City of Northampton, Massachusetts
Human Resources Department

POLICY & PROCEDURE
NUMBER 800-7

Effective Date: 05/05/98

DIRECT DEPOSIT PROGRAM

I. POLICY

It is the policy of the City of Northampton to offer employees the option of direct deposit of their pay. Through the Direct Deposit Program, an employee's pay will be electronically deposited into their account at the financial institution of their choice.

Note: Typically, the direct deposit funds will be available the first day after a scheduled pay day.

II. SCOPE

This program is available to all City of Northampton employees.

III. ENROLLMENT PROCEDURE

Employees who choose to enroll in the Direct Deposit Program must complete The City of Northampton Authorization Agreement Form (see attached HRD Form 4). The completed form must be returned to their authorized Human Resources Representative. A minimum of two weeks processing time is required before the first pay is deposited.

IV. PROCESS

1. Following the first pay period subsequent to enrolling in the Direct Deposit Program, an employee will receive his/her regular pay as was previously distributed. The selected financial institution will receive a pre-note (test run) that will be reviewed to verify deposits and other related account information.

2. An employee enrolled in the direct deposit program, excluding any pre-note exceptions/difficulties should expect to receive their scheduled pay at their depository on the second scheduled pay period following enrollment in the program.

3. Only one financial institution may be designated for direct deposit purposes.

4. Once an employee selects a financial institution, all regular payments subsequent to the two week required processing time, will be electronically transferred.

5. Only net pay will be available for electronic transfers to depositories.

6. Changes in financial institutions will only be allowed once a year unless there are mitigating circumstances, and only after an employee has been enrolled in the Direct Deposit Program for at least one year. There will be a two week processing time to effectuate changes.

Approved:

Mary L. Ford
Mayor

Donald R. Teres
Human Resources Director

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