

MANUAL OF PROCEDURE

PROCEDURE NUMBER: 3580

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PROCEDURE TITLE: Collection of Salary Overpayments

STATUTORY REFERENCE: FLORIDA STATUTE 1001.65(1)

BASED ON POLICY: III-1 College Business Affairs

EFFECTIVE DATE: February 24, 1988

LAST REVISION DATE: November 8, 2005

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I. PURPOSE

To provide methodology for the recovery of College funds subsequent to a salary overpayment.

II. INTRODUCTION

Notification of salary overpayments may originate from Human Resources, Payroll, Internal Audit, Department Chairpersons, or from the employee. In the majority of occurrences, Payroll will determine the condition that caused the overpayment. Payroll will be provided with written notice containing the details when overpayments are identified outside the Payroll Department.

III. PROCEDURE

A. Establishing the Obligation

1. Payroll will determine the amount of overpayment and record the overpayment in the payroll system. The system will generate offsetting entries to adjust various payroll-related accounts. In addition, the employee's payroll records will be corrected to reflect the overpayment transaction. It is the responsibility of the Payroll Department to contact Human Resources, Student Financial Services, and the Controller upon determination of the overpayment.
2. Human Resources will prepare the initial letter to the employee outlining the conditions that caused the overpayment. Copies of the correspondence with the employee will be forwarded to Payroll and Student Financial Services.

- a. For active employees, the letter to the employee may indicate repayment conditions.
 - b. For employees on leave of absence, or for separated or retired employees, the letter will indicate that payment should be remitted to the Controller of the College.
3. Student Financial Services will record the obligation in an account designated for employee-related accounts receivable.
- B. Collection Action - Active Employees
1. Payroll
 - a. If arrangements are made with the employee to establish a payroll deduction in connection with the overpayment, Payroll will make the necessary provisions in the payroll system for the affected employee.
 - b. When no response is received from the employee upon notification from Human Resources, an involuntary payroll deduction may be applied by Payroll for the affected employee.
 - c. Payroll must provide Student Financial Services with documentation when payroll deductions occur. Student Financial Services will adjust the obligation accordingly.
 - d. Employee obligations that result from salary overpayments to active employees should be satisfied in the payroll cycle immediately following the cycle in which the overpayment occurred, when possible. If earnings in the subsequent payroll cycle are not sufficient to satisfy the obligation, multiple deductions may be taken.
 2. Student Financial Services
 - a. Upon notification from Payroll, Student Financial Services will record an obligation in an account designated for employee-related accounts receivable.
 - b. Payment activity in the form of payroll deductions will be reflected as an adjustment to the obligation.
- C. Collection Action - Employees on Leave of Absence
1. Human Resources will prepare the initial letter to the employee outlining the conditions that caused the overpayment. Employees on leave of absence will be instructed to remit the amount of overpayment to the Controller of the College.


2. When collection of the full amount is not made by the College within thirty days of the initial contact by Human Resources, Student Financial Services will issue a follow-up letter advising the employee of the outstanding obligation and collection action to be taken in the event that payment is not made in a timely manner.
3. When collection of the full amount is not made by the College within an additional thirty days, Student Financial Services may refer the obligation to a collection agency for further collection action.

D. Collection Action - Separated or Retired Employees

1. College procedures for the collection of employee obligations that result from salary overpayments to retirees or otherwise separated employees will follow those established for employees on leave of absence. Refer to Section III.C. above.

E. Processing of Collections

1. The collection of salary overpayments to active employees arranging to have payroll deductions applied in satisfaction of the obligation must be coordinated between Payroll and Student Financial Services.
2. When payments are to be remitted to the College, collection must be coordinated between the Controller’s Office and the Bursar’s Office. Payments remitted to the Controller will be forwarded to the Bursar for deposit and applied to the outstanding obligation of the affected employee.

	
	11/8/05
PRESIDENT	DATE