



County of Riverside
OFFICE OF THE AUDITOR-CONTROLLER
STANDARD PRACTICE MANUAL

SECTION:		SUBJECT: Direct Deposit Reversal
POLICY NUMBER:	208	CATEGORY: Payroll
EFFECTIVE DATE:	7/1/13	APPROVED BY: <i>Paul Angelo</i>

PURPOSE:

To establish policies, procedures, and clarification of the role of the Auditor-Controller's Office (ACO) and the role of other departments in processing employee direct deposit reversals.

SCOPE:

Applies to all County departments, agencies, special districts, and authorities—collectively referred to as "entities"—that are governed by the Board of Supervisors or that are considered part of the County reporting entity.

POLICY:

It is the policy of the ACO to follow the strict legal requirements as set forth in Federal and State Law, Memorandum of Understanding's (MOU), and adherence to Union Bank (the bank) regulations with regard to processing direct deposit reversals for the County of Riverside.

PROCEDURE:

Direct deposit reversals can be initiated by ACO Payroll, Human Resources, the employee, or by the employee's Department Payroll Representative using the *Direct Deposit Reversal* form. All *Direct Deposit Reversal* requests must be accompanied by the *Employee Reversal Acknowledgement* form. ACO Payroll is unable to process a direct deposit reversal without the *Employee Reversal Acknowledgement* form. Due to the five (5) business day limitation, *Direct Deposit Reversal* forms should be faxed, walked-in, or scanned and emailed directly to ACO Payroll. These forms can be accessed by contacting ACO Payroll.

Employee's Role:

- Employee will submit written authorization to reverse the direct deposit to ACO Payroll via interoffice mail, fax, email, or hand delivered.

Department's Role:

- If the department has requested the direct deposit reversal, the Departmental HR/Payroll Representative must submit the completed *Direct Deposit Reversal* form along with the *Employee Reversal Acknowledgment* form to ACO Payroll.

ACO Payroll Division's Role:

- Upon receipt of the required documentation form the employee or the Departmental HR/Payroll Representative, ACO Payroll will complete and submit the ACH Reversal Request to the bank for processing via fax. Once the bank faxes back the action to be taken, ACO Payroll will proceed with

issuing either an Online Warrant or Manual (Green) Check. The employee must sign the Overpayment Agreement letter upon receipt of the check.

Bank's Role:

- The bank will process the faxed ACH Reversal Request and respond by faxing back to ACO Payroll the appropriate action to be taken.
- The following actions can be taken by the bank:
 - Deletion – Item was deleted at the bank prior to distribution to the employee's bank.
 - Reversal – Item was already distributed to the employee's bank, but a reversing entry was sent.

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