

Prepared by the Disbursing Office
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A8.871
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A8.800 Disbursing/Preaudit and Payroll

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A8.871 Distribution and Security of Paychecks and Earning
Statements

1. Purpose

To establish policies and procedure for distributing paychecks and earnings statements to employees and recovering unclaimed or undelivered paychecks and earning statements.

2. Objectives

To assure the paychecks and earning statements are not lost, misdirected, or delivered to unintended payees; that the confidential and private nature of the paychecks are given due consideration; and that overpayments are avoided.

3. Applicability

This instruction applies to all program managers responsible for distributing checks and earnings statements to their employees, including Board of Regents, civil service, student and casual employees.

4. Guidelines and Procedures

- a. HRS 40-53 requires employees paid by the State of Hawai'i to assign their paychecks to a financial institution. Payroll assignments provide a convenient and efficient way of ensuring that employees receive their pay when due.
- b. Paychecks should be given as expeditiously as possible to those individuals who are exempt from bank assignments.
- c. Program managers are responsible for distributing checks and earnings statements to their employees.
- d. Distribution may be made from a central office or from work areas.

- e. Unclaimed or undelivered checks and earnings statements should be verified as to the payee's entitlement to the check.
- f. Paychecks should be returned immediately to the University Disbursing Office, Payroll Section, if the payee is not entitled to receive a check.
- g. Paychecks and earning statements may be held for persons on vacation, etc., or for persons who have transferred to another department or unit in the University, until the individual makes arrangements to pick up. Paychecks and earning statements may be forwarded to payees through regular mail.
- h. Undistributed paychecks and earning statements should be returned to the Disbursing Office, Payroll Section with a brief explanation of efforts made to locate the payee and other reasons, as applicable within a week of the date issued. Any envelope returned by the U.S. Postal Service should be sent to the Payroll Section with the paycheck.
- i. The Disbursing Office, Payroll Section should review efforts made by the unit which received the check for distribution, conduct further research if possible, and retain the check for two months from the date of issue.
- j. After two months, the Disbursing Office, Payroll Section will return the check to the State of Hawai'i, Department of Accounting and General Services (Central Payroll) for cancellation.
- k. Security of checks
 - 1) In each agency receiving checks and earning statements for distribution, one individual (with Alternate) should be identified to handle and secure checks.
 - 2) Departments or units should not retain checks in their possession except as prescribed above or while attempting to locate an individual payee.
 - 3) Checks and earning statements should be stored in a locked drawer.
 - 4) Checks and earning statements sent through regular mail should be sealed in an envelope.

5. Responsibilities

Fiscal Officers and Program Managers (Approving Authority) who approve the distribution and security of paychecks are

responsible for compliance with applicable Federal and State laws, rules, regulations, University policies and procedures, and timely processing of documents for payments to employees.