



MARCH 25, 2003

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**TO:** BOARD OF DIRECTORS

**THROUGH:** ROGER SNOBLE  
CHIEF EXECUTIVE OFFICER

**FROM:** TERRY MATSUMOTO  
EXECUTIVE OFFICER, FINANCE AND  
TREASURER

**SUBJECT:** PAYROLL CHECK CASHING FEE

**ISSUE**

The 6-month waiver of the check cashing fee from Bank of America (BofA) expires on April 1, 2003.

#### **BACKGROUND**

As of August 1, 2002, Bank of America implemented a \$5 check cashing fee for MTA employees and others who do not have a relationship with BofA. At the direction of the Board, staff negotiated a 6-month waiver in order to allow MTA employees to transition. In order to avoid the fee, employees could establish a relationship, including signing up for free services, with BofA, enroll in direct deposit using a bank of their choice, avail themselves of similar free services with other major local banks or cash their checks elsewhere.

Management encourages employees to utilize direct deposit for employee convenience and MTA operating efficiency. The following actions have been taken to achieve a goal of 100% participation in Direct Deposit of paychecks.

- Paycheck insert promo called "Lose WAIT" included in paycheck for all employees.
- Made the Direct Deposit into a "fill in" form on Accounting Department website on the Intranet.
- Mailed Direct Deposit promo "Lose WAIT" to all MTA employees (2,083) who did not have 100% direct deposit.
- MTA Intranet Article – "Does David Letterman Have Direct Deposit? Top 10 Reasons to Use Direct Deposit."
- Payroll has made site visits to Transportation and Maintenance Divisions 1, 2, 8 and 18 and left trays with Direct Deposit forms for easy access to the employees.

The following is a status on the Direct Deposit campaign:

	Payday 9/28/02	Payday 03/21/03
Direct Deposit	83%	84%
Check	17%	16%

As of payday 03/21/03, there were 1,555 employees who did not utilize Direct Deposit. This number is comprised of the following:

Group	<u>Number</u>	<u>Percent</u>
UTU	952	61.2%
ATU	345	22.2%
NON-CONTRACT	116	7.5%
TCU	85	5.4%
AFSCME	48	3.1%
TEAMSTERS	9	.6%
TOTAL	1,555	100.0%

#### **NEXT STEPS**

- Payroll will continue to make site visits to the balance of Transportation and Maintenance Divisions leaving a supply of Direct Deposit forms at each Division.
- Near the end of April 2003, after the reality of the \$5 check cashing fee by Bank of America set in, Payroll will mail another Direct Deposit memo to all employees who do not have 100% Direct Deposit.
- Payroll is exploring the use of Pay Cards as an alternate means of payment in lieu of a check.