

GEORGETOWN UNIVERSITY



FINANCIAL AFFAIRS MANUAL

Issuing Department: Payroll Services	Topic: Salary Overpayment Policy and Correction Procedures	Policy # FA 164-08	
New ♦	Revised	Supersedes Policy	Effective Date: January 2, 2008

100.01 POLICY: Salary Overpayment Policy and Correction Procedures

100.02 STATEMENT:

100.03 APPLICABILITY: This policy applies to all University employees.

100.04 PURPOSE: To establish University policy and procedures for identifying, remedying and recouping salary overpayments to University employees.

100.05 RESPONSIBILITIES

Payroll Services is responsible for making timely and accurate salary payments to University employees. On occasion, due to errors in processing, employees may be paid more than is owed to them. If a department administrator becomes aware of an overpayment, he or she is responsible for reporting it to Payroll Services and for correcting the employee's employment records, if necessary. If an employee becomes aware of an overpayment, he or she is responsible for reporting it to his or her department administrator. Employees must repay all amounts paid in excess, regardless of how the overpayment occurred. For employees who leave the University before full repayment has been made, the University is authorized to pursue repayment after termination and/or deduct from the employee's final salary payment any repayment amount not yet received.

100.6 DEFINITIONS

“Overpayment” is defined as any compensation paid to an employee that is in excess of the amount owed to the employee and to which the employee is not entitled.

“Repayment” is the process by which an employee or former employee returns an overpayment to the University.

100.7 Administration

1. Discovery of Overpayment

- Payroll Services is responsible for making timely and accurate salary payments to University employees. Upon discovering that a payment has been made in error, or that the amount paid was erroneous, Payroll will take steps to determine the source of the error and will calculate the amount paid in error, accounting for taxes and other amounts withheld.
- Department administrators who handle payroll matters are responsible for reviewing the Center Status Report each pay period to ensure that there are no discrepancies in employees' pay for that period. Upon discovering that an employee has received a payment in error, or that the amount paid was erroneous, the department administrator should review the employee's payroll and departmental records to determine the source of the error.

2. Notification

- An employee who discovers that he or she has received an overpayment shall immediately notify his or her department administrator.
- A department administrator who discovers an overpayment or receives notice of an overpayment from an employee shall immediately notify Payroll Services.
- When Payroll Services discovers or is notified of an overpayment, Payroll will notify the department administrator and issue an Overpayment Notification Form to the employee that includes
 - the amount of the overpayment;
 - the date(s) on which the overpayment occurred;
 - the reason for the overpayment; and
 - the employee's options for repayment.
- The employee must select an option for repayment, sign the Overpayment Notification Form, and return it to the department administrator, who should approve it and return it to Payroll Services.

3. Correction

- If it is determined that the error occurred within the employee's department, the department administrator should correct the error. Examples of departmental error include mistakes on the employee's Personnel Transaction Form and mistakes in recording hours on the employee's time sheet. The department administrator shall correct each error at the department level and communicate the correction to Payroll Services (and Human Resources, if necessary). Payroll Services will assist the department administrator in correcting the overpayment and adjusting the employment records, if necessary.
- If the error occurred in Payroll, such as by a keying error, Payroll Services will take appropriate action to correct the error in the payroll system. If the error occurred in Human Resources, Payroll Services shall notify Human Resources of the error and together take appropriate action to correct the error.
- Correction within the employee's payroll or human resources record may occur prior to notifying the employee of the overpayment.

4. Repayment

- If the employee receives a full payment in error:
 - and was paid by check that has not yet been cashed, the employee or the department administrator should write “VOID” across the check and return it to Payroll Services with a memo explaining that the check was received in error and must be voided. If the check has already been cashed, repayment should be made using one of the options below.
 - and was paid by direct deposit, Payroll Services shall attempt to retrieve the payment from the employee’s bank. If unable to retrieve the funds from the bank, repayment should be made using one of the options below.
- If the employee receives an erroneous amount in his or her regular pay, the employee has the following options for repayment:
 - Full repayment by deduction from the employee’s regular pay. If this option is selected (only for erroneous amounts less than the employee’s biweekly or monthly pay), the department administrator should process a Time Sheet Correction Form for hourly employees or a Salaried Leave Status Report for salaried employees. These adjustments must be made within the same calendar year as the overpayment.
 - Full repayment by check or money order. If this option is selected, the employee should include with the Overpayment Notification Form a check or money order for the full amount of the overpayment, as indicated on the form.
 - Repayment in installments. If this option is selected, the employee should indicate on the Overpayment Notification Form (a) the time period in which he or she wishes to repay the amount in error, not to exceed six (6) months or the end of the calendar year, whichever is sooner, and (b) whether he or she wishes to make repayment by payroll deduction or check/money order. Payroll Services will review the employee’s proposed repayment timeframe and may accept the proposal or propose an alternate schedule until Payroll and the employee reach agreement. The full repayment amount must be received within the same calendar year as the overpayment. Payroll Services will calculate the amount the employee will pay per installment and will issue the employee a repayment schedule with the amount and due date of each installment. If the employee elected to pay by check or money order, the employee shall submit to Payroll Services by the due date a check or money order for the amount due. If the employee elected to pay by payroll deduction, the installment amount will be withheld from the employee’s regular pay according to the installment schedule.
- If the employee leaves the University before full repayment is collected, the University is authorized to withhold from any final salary payment(s) the amount still owed as repayment. If such an amount cannot be withheld, the department administrator shall send a certified letter to the former employee’s last known address including the amount still due and requesting repayment within 30 calendar days. If necessary, the department administrator and the former employee may agree upon a payment schedule not to exceed six (6) months or the end of the calendar year, whichever is sooner. The department administrator should notify Payroll Services of the agreed upon payment schedule.

Failure to comply with this policy can result in disciplinary action up to and including dismissal under Human Resources Policy #302 where applicable (for Staff employees).

Position Descriptions

Signature authority responsibilities, with specific performance standards, should be included in Position Descriptions for all employees who have signatory authority responsibilities.

All employees who have financial accountabilities should attend the prerequisite operational training courses through **T&OD**. Classes are listed at http://www10.georgetown.edu/hr/training_development/index.html

100.09 POLICY APPROVAL: Associate Vice President,
Administrative Services and Director, Payroll Services

100.10 POLICY REVIEW CYCLE: At least annually but the
policy may be reviewed more frequently.