

OREGON ACCOUNTING MANUAL		
 STATEWIDE POLICY	NUMBER 45.10.00	SUPERSEDES 45.10.00.PO 45.10.00.PR dated 02/27/2008
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Division Chief Financial Office	REFERENCE/AUTHORITY ORS 292.036 ORS 292.045 – 292.070 ORS 652.610	
Policy Owner Office of the State Controller Oregon Statewide Payroll Services (OSPS)		
SUBJECT Voluntary Deductions	APPROVED SIGNATURE	

PURPOSE

This policy describes the circumstances under which modifications will be made in the Oregon Workday Payroll System to process voluntary deductions from the pay of state employees.

APPLICABILITY

This policy applies to all state agencies that are subject to the Oregon Accounting Manual (OAM), as outlined in [OAM 01.05.00 Introduction: Scope and Applicability](#). If any provisions of OAM policies or procedures conflict with bargaining agreements, the provisions of bargaining agreements would supersede OAM guidance.

FORMS/EXHIBITS/INSTRUCTIONS

None.

DEFINITIONS

Funds recipient refers to any entity receiving funds from an employee's authorized voluntary deduction.

Refer to [OAM 65.00.00 Glossary](#) for definitions.

EXCLUSIONS AND SPECIAL SITUATIONS

None.

POLICY:

- .101 This policy describes the circumstances under which modifications will be made to the Workday Payroll System to process voluntary deductions from the pay of state employees.

Authorization to Create Deduction Codes

- .102 Creating structure in the Workday Payroll System for the voluntary deduction of funds from employee salary and wages, must be permitted in the Oregon Revised Statutes or in the Oregon Administrative Rules. Creating and maintaining the deduction code sets and reconciling the aggregate deductions and vendor payments using a publicly owned system must be an authorized use of public resources. In response to special circumstances, or an emergency condition, a voluntary payroll deduction code may be authorized by a mandate from the Governor or the Director of the Department of Administrative Services.

Method Used for Payment

- .103 When possible, voluntary deduction codes implemented in the Workday Payroll System will utilize Electronic Funds Transfer (EFT) to transmit the deducted funds to the vendor or other recipient. Vendor requests for waiver of electronic payment methods must present compelling reasons to process payments using paper checks. This is not the responsibility of the agency.

Procedure to Establish a Deduction Code

- .104 The organization, entity or agency proposing or requesting a new deduction contacts the Workday Payroll System Division through a case in the Workday Payroll System to request that a new deduction code be created. The requestor must specify if the deduction is to be limited to specific agencies. The Workday Payroll System Division will evaluate the request, reach out to State Controller for their approval and verify the permissions. If the deduction is permitted, The Workday Payroll System Division will respond to the requestor and verify the date by which the code will be effective.
- .105 When notified that the deduction code request has been approved, the **funds recipient** must, in writing, provide the information necessary to implement Electronic Funds Transfer (EFT) of the deducted funds. The following information is needed:
- a. Complete business name and address of the recipient of the funds.
 - b. The name and address of the recipient's bank.
 - c. The American Banking Association (ABA) routing/transit number and the account number for the destination of the funds.
- .106 The Workday Payroll System Division will create the deduction code and notify the requesting entity and the agencies when the code is ready for use.

Implementing Deductions from Employee's Pay

- .107 The employee must supply the agencies with voluntary deduction authorization to record the employee's permission to activate the deduction. Authorization must indicate the funds recipient, the monthly amount, the effective date of the deduction, length of time for which the deduction is authorized (either fixed term or permanent), and a clear statement of authorization from the employee.
- .108 Upon receipt of authorization, the agency may activate the deduction code in the Workday Payroll System. The agency must retain employee deduction authorizations in accordance with the state records retention schedule.

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