

An overpayment results when an employee is inadvertently compensated above the amount he/she should have received for services rendered in his/her salary or additional payment.

Steps	Responsibility
<p>1 <b><u>Overpayment Notification</u></b>                      a) Finance Center, Department, or Employee notifies Payroll of overpayment.                      b) All correspondence between Finance Center and Employee should include cc: Payroll.</p>	Finance Center /Payroll
<p>2 <b><u>Overpayment Acknowledgement Notification</u></b>                      Within one week, Payroll will e-mail the Employee and cc: Department and Finance Center Ops Manager/Director with an overpayment notification.</p>	Payroll
<p>3 <b><u>HRMS Correction</u></b>                      Finance Center will make the necessary HRMS coding changes so the employee is paid correctly in the future and additional overpayment of funds is avoided.</p>	Finance Center
<p>4 <b><u>Calculations</u></b>                      a) Payroll will complete research, analysis, and calculation of overpayment.                      b) Payroll will contact Benefits when needed.                      c) Payroll will wait for system changes when needed (i.e., rate changes, term dates, etc.) Finance Center must correct HRMS coding per #3 above.                      d) Payroll Director will review calculation.</p>	Payroll
<p>5 <b><u>1<sup>st</sup> Email/Letter</u></b> (when research/calculations and HRMS changes are complete)                      By the 14th day (if possible), Payroll will e-mail the Employee detailing the overpayment and repayment options.</p>	Payroll
<p>6 Payroll spreadsheet is updated and maintained by Payroll Office.</p>	Payroll
<p>7 There are no changes to Employee HRMS balances or GL until employee communicates agreement to repayments arrangements.                       *If the overpayment was grant account funded and grant has been or is being closed, an alternative funding account should be identified by the Department/Finance Center. The Finance Center should submit the necessary wage transfer forms notifying Payroll of grant fund closure for the overpayment.</p>	All
<p>8 Payroll continues to contact employee based on checklist (2<sup>nd</sup> &amp; 3<sup>rd</sup> emails/letters), updating spreadsheet as applicable.</p>	Payroll
<p>9 <b><u>Employee responds to Payroll and Repayment Plan has been Identified</u></b>                      Payroll sends receipt confirmation (check or arrangement paperwork) and thank you to employee, cc: Finance Center Ops Mgr/Director.</p>	Payroll
<p>10 <b><u>Payroll receives Repayment Check from Employee</u></b>                      a) Correct HRMS – the overpayment amount will be visible in Net Pay account                      b) Check is deposited at Cashier’s Office to Net Pay account</p>	Payroll

	<p>c) Net Pay account should be cleared due to a &amp; b above.</p> <p>*If grant account funded and grant has been closed, Payroll should process transfer to alternative funding account previously identified by Department/Finance Center.</p> <p>d) If prior year adjustment, Payroll prepares W2c and sends to employee.</p> <p>e) All paperwork is filed in employee Payroll Office file.</p>	
11	<p><b><u>Payroll receives Payment Arrangement Agreement from Employee</u></b></p> <p>a) Correct HRMS – the overpayment amount will be visible in Net Pay account</p> <p>b) A Special Loan is set up in the employee HRMS record, costed to Special Loan Account</p> <p>c) Payroll processes journal entry to move total loan amount from net pay to special loan account.\</p> <p>*If grant account funded and grant has been closed, Payroll should process transfer to alternative funding account previously identified by Department/Finance Center.</p> <p>d) If prior year adjustment, Payroll prepares W2c and sends to employee.</p> <p>e) Payroll monitors employee pay and special loan GL account until total amount is repaid.</p> <p>f) All paperwork is filed in employee Payroll Office file.</p>	Payroll
12	Payroll updates spreadsheet.	Payroll
13a	<p><b><u>No Employee Contact</u></b></p> <p>a) If payroll is unable to resolve the overpayment with the employee a final contact letter will be sent, cc: Finance Center Ops Mgr/Director.</p> <p>b) Payroll will take no further action unless contacted by employee.</p> <p>c) All documentation will be filed in employee payroll office file.</p> <p>d) Finance Center will be notified if Payroll Office is contacted by employee.</p> <p>e) Finance Center Directors will make the decision to involve Leadership and/or the Office of General Council.</p>	Finance Center
13b	If the overpayment was grant funded, the Finance Center and the Department will work to identify an alternative funding source. The Finance Center will then transfer the gross amount of the overpayment out of the grant and into the alternative funding source. The gross amount of the overpayment should not be transferred to a ‘suspense’ account. Payroll should be notified of the accounting change.	Department/ Finance Center
14	<p><b><u>If employment terminates</u></b></p> <p>Payroll will take the necessary steps to collect entire outstanding balance prior to termination.</p>	Payroll