

**1. Title:**

Direct Deposit Authorization

**2. Purpose:**

1. To provide for the authorization of the use of Direct Deposit for routine salary payments to all qualifying FPCC employees.
2. To provide for the authorization of Direct Deposit for independent contractor payments.

**3. Policy:**

1. Direct Deposits shall be used as the normal method for making routine employee wage payments and may be used for independent contractor payments, except as otherwise limited by applicable law. FPCC will maintain its capability to process and issue payroll checks for when Direct Deposit is not yet authorized or for situations where an employee fails to qualify for Direct Deposit.
2. All Direct Deposit payments shall have filed in the Church Records appropriately executed Direct Deposit authorization forms.
3. Employee salary Direct Deposit payment authorizations shall use the *Employee Direct Deposit Authorization Agreement Form (F-083101)*. See Appendix A for an image of this form.
4. Independent contractor Direct Deposit payment authorizations shall use the *Independent Contractor Direct Deposit Authorization Agreement Form (F-083102)*. See Appendix B for an image of this form.
5. The Church Administrator is responsible for processing and filing completed Direct Deposit authorization forms. These forms shall be retained for a minimum of three years from the contractor's contract end date or an employee's employment end date.
6. A qualifying employee shall be given a sixty-day advance notice before the Direct Deposit of her/his wage payments is commenced. The memorandum template *Direct Deposit Wage Payment* (Appendix C) shall be used for notifying an employee of FPCC's Direct Deposit policy and serve as her/his sixty-day notice. Such notice shall provide the employee the appropriate authorization agreement form to be completed and returned to the Church Administrator.

#### 4. Definitions:

**Direct Deposit:** a method of payment in which money is transferred to the payee's account without the use of checks or cash.

**Qualifying employee:** an employee maintaining a suitable bank account and payment by Direct Deposit does not violate any Texas or Federal law such as: where forcing employees to accept direct deposit violates minimum wage laws if there is a charge to the employees that effectively takes their wages below minimum wage. Presumably, DOL would not have that concern if the direct deposit bank account charge did not have that effect.<sup>i</sup>

#### 5. References:

About.com - **Texas Law on Direct Deposit of Wages**

*In 2003, Texas law was amended by HB 3308 to add a direct deposit provision to Section 61.017 of the Texas Payday Law. New subsection (c) provides that an employer may elect to pay wages via direct deposit to employees who maintain suitable bank accounts, as long as the employer gives at least 60 days' advance written notice of the adoption of the direct deposit wage payment system and obtains from the employees whatever information is required by their banks to commence such deposits. Direct deposit wage payment was already possible under the Texas Payday Law - the change was basically to make that option clear. However, the problem with the amendment is twofold:*

- 1. The state law does not overcome whatever objections the DOL and the EEOC may have toward such a system under the federal laws they enforce.*
- 2. The new provision allows direct deposit of wages for employees who already have bank accounts. It does not expressly state that an employer may require an employee who does not maintain a bank account to establish one. This ambiguity will probably leave many employers in doubt as to their position regarding direct deposit of wages.*

#### 6. Applicability:

The provisions of this OPS apply to the processing of FPCC employee payroll payments and its ~~individual~~ independent contractor payments. It does not apply to the PDS.

#### 7. Procedures:

1. On approval of this OPS the Church Administrator shall issue the Memorandum – *Direct Deposit Wage Payment* (Appendix C, F-083103) to each FPCC employee, independent contractor and to any newly hired employee on her/his report date.
2. The Church Administrator shall provide each employee with a copy of the F-083101 form and each independent contractor with a copy of the F-083102 form for his/her completion and return.

3. An employee or independent contractor shall complete his/her form and return it to the Church Administrator within sixty days.
4. The Church Administrator shall coordinate the establishing of Direct Deposit accounts with Church Accounting and the FPCC's bank.
5. The Church Administrator shall file each Direct Deposit authorization form in the Church Records.

**8. Review Schedule:**

The review date for determining if a revision is necessary is the triennium of the effective date unless for any reason a change is required sooner.

**9. Approval:**

Session approved this OPS on the above effective date.

Appendix A

**Form Title:** *Employee Direct Deposit Authorization Agreement Form (F-083101)*

**Purpose:** This form is required as an authorization by an employee for FPCC to make wage payments by using Direct Deposit.

**Use:** Use the attached form as the official authorization by an employee to receive wage payments through the use of Direct Deposit.

The Church Administrator ensures that this form is retained as required for Church Records.

Copies of the below form are available in the Church Office and from the FPC Website.

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**FIRST PRESBYTERIAN CHURCH, CONROE  
EMPLOYEE DIRECT DEPOSIT AUTHORIZATION AGREEMENT FORM**

**Check the box that applies:** ☐ Begin Automatic Deposit ☐ Cancel, Change Bank  
Account or Amount Information

I, \_\_\_\_\_, an Employee, do hereby authorize First Presbyterian Church, Conroe to initiate direct deposits to the account(s) listed below. I understand this authorization will remain in effect until I provide timely written notice to cancel this service. I authorize any overpayments to me to be electronically deducted from my accounts, if necessary.

