

SUBJECT: Salary Overpayment Penalty	Effective Date: 4-16-08	Policy Number: 3-002.1	
	Supersedes: 3-002	Page 1	Of 2
	Responsible Authority: Director of Human Resources		

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 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% 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 overpayment is made, Human Resources must attempt to collect it from the recipient. Collection is often difficult and costs the university time and money, especially when an outside collection agency has to be retained. 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, as well as other less frequent transactions. 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.

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.

The 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 is meant to cover some of the associated costs and also provide a clear incentive for all parties to make timely and accurate submissions for payroll actions. Human Resources will not charge a recovery fee if 25% 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/web/forms/hris/Running_Processes.pdf

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

INITIATING AUTHORITY: Vice President for Administration & Finance

POLICY APPROVAL (For use by the Office of the President)	
Policy Number: 3-002.1	
Initiating Authority: <u>Will F. Neufuss</u>	Date: <u>5/9/08</u>
Policies and Procedures Review Committee Chair: <u>Lith Davis</u>	Date: <u>May 8, 2008</u>
President or Designee: <u>J. Hill</u>	Date: <u>5/9/08</u>

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