

# DIVISION OF FINANCIAL OPERATIONS: STANDARD OPERATING PROCEDURES

## Payroll Check Security & Distribution



---

Prepared jointly by the Office of Business Operations  
and Payroll Administration

Last Updated June 2015

# Payroll Check Security & Distribution

## Table of Contents

- 1. Introduction ..... 3
- 2. Job Functions at Payroll Check Distribution Points ..... 3
- 3. Delivery and Receipt of Checks at Payroll Check Distribution Points ..... 3
- 4. Safeguarding Checks at Payroll Check Distribution Points ..... 4
- 5. Payroll Checks Not Delivered ..... 4
- 6. Distribution of Payroll Checks ..... 4
- 7. Return of Undistributed Checks ..... 5
- 8. Redistribution of Checks ..... 5
- 9. Stolen, Lost, Missing, or Mutilated Payroll Checks ..... 5
  - 9.1. Prior to Distribution to an Employee ..... 5
    - Lost or Missing Checks ..... 5
  - 9.2. After Distribution to an Employee ..... 5
    - Stolen Checks ..... 5
    - Lost or Missing Checks ..... 6
    - Mutilated Checks ..... 6
- 10. Payroll Check Stubs ..... 7
- 11. Contact Information ..... 8

## 1. INTRODUCTION

Payroll checks, like cash, must be protected from loss, mismanagement and fraud. Once generated, contracted couriers deliver payroll checks to field locations for distribution to employees. It is the responsibility of payroll check distribution points<sup>1</sup> to ensure the security of all payroll checks once received.

The following payroll checks are distributed to employees and are covered by the procedures outlined in this chapter:

Payroll Type	Payroll Bank	Employee Population
Pedagogic (Exception) Payroll	Q742	Pedagogic supervisors, teachers, and teacher-line staff (guidance counselors, schools secretaries, laboratory specialists, psychologists, and social workers)
Paraprofessional Payroll	Q744	UFT paraprofessionals
Hourly Support Payroll	E745	DC 37 school-based titles, Teamster titles, and co-op students
Administrative Payroll	H/Z 740	Administrative employees (hourly and salaried), SAPIS workers, parent coordinators, business managers and therapists

**Note:** Payroll checks for Per Diem and Per Session service are mailed directly to employees at their home address of record.

All sites are urged to have their employees enroll in [direct deposit – also known as Electronic Fund Transfer \(EFT\)](#). This benefit is available to all Department of Education (DOE) employees. EFT reduces the risks associated with distribution of paper payroll checks. Until such time as we have 100% membership in this program, the following regulations as detailed in this chapter will apply.

## 2. JOB FUNCTIONS AT PAYROLL CHECK DISTRIBUTION POINTS

Job functions at each payroll check distribution point must be segregated. For example, the person who distributes payroll checks to employees should not be the same person who prepares time reports and payroll authorization.

## 3. DELIVERY AND RECEIPT OF CHECKS AT PAYROLL CHECK DISTRIBUTION POINTS

Once generated, a contracted courier service delivers the payroll checks from the Payroll Check Management Unit (PCMU) to payroll check distribution points. An authorized employee at the distribution point must present valid photo identification (ID) to the courier representative. The

---

<sup>1</sup> Payroll check distribution points may be schools, financial management centers (FMCs), field offices, and any other work site where an employee receives his/her payroll check.

courier representative must also require the authorized DOE employee to sign for the receipt of the pre-packaged payroll checks from the PCMU.

Once received, staff at the check distribution point must confirm that a payroll check was received for each employee entitled to receive one. This can be accomplished by comparing the checks received to an online roster of active employees who worked at the school during the pay period. This roster is accessed via EIS screen 9.1.1. Any missing checks must be reported to the PCMU immediately (see [section 11 below](#) for contact information).

If a payroll check distribution point determines that a payroll check was received in error, it must immediately contact the PCMU (see [section 11 below](#) for contact information). All payroll checks delivered in error should be handled per instructions by PCMU.

## 4. SAFEGUARDING CHECKS AT PAYROLL CHECK DISTRIBUTION POINTS

All checks must be accounted for and kept in a locked safe or in a secure area until distribution.

## 5. PAYROLL CHECKS NOT DELIVERED

At times, Payroll Administration may find it necessary to withhold a payroll check from the employee. In these instances, payroll check distribution point personnel will receive notification of this via a *Payroll Check Withholding Form*. The completed form will be included with the checks.

