01. **PURPOSE**

01.01 To establish responsibility and policy regarding payroll overpayments which create payroll claims, reconciliations, collection methods, and restitution to the university and the responsible department.

01.02 To ensure that policy conforms to State Law as found in the General Provisions of the Texas Payroll/Personnel Resource.

02. **POLICY STATEMENTS**

02.01 It is the policy of the university to comply with the state of Texas regulations for the collection of excess payments of compensation, by following the proper due process.

02.02 The purpose of this policy is to protect the university from violating any applicable law or rule of the state of Texas or the United States.

03. **DEFINITIONS**

03.01 Payroll Claim – occurs when a university employee has received an excess payment of compensation; repayment may be necessary.

03.02 Compensation – specifically includes base salary or hourly wages, additional assignment pay, longevity or hazardous duty pay, benefit replacement pay, or any other pay which the employee was not entitled to receiving.

04. **PROCEDURES**

04.01 The responsible department should prepare an employee termination Personnel Change Request (PCR) upon the submittal of an employee resignation document or supervisor termination where the right to work at the University has been severed or no longer valid.
04.02 When a PCR is not prepared in a timely manner, it may result in an overpayment to an employee for the current payroll period and subsequent periods. This can apply to student, hourly, staff or faculty employees.

04.03 Upon notification by the responsible department to the Payroll and Tax Compliance office or upon the processing of subsequent payrolls, a payroll claim for overpayment in SAP may be created which reduces the departmental payroll expense and creates an entry in the Accounts Receivable-Payroll Claims account for the University.

04.04 The terminated employee’s payroll records will be reviewed, and a reconciliation prepared as to the exact amount owed to the University.

04.05 Preceding the collection process, a journal entry will be prepared to record the expense back to the responsible department’s payroll accounts until the payroll claim has been reimbursed to the University.

04.06 The collection process will begin with the 1st billing being prepared and sent to the terminated employee, followed by a 2nd and 3rd notice, each 30 days or so apart.

04.07 During this process, if the terminated employee agrees to reimburse the University in full or a payment plan is initiated, the collection process will be terminated or suspended.

04.08 Following no response, refusal to pay, or a failed payment plan the overpayment claim will be recorded at the State Comptroller’s Office on the State Hold List. This State Hold will be in effect if in the future this individual were to work for another State Agency and attempt to be reimbursed. This would result in those funds being returned to the University and applied to the debt owed.

05. MAJOR RESPONSIBILITIES ASSOCIATED WITH THIS PPS

Major responsibilities for routine assignments associated with this PPS include the following:

<table>
<thead>
<tr>
<th>Positions</th>
<th>Section</th>
<th>Date</th>
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<tbody>
<tr>
<td>Director, Payroll and Tax Compliance</td>
<td>Review</td>
<td>Oct. (E4Y-12)</td>
</tr>
<tr>
<td>Assistant Director, Payroll and Tax Compliance</td>
<td>Review</td>
<td>Oct. (E4Y-12)</td>
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</tbody>
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06. CERTIFICATION OF STATEMENT

This FSS/PPS has been approved by the following individuals in their official capacities, and represents FSS policy and procedure from the date of this document until superseded.
Director, Payroll and Tax Compliance, Reviewer

Associate Vice President, Financial Services, Reviewer

Vice President, Finance and Support Services

Approved:___________________________
        Reviewer

Approved:___________________________
        Reviewer

Approved:___________________________
        Reviewer