



University Compliance, Ethics, and Risk Office

UNIVERSITY OF CENTRAL FLORIDA

University of Central Florida Draft Policy Submission Cover Memo Form

Policy No. and Title:

Initiating Authority:

Initiating Authority Approval Date:

Date of Submission for Review:

Submitted by:

Department:

New Policy

Existing Policy (5-year Review)

Existing Policy (Out of Cycle
Review)

Summary of Revisions: (For a new policy, please provide a summary of the policy. For an existing policy, please provide a summary of the revisions made to the policy.)

Stakeholders included in the Review Process: (Provide a list of departments involved in the review/revision process.)

Stakeholder feedback must also be requested from the [Faculty Senate](#) and the [College Policy Liaisons](#). By checking the boxes below, you are confirming that feedback from these groups was requested, received, and considered in the draft policy.

College Policy Liaisons

Faculty Senate

Regulatory Requirements (if applicable): (Provide information on regulatory requirements pertaining to the policy, including specific statute or regulation number.)

Presenters: (Provide the name(s), position title(s), and email address(s) for all individuals who will be presenting the policy to the university's Policies and Procedures Committee.)



DRAFT – Salary Overpayment Penalty Recovery Fee

Policy Number	3.002. 34
Responsible Authority	Associate Vice President and Chief Human Resources Officer
Initiating Authority	<u>Acting</u> Vice President <u>and Chief Financial</u> Officer <u>Operating</u>
Effective Date	<u>5/9/2019</u>
Date of Origin	11/2/2004

APPLICABILITY/ACCOUNTABILITY

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

BACKGROUND INFORMATION

Employers are required to pay employees on a set schedule. To ensure timely and accurate employee payments that all employees are paid on time, the office of Human Resources' (HR) Payroll Services unit establishes, publishes, and adheres to strict payroll processing deadlines for processing payroll. Therefore, it is essential/crucial that department personnel submit all documentation paperwork that affects any payroll change on time affecting payroll actions – such as changes to salary, benefits, or employment status – by the published deadlines. Failure to meet these deadlines may result in payroll errors, including overpayments, negative impacts on employee benefits, and incorrect charges to grants or contracts.

In the event of an overpayment, the university is obligated to recover the excess funds. HR coordinates these recovery efforts on behalf of the university and ensures that all related benefits, retirement contributions, and IRS reporting are corrected in accordance with applicable laws and regulations. Recovering overpayments and correcting associated data can be complex and resource intensive. Such errors may expose the university to risks such as financial losses, unfavorable audit findings, and potential sanctions. Therefore, timely and accurate submission of payroll related actions is critical to maintaining compliance and operational integrity. When actions affecting salary or benefits are 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 involves the expenditure of university resources. Moreover, errors of this kind put the university at risk for unfavorable audits and associated sanctions.

POLICY STATEMENT

To prevent salary overpayments, university department personnel ~~who are~~ responsible for ~~payroll employment actions~~ must verify the accuracy of all payroll data and financial data prior to ~~submitting submission and certifying certification to Payroll Services~~. Failure to meet established ~~data submission deadlines or the transmission of inaccurate payroll information may result in the financial consequences~~. ~~Specifically, HR may assessment of a recovery fee as outlined in the Procedures section, the payroll to Human Resources~~. Failure to comply with data submission deadlines or transmitting inaccurate data 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~~ hires employees.

Human Resources Business Center (HRBC). The Human Resources Business Center within a college or division that handles employment actions on behalf of departments.

Finance Business Center (FBC). The Finance Business Center within a college or division that handles payroll costing allocations and financial reconciliation of salaries.

Supervisor. An employee who is responsible for overseeing the work and performance of other employees, typically within a specific department or team. Supervisors must communicate information about their employee's status to the HRBC to ensure all actions are implemented timely.

PROCEDURES

Reporting Payroll-Related Actions.

Certain employment actions commonly affect compensation and must be reported promptly to ensure accurate payroll processing and financial reporting. These include new leaves of absence, changes to existing leaves of absence, period activity pay adjustments, delays in hire dates, personnel changes occurring within a pay period, and terminations. Failure to report these or other employment status changes in a timely manner may result in payroll errors, including overpayments or benefit discrepancies. To minimize missed transactions, several reporting tools are available to assist departments and Human Resource Business Centers (HRBCs) in reviewing payroll data. 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 and cost center reports. Contact Human Resources for other tools that may be available.

Supervisor Responsibilities.

~~Supervisors have the responsibility~~ are responsible for promptly notifying their HRBCs of any employment status changes that may affect an employee's pay or benefits. These changes include, but are not limited to leaves of absence, leave without pay, terminations, reductions in full-time equivalency (FTE), salary reductions, changes to period activity pay and unpaid suspensions. All required documentation must be submitted by the HRBC via a Workday Help Case by the established deadlines. ~~of informing, in a timely manner, their departmental payroll processors and authorizers of any employment status changes that affect their employees' pay and benefits, including leaves of absence, leaves without pay, termination, full-time equivalency decreases, salary reductions, and unpaid suspensions. The appropriate paperwork should be submitted by Human Resources' established deadlines. Examples of the appropriate paperwork include, but are not limited to, ePAF submissions and Leave & Pay Exception Reporting.~~

Overpayment Recovery Fee.

To encourage timely and accurate submission of employment actions, the university assesses recovery fees in cases where payroll errors result in employee overpayments.

- A 25% recovery fee will be charged in all cases when termination or leave-related forms are not submitted by the payroll deadline for the affected pay period. ~~of overpayments in which termination or leave action forms are not submitted by the deadline for the affected pay period.~~
- For ~~Other~~ departmental payroll submission errors resulting in overpayments:
 - A 15% recovery fee will be assessed if the error remains uncorrected for up to two pay periods.
 - A 25% recovery fee will be assessed if the errors remain uncorrected for three or more pay periods.
 - No recovery fee will be charged if the overpayment amount is less than \$50.00.

The recovery fee helps offset the administrative costs and serves as an incentive for departments to maintain compliance with payroll submission deadlines and financial reporting obligations.

Supervisors or employees who discover an overpayment must immediately contact their respective HRBC to report the overpayment. HRBCs or Financial Business Centers (FBCs) that become aware of an error resulting in a potential overpayment must notify Payroll Services immediately so Payroll Services can work with the HRBC to minimize the loss and initiate the recovery process. ~~will be assessed a recovery fee if they go uncorrected for more than four pay periods. The recovery fee will be assessed when Human Resources notifies the department 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 and Documents](#)

[Payroll Schedules](#)

Workday Payroll Training Resources:

Entering Time:

Enter Time Worked in Time Tracking

Workday Time Tracking - A&P Overtime Eligible

Managing Time Worked:

Manage Your Team's Time Worked

Payroll Reporting Tools:

For HRBC Executives: UCF Payroll Result Lines for HR Executives, UCF Time Block Summary by Payroll Status.

Contact Human Resources for other tools that may be available.

Payroll Training Resources

Running Processes and Reports in Peoplesoft Manual—includes cost center reports, group rate reports, and department leave reports

CONTACT

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