

STATE CONTROLLER'S OFFICE  
PERSONNEL AND PAYROLL SERVICES DIVISION  
P.O. BOX 942850  
SACRAMENTO, CA 94250-5878

DATE: October 10, 2011

PAYROLL LETTER #11-017

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Lisa Crowe, Chief  
Personnel and Payroll Services Division (PPSD)

**RE: NOTIFICATION OF NEW INTERNATIONAL ACH TRANSACTION REGULATIONS**

On September 18, 2009, the fundamental definition of what constitutes an International Automated Clearing House (ACH) payment was changed with the implementation of the new International ACH Transaction (IAT) Standard Entry Class (SEC) code.

To comply with new National Automated Clearing House Association (NACHA) Regulations regarding IAT, the State Controller's Office is changing the STD. Form 699 Direct Deposit enrollment form. If an employee on Direct Deposit has the entire net of their payment automatically forwarded from a U.S. bank to a bank outside the jurisdiction of the U.S., they are no longer eligible for Direct Deposit and must receive paper payroll warrants for all earnings.

Effective December 1, 2011, we will no longer accept STD. Form 699 Direct Deposit enrollment forms without the new revision date (December 2011). This revised STD. [Form 699](#) will be available in late November.

For employees currently on Direct Deposit, we have attached a flyer that must be inserted into all advice slips and warrants for the months October, November and December 2011.

If you have any questions, please contact Cynthia Rounds at (916) 445-6983 or [crounds@sco.ca.gov](mailto:crounds@sco.ca.gov).

LC:CR:PPSD

Attachment

Due to new banking regulations, if your payroll warrant is direct deposited via Automated Clearing House (ACH) into a U. S. Financial Institution and the entire net of the payment is automatically forwarded to a Financial Institution outside the jurisdiction of the U.S., the State Controller's Office is required to include additional information that is not currently on file. If any portion of your Direct Deposit is automatically forwarded from a U.S. Financial Institution to a Financial Institution outside the jurisdiction of the U.S. please, contact the State Controller's Office Direct Deposit Unit at (916) 327-5023.