Amendments

This Regulation may be rescinded or amended from time to time with the approval of the Controller. Any amendments must be promulgated by the Department of Administration on behalf of the Controller in accordance with the "Administrative Procedures Act," R. I. Gen. Laws § 42-35-1, et seq.