



University Operating Procedure

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. It does not matter whether the mistake was the University's, or whether the employee did nothing wrong; 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.

Procedures

The University's Payroll Services 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 the 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, or to another appropriate higher-level University official.

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

Payroll Services is responsible for working 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. In order for there to be consistent repayment terms, the terms of the repayment will be determined by Payroll Services.

Employees must repay all amounts paid in excess, regardless of how the overpayment occurred. Most often, repayment is achieved through payroll deduction, with the amount and schedule of repayments mutually agreed upon between the employee and the University via University Financial Services. 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 collection efforts that may include legal action.

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

Definitions

None

Contacts/Responsible Official

Questions related to the daily operational interpretation of this procedure should be directed to:

Payroll Services Manager
(802) 656-0164

The Vice President for Finance and Treasurer is the University official responsible for administration and interpretation of this policy.

Forms

None

Related Documents/Policies

Code of Conduct and Ethical Standards
http://www.uvm.edu/policies/general_html/businessconduct.pdf

Effective Date

Approved by the Vice President for Finance and Treasurer July 29, 2015