If a payroll check was not included in the delivery nor was a *Payroll Check Withholding Form* received, the payroll check distribution point must notify the PCMU immediately (see [section 11 below](#) for contact information).

## 6. DISTRIBUTION OF PAYROLL CHECKS

If the distribution of a payroll check would cause an overpayment to an employee at the time of release (for example, the employee is known to be on a leave of absence without pay), check distribution point personnel must not release the check to him/her. If check distribution point personnel question whether or not a check should be released, they should confer with the site supervisor prior to releasing the check or contact the appropriate central payroll unit to inquire (see [section 11 below](#) for contact information).

The payroll check distribution point may release an employee's payroll check to him/her only after the employee provides proper identification (for example, driver's license or a DOE employee ID badge) and the employee signs a site-prepared form acknowledging receipt of the payroll check.

Should an employee wish to have a payroll check mailed, s/he must submit both a self-addressed stamped envelope and a written notarized request to his/her payroll secretary or timekeeper. An envelope alone does not constitute a written request.

Similarly, an employee may also request to have his/her payroll check released to a co-worker for delivery. No check will be released to anyone other than the employee, however, until the check distribution point receives a notarized letter from the employee authorizing release of the check to a particular individual.

When a payroll check distribution point receives a check for an employee who recently resigned or retired, or transferred to another DOE work location, the representative should contact the

employee to learn how s/he would like to receive the check: either via mail to the employee's home address or inter-office delivery to the employee's new work location. In these instances, a written, notarized letter of request from the employee is not necessary.

## 7. RETURN OF UNDISTRIBUTED CHECKS

Undistributed payroll checks are to be returned within three (3) business days to the PCMU (see [section 11 below](#) for contact information) along with a [Statement of Undistributed Paychecks](#) form. The preferred delivery is via the United States Postal Service.

## 8. REDISTRIBUTION OF CHECKS

To redistribute a payroll check that was previously returned to the PCMU, the payroll secretary or payroll check distribution point must contact the appropriate central payroll unit to determine if the employee is due the check. Payroll must complete a *Payroll Check Release Form* authorizing the PCMU to release the check provided it has not been canceled. If canceled, the appropriate central payroll unit will request the re-issuance of the payment due to the employee.

## 9. STOLEN, LOST, MISSING, OR MUTILATED PAYROLL CHECKS

### 9.1. Prior to Distribution to an Employee

#### Lost or Missing Checks

If a payroll check appears to have never arrived at the check distribution point, staff there must:

- Contact the PCMU (see [section 11 below](#) for contact information) to inquire about the check's whereabouts. If PCMU is able to locate the check, it will arrange to have it delivered to the check distribution point immediately.
- If the PCMU cannot locate the check, it will direct the check distribution site to contact the appropriate central payroll unit to initiate a stop payment action.
- The employee may request from his/her CFN that an emergency check is issued immediately.

### 9.2. After Distribution to an Employee

#### Stolen Checks

If a payroll check is deemed stolen, the employee must do the following:

- Notify the local police department precinct of the incident.
- Provide his/her payroll secretary or timekeeper with the police department docket (complaint) number assigned to the police department report.

Once reported by the employee, the payroll secretary or timekeeper, in turn, must initiate a stop payment action:

- For administrative (H/Z 740) or pedagogic (Q742) payrolls, contact the appropriate central payroll unit to place the request (see [section 11 below](#) for contact information).

- For UFT paraprofessional (Q744) and hourly support (E745) payrolls, complete all fields within the [Stop Payment Notice](#) with the exception of the agency information located in the “Agency Section”. Submit the completed form to the appropriate central payroll unit for processing.

If Section 3 of the *Stop Payment Notice* was not signed by both the employee and a notary, the NYC Office of Payroll Administration (OPA) will forward a *Claim of Lost Check* form to the employee. The employee must sign, notarize, and return this form to OPA. This step is essential; OPA will not generate a replacement check without receipt of this form. Once received, OPA will issue a new check.

Employees should allow approximately four to six weeks before receiving a replacement check.

### **Lost or Missing Checks**

If a payroll check is lost or missing, the employee must notify his/her payroll secretary or timekeeper. The payroll secretary/timekeeper, in turn, will initiate a stop payment action:

- For administrative (H/Z 740) or pedagogic (Q742) payrolls, contact the appropriate central payroll unit to place the request (see [section 11 below](#) for contact information).
- For UFT paraprofessional (Q744) and hourly support (E745) payrolls, complete all sections of the [Stop Payment Notice](#) with the exception of the agency information located in the “Agency Section”. Submit the completed form to the appropriate central payroll unit for processing.

