



OFFICE OF COMPLIANCE SERVICES
UVM.EDU/POLICIES

UNIVERSITY OPERATING PROCEDURE

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Title: Salary Overpayment

Overview

On occasion, employees may be erroneously or improperly paid more than is owed to them. This University Operating Procedure sets forth the steps necessary to identify, remedy, and recoup salary overpayments to University employees. The University will pursue recovery in full, regardless of how the overpayment occurred. Even if the overpayment was the University's error and through no fault of the employee; employees may not keep or convert to their own use University funds delivered by mistake.

Employees are required to contact Payroll Services immediately if they believe they have received an overpayment. In the case of federally sponsored awards, the University is not eligible to draw funds for unallowable expenditures, such as overpayments. Failure to correct the overpayment puts the University out of compliance with federal law and with the terms of its awards.

Applicability of the Procedure

This Operating Procedure applies to all employees of the University of Vermont.

Definitions

None

Procedures

The University's Payroll Services team is responsible for making timely and accurate salary payments to University employees.

Department administrators or principal investigators who handle payroll matters are responsible for reviewing the Operating Budget Report and the Monthly Budget Report-Projects each pay period to ensure that there are no discrepancies in employees' pay for that period. Upon discovering that an employee has been issued a paycheck in error, or that an amount paid was erroneous, the department administrator shall notify Payroll Services and review the employee's payroll and departmental records to determine the source of the error.

Any other person becoming aware of a salary overpayment must report it to Payroll Services, to their immediate supervisor and to another appropriate higher-level University official.

If Payroll Services becomes aware of salary overpayments, they will report it to the department administrator and the employee affected.

Payroll Services will work with the department administrator and employee to correct the overpayment. Payroll Services will calculate the amount paid in error, accounting for taxes and other amounts withheld, and will notify the department administrator and the employee. To ensure consistent repayment terms, the terms of the repayment will be determined by Payroll Services.

The University of Vermont is legally required to obtain written authorization before facilitating a deduction from an employee's pay, unless the deductions are authorized by law (e.g., state, and federal taxes). If the overpayment is not remedied in a timely manner Payroll Services will intervene to recover the overpayment in a manner that is compliant with FLSA guidelines and Vermont Wage and Hour Law, per the authorization of the Director of Payroll and Tax Services.

Employees must repay all amounts paid in excess, regardless of how the overpayment occurred. There are many methods of repayment depending on many variables. The most appropriate method will be at the Director of Payroll and Tax Services' discretion. If an employee leaves the University before full repayment has been completed, or if for any other reason repayment by payroll deduction is not possible, the University will pursue repayment through usual and legally permissible collection efforts that may include legal action.

Failure to comply with this policy may result in disciplinary action up to and including dismissal.

Contacts

Questions concerning the daily operational interpretation of this UOP should be directed to the following:	
Title(s)/Department(s):	Contact Information:
Payroll and Tax Services	payroll@uvm.edu (802) 656-6600

Forms/Flowcharts/Diagrams

- None

Related Documents/Policies

- [Code of Conduct and Ethical Standards](#)

Training/Education

Training will be provided on an as-needed basis as determined by the Approval Authority or the Responsible Official.

About This Procedure

Responsible Official:	Vice President for Finance and Administration	Approval Authority:	Vice President for Finance and Administration
Affiliated Policy Number(s):	None	Effective Date:	July 29, 2015
Revision History:	<ul style="list-style-type: none"> • V. 4.3.22.1/V4.13.1 effective October 29, 2012 • July 29, 2015 transitioned from a University Policy to an Operating Procedure • Minor revisions November 25, 2019, March 14, 2024 		

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