

Direct Deposit of Pay - International ACH Transaction Rules

Important Federal Change to Direct Deposit Rules

The U.S. Treasury's Office of Foreign Assets Control (OFAC) has issued requirements, effective September 18, 2009, that impact direct deposit rules. The new rules require Mason, as the originator of an electronic payment (e.g. a paycheck) through the Automated Clearing House (ACH), to identify payments made to payees where the entire payment amount is subsequently transferred to a foreign bank account.

What this means in practical terms is that Mason has to:

- inform you of the rule change using language specifically described below
- request that you alert us immediately if you transfer your entire pay amount by standing order to a bank in another country

If you do transfer your entire pay to a bank in another country we will not be able to support direct deposit of your pay and you will receive a paper check. By enrolling in direct deposit, you are attesting that you are not transferring your entire pay to a bank in another country.

The purpose of this rule change is to assist the banking industry in performing a screening process to determine if the funds (your paycheck) are being sent to or received from any party subject to OFAC sanctions.

*Mandatory Notification to Employees There have been recent changes to the payment system rules for direct deposit of payroll. If you receive your pay via direct deposit at a U.S. bank and then have the **entire** pay amount forwarded by "standing order" to a bank in another country, please advise the payroll department immediately at 703.993.2600 or via email to payroll@gmu.edu. This notification is being made in response to a request from the Federal Office of Foreign Asset Control in support of U.S.C. Title 50, War and National Defense.*

Note: A dishonest or misleading response to this notification may be considered falsification of records under Standards of Conduct.

This process is mandated by both federal and state rules.