

Sherwood Management Co. Inc.
Direct Deposit Authorization Form

We are pleased to be able to offer a payday convenience - **Direct Deposit**. You can have your paycheck automatically deposited in your checking or savings account on payday. And you don't have to change your present banking relationship to take advantage of this FREE service.

Direct Deposit will help you in many ways.

- it saves trips to your bank or credit union
- it saves time in depositing checks - no long payday lines to wait in
- it eliminates the possibility of lost, stolen or forged checks
- it means any paycheck you would normally receive will be deposited to your account, even if you're on vacation or away from the office on business or illness.

Here's how Direct Deposit works:

On payday you will receive an earnings statement showing gross salary, taxes, other deductions, and net pay - the amount of your paycheck. Your money will be deposited in your account based on an established schedule.

We believe you will like the added convenience of having your net pay automatically deposited for you. **Direct Deposit** is safe, convenient and easy. To take advantage of this service, complete a **Direct Deposit Authorization** form and return it to the Payroll Department.

The **Direct Deposit Authorization** form gives Sherwood Management Company, its bank and your financial institution authority to deposit and process your pay directly to your account. Simply complete the form in order to take advantage of **Direct Deposit**.

Pre-notification:

The first payday we process your **Direct Deposit Authorization** form (for new or any changed direct deposit instructions) we are required to give you a regular paycheck (that you DO need deposit with your bank or credit union) and then WE notify your bank that you will soon begin to use **Direct Deposit** – this is called pre-notification. During pre-notification, our payroll system, our bank and your bank share information about your account so that when the first **Direct Deposit** actually occurs (the second payday after you sign up), your paycheck will be deposited correctly. On the second payday after we have processed your **Direct Deposit Authorization** form (provided you have not made any additional changes and your bank or credit union accepts our pre-notification), the net amount of your paycheck will be directly deposited into the bank account you have chosen.

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Changes and Cancellation:

Please see the section “Frequently Asked Questions”. It is very important that you understand what happens when you change your bank account or close the account that you are having your paycheck deposited to.

Termination of Direct Deposit Benefit:

We are very pleased to be able to offer the **Direct Deposit** program and, other than the costs associated with stop payments, adjustments or reversals you request, all expenses will be paid for by Sherwood Management. Errors can happen when you request frequent changes or when information you provide about your bank account is unclear, causing deposits to be missed or made for the wrong amount. Sherwood Management reserves the right to stop **Direct Deposit** for any single participant in the **Direct Deposit** program or the entire **Direct Deposit** program if it feels that the program is being abused or is used in any manner or is resulting in excessive direct or indirect costs.

Frequently Asked Questions:

Q: When can I withdraw my payroll funds from my account if I'm paid by direct deposit?

A: Our official payday is Friday. However, with direct deposit, most banks will give credit and access to your deposit two days AFTER we process the payroll. If we process payroll on a Monday, most banks will give credit and access to your deposit on Wednesday night. If for some reason processing of the payroll is delayed, say due to a Monday holiday, or if processing by your bank or ours must occur on a mid-week holiday, additional time will be required in order to process the payroll and credit your account. However, once your deposit is credited to your account, the money is available for withdrawal. There should be no “hold” placed on a direct deposit credited to your account.

Q: How will I ever be able to keep track of the balance in my account?

A: Each pay period you will receive a paycheck stub with all of the payroll information that you are used to seeing – the check portion will simply be void and will indicate that a direct deposit has been made for you.

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Q: What should I do if I change banks or if I close the account where my deposit has been going?

A: **This is an extremely important question.** Once we have started to make direct deposits to your account we will continue to do so every pay period when you are due to receive a check. If you close your bank account **you must tell us no later than Friday PRIOR to the processing of the payroll** (which usually occurs on Monday). Once we receive your request and process it we will stop your direct deposit and we will provide you with a real paycheck for any future pay periods. If you simply want to change your banking information, after you provide us with the new banking information you may receive at least one “real” paycheck while the new information you provide us goes through the “pre-notification” process.

Q: Why do I need to provide a voided check or bank draft?

A: Direct deposit relies on having accurate information about your bank account. The information on the bottom of your check or bank draft can be hard to read and understand. By providing us with a voided check or bank draft we will better be able to obtain the accurate information we need. Simply mark VOID through the body of the check – PLEASE DO NOT MARK THROUGH THE NUMBERS ON THE BOTTOM OF THE CHECK - and attach it to your authorization form.

Please note that deposit slips that your bank provides you with may have information on it which is not suitable for direct deposit transactions. Please do not attach a deposit ticket unless you have verified with your bank that the information along the bottom of it is the correct information for a direct deposit transaction.

Q: I don't want the joint owner of my checking account to know how much I make. How can I participate in direct deposit?

A: The best way to keep transactions confidential from a joint-account holder is to open another single account.

Q: Must I have a checking (demand deposit) account to use direct deposit?

A: No. You can direct your deposit to a savings or checking account at any type of financial institution, including a bank, savings and loan, credit union or brokerage account, provided your financial institution accepts direct deposit.

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Q: My salary is confidential. With electronic direct deposit, don't I lose that privacy?

A: No. In fact, you will likely have more privacy with direct deposit. As many as ten people handle a check from the time it is written until the funds are finally deposited to your account. The amount of information provided on a check when you deposit it is astounding - your name, your signature, the date the check was written, the dollar amount and your bank account number. With direct deposit, the transaction passes electronically from the originating bank (the bank Sherwood Management uses) to the receiving bank (the bank that you designate). In between banks, the information is protected by encryption - an electronic scrambling of data and various other security procedures to ensure that your direct deposit is not tampered with or intercepted.

Q: Do I have to pay a service charge for direct deposit?

A: No, unless a charge is incurred due to your request to reverse, correct or stop payment on a direct deposit we made for you based on your signed authorization form. Also, while banks rarely charge for direct deposit credit payment, you must pay for any charges your bank may impose. Frankly, banks LOVE direct deposit and many banks provide a free checking account if payroll deposits are made by direct deposit.

Sherwood Management Company will pay a bank charge to set-up and maintain the **Direct Deposit** program and a separate charge for each person using **Direct Deposit**, but we are absorbing that charge.