**Account(s) to be credited (can be deposited in up to two different accounts) or changes to existing Direct Deposit:**

Bank Routing No. \_\_\_\_\_ Acct. # \_\_\_\_\_ %, \$ or

Net \_\_\_\_\_ to be deposited

Type of account: ☐ Checking ☐ Savings

Bank Routing No. \_\_\_\_\_ Acct. # \_\_\_\_\_ %, \$ or

Net \_\_\_\_\_ to be deposited

Type of account: ☐ Checking ☐ Savings

I understand that this authorization will remain in full force and effect until I notify First Presbyterian Church, Conroe in writing that I wish to revoke this authorization. I understand that First Presbyterian Church, Conroe requires at least 2 weeks prior notice in order to cancel this authorization

\_\_\_\_\_

Signature of Employee

\_\_\_\_\_

Date

**Voided check (not a deposit slip) or a Savings account deposit slip must be attached to process request.**

**\*\*\*Attach Voided Check or Savings Deposit Slip here**

Appendix B

**Form Title:** *Independent Contractor Direct Deposit Authorization Agreement Form (F-083102)*

**Purpose:** This form is required as an authorization by an independent contractor for FPCC to make contract payments by using Direct Deposit.

**Use:** Use the attached form as the official authorization by an independent contractor to receive contract payments through the use of Direct Deposit.

The Church Administrator ensures that this form is retained as required for Church Records.

Copies of the below form are available in the Church Office and online at the FPCC Website.

**FIRST PRESBYTERIAN CHURCH, CONROE  
INDEPENDENT CONTRACTOR DIRECT DEPOSIT AUTHORIZATION  
AGREEMENT FORM**

**Check the box that applies:** ☐ Begin Automatic Deposit ☐ Cancel, Change Bank Account or Amount Information

I, \_\_\_\_\_, an Independent Contractor for First Presbyterian Church, Conroe, do hereby authorize First Presbyterian Church, Conroe to initiate direct deposits to the account(s) listed below. I understand this authorization will remain in effect until I provide timely written notice to cancel this service. I authorize any overpayments to me to be electronically deducted from my accounts, if necessary.

**Account(s) to be credited (can be deposited in up to two different accounts) or changes to existing Direct Deposit:**

Bank Routing No. \_\_\_\_\_ Acct. # \_\_\_\_\_ %, \$ or

Net \_\_\_\_\_ to be deposited

Type of account: ☐ Checking ☐ Savings

Bank Routing No. \_\_\_\_\_ Acct. # \_\_\_\_\_ %, \$ or

Net \_\_\_\_\_ to be deposited

Type of account: ☐ Checking ☐ Savings

I understand that this authorization will remain in full force and effect until I notify First Presbyterian Church, Conroe in writing that I wish to revoke this authorization. I understand that First Presbyterian Church, Conroe requires at least 2 weeks prior notice in order to cancel this authorization

\_\_\_\_\_  
Signature of Independent Contractor

\_\_\_\_\_  
Date

**Voided check (not a deposit slip) or a Savings account deposit slip must be attached to process request.**

**\*\*\*Attach Voided Check or Savings Deposit Slip here**

Appendix C

**Form Title:** *Memorandum - Direct Deposit of Wage Payments (Form 083103)*

**Purpose:** This Memorandum template shall be used to comply with Texas Law for providing a 60-day notice for wage payments by Direct Deposit.

**Use:** Use the attached Memorandum template as the official notice to an employee that their wage or contract payments shall be paid by use of Direct Deposit and has attached a copy of the appropriate authorization agreement form.

The Church Administrator ensures that a copy of this memorandum is retained in the employee's file.



## Financial Management

Policy Number: 08.31

Effective Date: Oct. 16, 2016

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First Presbyterian Church of Conroe  
2727 N. Loop 336 West  
Conroe, Texas 77304  
[DATE]

[FULL NAME & ADDRESS OF EMPLOYEE]

Subject: Direct Deposit of Wage Payments

Dear [FIRST NAME, OR MR/MRS/MS + LAST NAME]:

The First Presbyterian Church of Conroe ("FPCC") uses Direct Deposit for making employee wage and independent contractor payments. This policy is number 08.31 and may be viewed on the FPCC Website (<http://fpccconroe.org>) under the header "About Us".

State Law requires a sixty-day advance notice for initiating an employee's wage payment via Direct Deposit. This is your notice of FPCC's intent to begin the Direct Deposit of your wage or contractor payments at the end of 60 days from the date of this memorandum/notice. Your payments will be by check until a Direct Deposit is commenced.

Our policy requires your authorization for our using Direct Deposit for your wage payments. Please complete and return to me the enclosed Direct Deposit authorization agreement form within the next sixty days.

Please let me know if you have any questions or need assistance with the form.

Sincerely,

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Donna Senecal  
Church Administrator

[Enclosure: *Direct Deposit Authorization Agreement Form*]

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<sup>i</sup> [http://www.twc.state.tx.us/news/efte/electronic\\_fund\\_transfer\\_wages.html](http://www.twc.state.tx.us/news/efte/electronic_fund_transfer_wages.html)