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UAP 2680: Payroll Overpayments and Collection


University of New Mexico

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2680

PAYROLL OVERPAYMENTS AND COLLECTION

Effective Date: January 1, 2012
Subject to Change Without Notice

Authorized by Regents Policy 3.1 "Responsibilities of the President" This version was in effect
Process Owner: *University Controller* for the period of 1-1-12 to _____ .

1. General

This policy establishes the process for identifying, remedying, and recouping salary overpayments to University employees. This policy applies to all faculty, staff and student employees.

2. Responsibilities

The University Payroll Department is responsible for making timely and accurate salary payments to employees. On occasion, due to errors in processing, timeliness, and reporting mistakes, employees may be paid more than is owed to them. Department administrators are responsible for retaining related payroll documentation and for reviewing payroll reports at the end of each month to ensure that there are no discrepancies in employees' pay for that month. If a department administrator becomes aware of an overpayment, he or she is responsible for reporting it to the Payroll Department as soon as the mistake or error is discovered. If an employee becomes aware of an overpayment, the employee is responsible for reporting it directly to the Payroll Department and to his or her department administrator. Employees must repay all amounts paid in excess, regardless of how or why the overpayment occurred. For employees who leave the University before full repayment has been made, the University is authorized to pursue repayment after termination and/or deduct from the employee's final salary payment any repayment amount not yet received.

3. Administration

Upon discovering that a payment has been made in error, or that the amount paid was erroneous, the Payroll Department determine the source of the error and will calculate the amount paid in error, accounting for taxes, retirement and other amounts withheld. The Payroll Department will notify the employee by certified mail of the amount of the overpayment, the date(s) on which the overpayment occurred, the reason for the overpayment and the employee's options for repayment. The employee must then remit payment or notify the Payroll Department of the repayment option selected within ten (10) working days from the date of the letter. In conjunction with the department, the Employment Data Center, or other appropriate core office, the Payroll Department will ensure that all backup documentation has been submitted to the Payroll Department for audit purposes and that all appropriate corrections to the system are completed. The Payroll Department can also take the full repayment by deducting it from the employee's next regularly scheduled pay. The employee also has the option of full repayment with a personal check, money order or cashier's check. Repayment in installments is possible if the repayment is significantly large and would cause a hardship to the employee to pay it back in one (1) payment. If installments are selected, the time period for repayment will not exceed six (6) months or the end of the calendar year, whichever is sooner. The full repayment amount **must** be received within the same calendar year as the overpayment.

4. Enforcement

The University must adhere to New Mexico State Statute 30-23-2, which states, "Paying or receiving money for services not rendered consists of knowingly making or receiving payment or causing payment to be made from public funds where such payment purports to be for wages, salary, or remuneration for personal services which have in fact been rendered. Whoever commits paying or receiving public moneys for services not rendered is guilty of a fourth-degree felony." Failure to comply with this policy can result in disciplinary action up to and including dismissal.

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<http://www.unm.edu/~ubppm>

[Contents](#)

[Section 2000
Contents](#)

[Policy Listing](#)

[Forms](#)

[UBP Homepage](#)

[UNM Homepage](#)