

Policies and Procedures

Title

Correcting Underpayments/Overpayments

HR Policy No: 20.021

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Revised: April 1, 2019

Purpose

To set guidelines to correct underpayments or overpayments, should they occur, to both current employees and employees who have recently left the employ of the College.

Applicability

All Employees

Policy

If a payroll deadline is not met, or human resources or the payroll department are not informed of employment status changes in a timely manner, an overpayment or underpayment to a current or recently terminated employee may occur. To address these occurrences, the following guidelines should be employed.

Guidelines for Correcting Underpayments

- The employee should notify his/her supervisor immediately upon discovering the underpayment.
- The supervisor should then notify the HR generalist of the issue.
- The HR generalist will investigate the situation and take the necessary steps through the payroll office to correct the issue. The pay adjustment will be reflected in the next pay period.
- Under extenuating circumstances, a special check may be cut to resolve the issue prior to the next payroll.

Guidelines for Correcting Overpayments

When an active or former employee receives an overpayment, it is the obligation of the employee to repay the overpaid amount to the College. In cases of overpayments, the College will make every effort to recover the funds. If a hardship is indicated, arrangements may be made to return the funds in installments. The office of human resources will manage all collection activities and decisions.

Steps for Reporting/Collecting an Overpayment:

- The office of human resources, in conjunction with the payroll manager, will determine the net amount of the funds to be returned and contact the employee.

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- If the payment was made by check and the check has not been cashed, arrangements will be made with the employee to return the check to the payroll department for reissue.
 - If the payment was made by direct deposit and reversal of the transaction is not possible, arrangements will be made with the employee to return the overpayment to the College by check.
 - In the event an agreement is made with the employee to return the funds on an installment basis, the funds will be tracked by the payroll department until the debt has been fully satisfied.
 - The payroll manager will make any necessary adjustments to the employee's W-2 form as needed.

Responsibility

The associate vice president for human resources, or his/her designee, is responsible for the overall administration of this policy.