

SUBJECT: Salary Overpayment Penalty	Effective Date: 01-29-13	Policy Number: 3-002.2	
	Supersedes: 3-002.1	Page 1	Of 2
	Responsible Authority: Chief Human Resources Officer		

APPLICABILITY/ACCOUNTABILITY

This policy is applicable to all University of Central Florida departments.

POLICY STATEMENT

To prevent salary overpayments, university department personnel who are responsible for payroll must verify the accuracy of all payroll data prior to submitting and certifying the payroll to Human Resources. Failure to comply with Human Resources data submission deadlines or transmitting inaccurate data to Human Resources may result in Human Resources' charging the department 25 percent of the amount that needs to be recovered.

DEFINITIONS

Department. Any unit that issues payroll.

BACKGROUND

To insure that all employees are paid on time, Human Resources establishes, publishes, and adheres to strict deadlines for processing payroll. Therefore, it is crucial that department personnel submit paperwork on time that affects any payroll change. When payroll-change paperwork is not submitted according to the established schedule, overpayments to individuals may occur. When an overpayment is made, Human Resources must attempt to collect it from the recipient. Collection is often difficult and costs the university time and money. Moreover, errors such as these put the university at risk for unfavorable audits and associated sanctions.

PROCEDURES

The most common types of actions that affect payroll are leaves of absence, changes in leaves of absence, and terminations. There are several tools available from Human Resources that assist department personnel in reviewing payroll data, including departmental group rate reports, cost center reports, and other finance and budget reports.

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Supervisors of payroll processors and authorizers are responsible for informing them of their responsibilities, and supervisors must also ensure that Human Resources is informed of any leave of absence, change in leave of absence, termination, or other qualifying payroll action by submitting the appropriate forms for these actions by the established deadline.

A recovery fee will be charged in all cases of overpayments in which termination or leave- action forms are not submitted by the deadline for the affected pay period. Other department payroll submission errors resulting in overpayments will be assessed a recovery fee if they go uncorrected for more than four pay periods. The recovery fee will be assessed when the department is notified of the situation. This fee covers some of the associated costs and also provides an incentive for all parties to make timely and accurate submissions for payroll actions. Human Resources will not charge a recovery fee if 25 percent of the overpayment is less than \$50.

RELATED DOCUMENTS

Human Resources forms:

http://hr.ucf.edu/web/forms/alpha_index.shtml#P

Payroll Procedures Manual and Payroll Schedules: <http://hr.ucf.edu/web/payroll/index.shtml>

Running Processes and Reports in Peoplesoft Manual; includes cost center reports, group rate reports, and department leave reports: http://hr.ucf.edu/files/Running_Processes.pdf

Human Resources forms: http://hr.ucf.edu/web/forms/alpha_index.shtml#P

INITIATING AUTHORITY

Vice President for Administration & Finance and Chief Financial Officer

POLICY APPROVAL (For use by the Office of the President)	
Policy Number: 3-002.2	
Initiating Authority: <u>Will F. Merkle</u>	Date: <u>1-29-13</u>
Policies and Procedures Review Committee Chair: <u>John Salvo</u>	Date: <u>1-28-13</u>
President or Designee: <u>John C. Hill</u>	Date: <u>1/29/13</u>

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