If Section 3 of the *Stop Payment Notice* was not signed by both the employee and a notary, OPA will forward a *Claim of Lost Check* form to the employee. The employee must sign, notarize, and return this form to OPA. This step is essential; OPA will not generate a replacement check without receipt of this form. Once received, OPA will issue a new check.

Employees should allow approximately four to six weeks before receiving a replacement check.

### **Mutilated Checks**

If a payroll check is mutilated, the process varies slightly, depending upon the circumstances.

- Payroll check is still readable: If the payroll check is still readable, the employee or his/her payroll secretary or timekeeper must:
  - Draft a letter to PCMU to explain the circumstances of the mutilation.
  - Forward the mutilated check along with the letter to the PCMU.PCMU, in turn, will contact OPA to initiate a replacement check.
- Payroll check is not readable: If the payroll check is not readable, the employee must notify his/her payroll secretary or timekeeper. The payroll secretary/timekeeper, in turn, will initiate a stop payment action:
  - For administrative (H/Z 740) or pedagogic (Q742) payrolls, contact the appropriate central payroll unit to place the request (see [section 11 below](#) for contact information).

- For UFT paraprofessional (Q744) and hourly support (E745) payrolls, complete all fields within the [Stop Payment Notice](#) with the exception of the agency information located in the “Agency Section”. Submit the completed form to the appropriate central payroll unit for processing.

If Section 3 of the *Stop Payment Notice* was not signed by both the employee and a notary, OPA will forward a *Claim of Lost Check* form to the employee. The employee must sign, notarize, and return this form to OPA. This step is essential; OPA will not generate a replacement check without receipt of this form. Once received, OPA will issue a new check.

Employees should allow approximately four to six weeks before receiving a replacement check.

## 10. PAYROLL CHECK STUBS

Payroll check stubs, when received for employees registered in direct deposit/EFT program, contain personal information and therefore must be treated in the same manner as the payroll check itself. Once received, staff at the check distribution point must confirm that a stub was received for each employee entitled to receive one. This can be accomplished by comparing the stubs received to an online roster of active employees who worked at the school during the pay period. This roster is accessed via EIS screen 9.1.1. Any missing stubs must be reported to the PCMU immediately (see [section 11 below](#) for contact information).

If a payroll check distribution point determines that a payroll check stub was received in error, it must immediately contact the PCMU (see [section 11 below](#) for contact information). All payroll check stubs delivered in error should be handled per instructions by PCMU.

Any payroll check stubs not yet distributed to the employee must be held in a secure area. If an employee fails to retrieve his/her stub, it can be destroyed after being held for three months. The information contained on the stub is available to active employees online via the Payroll Portal system.

If a payroll check stub is received for an individual who no longer works at the work site, check distribution point personnel should contact the employee’s new work site to arrange for the stub’s transfer, or mail the stub to the employee (as applicable).

# 11. CONTACT INFORMATION

Agency and Office	Contact Information
NYC Department of Education Division of Financial Operations Payroll Administration	65 Court Street Brooklyn, NY 11201 (718) 935-2651
<ul style="list-style-type: none"> <li>• Payroll Check Management Unit (PCMU)</li> </ul>	<ul style="list-style-type: none"> <li>• Room 1800A</li> <li>• (718) 935-2219</li> </ul>
<ul style="list-style-type: none"> <li>• Pedagogic (Exception) Payroll (Q742)</li> </ul>	<ul style="list-style-type: none"> <li>• Room 1401</li> <li>• (718) 935-2218</li> </ul>
<ul style="list-style-type: none"> <li>• Hourly Support Payroll (E745)</li> <li>• Paraprofessional Payroll (Q744)</li> </ul>	<ul style="list-style-type: none"> <li>• Room 1003</li> <li>• (718) 935-3030</li> </ul>
<ul style="list-style-type: none"> <li>• Administrative Payroll (H/Z 740)</li> </ul>	<ul style="list-style-type: none"> <li>• Room 1003</li> <li>• (718) 935-2201</li> </ul>
<ul style="list-style-type: none"> <li>• Per Diem Payroll (T746)</li> <li>• Per Session Payroll (T747)</li> </ul>	<ul style="list-style-type: none"> <li>• Room 1401</li> <li>• (718) 935-2236</li> <li>• (718) 935-2229</li> </ul>
NYC Office of Payroll Administration (OPA)	Tel: (212) 669-8555 Fax: (212) 669-8405