

Payroll Checklist for Transitioning to Direct Deposit

Ensure a smooth payroll process by using this **payroll checklist for transitioning to direct deposit**, which covers employee bank information, authorization forms, and verification steps. Proper preparation eliminates errors and delays in employee payments. Following this checklist guarantees timely and accurate direct deposit transactions every pay period.

Checklist

- Notify employees of the transition to direct deposit and provide information materials.
- Collect completed direct deposit authorization forms from all participating employees.
- Gather accurate bank account information (bank name, routing number, account number, account type).
- Securely store and handle sensitive employee banking information.
- Confirm that all authorization forms are signed and dated.
- Set up each employee's bank information in the payroll system.
- Double-check data entry for errors and accuracy.
- Perform a pre-note (test transfer) to verify account details, if applicable.
- Notify employees of a test run and advise them to monitor their accounts.
- Resolve any feedback or errors from the test transfer before first live payroll.
- Process the first direct deposit payroll and confirm all payments are received on time.
- Provide employees with pay stubs and necessary records for their reference.
- Maintain records of authorization forms and banking information as required by company policy and regulations.
- Update bank information only upon receiving new signed authorization from the employee.
- Regularly audit and review direct deposit records for ongoing accuracy.