

OREGON ACCOUNTING MANUAL	
Subject: Accounting and Financial Reporting	Number: 45.10.00.PR
Division: State Controller's Division	Effective date: February 27, 2008
Chapter: Payroll	
Part: Voluntary Deductions	
Section:	
Approved: John Radford, State Controller	Signature on file at SCD

Procedure to Establish a Deduction Code

- .101 The organization, entity or agency proposing or requesting a new deduction contacts Oregon Statewide Payroll Services (OSPS) to request that a new deduction code be assigned. The requestor must specify if the deduction is to be limited to specific agencies. OSPS will evaluate the request and verify the permissions. If the deduction is permitted, OSPS will respond to the requestor and verify the date by which the code will be effective.
- .102 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.
- .103 OSPS will create the deduction code and notify the requesting entity and the agencies when the code is ready for use.
- .104 The code and description will be added to the OSPS Reference Manual appendix of valid deduction codes.

Implementing Deductions from Employee's Pay

- .105 The funds recipient will supply the agencies with deduction authorization forms to record the employee's permission to activate the deduction. Authorization forms 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), a clear statement of authorization, and a place for the employee's full name, signature and the date the form was signed.
- .106 Upon receipt of a signed authorization, the agency may activate the deduction code in OSPA. The agency must retain employee deduction authorizations in accordance with the state records retention schedule.