

Policy Name: Faculty Salary Overpayments

Approval Authority: RBHS Chancellor

Originally Issued: 06/01/91

Revisions: 05/20/11, 4/22/13

1. **Who Should Read This Policy**

All Rutgers University faculty within Robert Wood Johnson Medical School, School of Health Related Professions, Rutgers School of Dental Medicine, New Jersey Medical School, Graduate School of Biomedical Sciences, School of Public Health, and School of Nursing (former UMDNJ School of Nursing).

2. **Related Documents (refer to policies.rutgers.edu for additional information)**

3. **The Policy**

Definitions

EPAF: electronic personnel action form, which is required to be electronically submitted by the School Faculty Affairs Office to initiate faculty separations from the University.

FTF: Faculty Transaction Form required to be submitted by the School Faculty Affairs Office (with formal documentation and information from the academic departments) to the Dean of the School and the RBHS Vice Chancellor for Academic Affairs for approval of salary and other faculty appointment changes, and subsequently submitted to the Department of Human Resources for BANNER entry and submission to the Payroll Office for processing.

gross overpayment: total dollar value paid in excess of the appropriate payroll amount.

net overpayment: gross overpayment minus various pre-tax reductions, taxes and deductions paid by Rutgers to various state, federal and other agencies on the faculty member's behalf. As these payments are returned by the state, federal and other agencies, the returned amounts will be deducted from the gross overpayment in order to calculate a current net overpayment amount.

overpayment: overpayment occurs when a faculty member is paid for a period of time, although not eligible for such payment (e.g. during unpaid leave, after effective date of resignation, etc.); or payment in excess of the correct salary amount, whether related to academic base salary, patient services, faculty practice payment or any other salary component.

I. **BACKGROUND**

Although the various offices of the University responsible for authorizing and transmitting faculty salary endeavor to minimize errors and delays in submitting and processing FTF's for salary

adjustments or faculty separations, overpayments may occur. The University is responsible for good faith efforts to recover such overpayments, and this policy is intended to delineate the responsibilities of each involved official to assist in such recovery.

II. POLICY

- A. Department Chairs are responsible for ensuring that all required supporting documentation related to salary and FTE adjustments for faculty are submitted in a timely manner to the School Faculty Affairs Office and the Dean. For salary or FTE adjustments, the School Faculty Affairs Office is responsible for generating an FTF and submitting it to the RBHS Vice Chancellor for Academic Affairs and to the Department of Human Resources in a timely manner; so that the appropriate changes in salary payment can be reasonably expected to take effect in the next available payroll cycle.
- B. For separations, the School Faculty Affairs Office is responsible for initiating the EPAF submission, and the Dean's Office is responsible for approval of the EPAF. The Department of Human Resources and the Payroll Office, and the RBHS Vice Chancellor for Academic Affairs when applicable, are responsible for transmitting/processing approved FTF's in a timely manner for the same purpose.
- C. When an overpayment occurs:
 1. The Payroll Office shall:
 - Identify the gross overpayment dollar amount and its components and identify the expected net overpayment. See Section IV Definitions above.
 - Notify the Dean's Office of any overpayment within five business days of identification of the overpayment.
 - Discuss and/or clarify the overpayment with the faculty member.
 - Consult with the faculty member about repayment options.
 - If the faculty member has not responded or signed the appropriate paperwork within 20 days from the date of notice of overpayment, notify the appropriate Dean's office for possible further recovery efforts.
 2. The Dean's Office shall:
 - Work with the Payroll Office to identify the overpaid dollar amount and its components.
 - Within five business days of notification by the Payroll Office of an overpayment, send the faculty member the Overpayment Notice Letter (Exhibit A) & Repayment Option Form, (Exhibit B or Exhibit C) with copies to the academic department and to the Payroll Office.
 - Work with department administrators and chairs to ensure that follow-up communication takes place with the faculty member
 - Maintain files of all correspondence, including the Overpayment Notice Letter and Repayment Option form.

3. The Department Chair and Administrator shall:
 - Contact the faculty member to address the overpayment and encourage a means of repayment to the University through the Payroll Office.
 - Ensure that controls are in place at the departmental level to monitor repayments by the faculty member and to prevent future overpayments.
 - Notify the Office of General Counsel if faculty member fails to agree to repayment or to maintain a repayment schedule.
4. The Office of General Counsel shall:
 - Consult with the Department Chair and Dean's Office concerning possible legal action for collection.

III. EXHIBITS

- A. Overpayment Notice Letter
- B. Repayment Option Form for Active Faculty Member
- C. Repayment Option Form for Inactive or Former Faculty

EXHIBIT A

Overpayment Notice Letter

[To be sent by Office of the Dean with copies to the academic department and Rutgers Payroll Office]

(Date)

(Name)

(Address)

RE: Salary Overpayment

Dear
(name):

In reviewing your payroll history, an apparent overpayment of salary has been identified. The review of these records finds a preliminary gross amount of \$____(gross salary) in overpayment.

The purpose of this letter is to alert you to this apparent overpayment and to offer you an opportunity to identify and discuss any questions you may have about the overpayment itself or the repayment options available to you with the Rutgers Payroll Office.

The source of this erroneous payment was (describe pertinent facts). I regret the error which led to this overpayment. With your signature below, you confirm that this preliminary information has been reviewed with you, but you may always provide additional information for consideration in determining the final amount of the net overpayment.

Please choose your preferred repayment option on the attached Repayment Option Form and return it with a signed copy of this letter, to the Rutgers Payroll Office, (address) by (20 days from today's date).

If the attached Repayment Option Form is not signed and returned to the Rutgers Payroll Office, (address) by (20 days from today's date), Rutgers reserves the right to continue collection efforts. This could include referring the overpayment to an outside collection agency.

Thank you very much for your cooperation.

Sincerely,

Dean

I have read and understand the contents of this letter.

Signature

Date

Enclosure: Repayment Option Form c: [Department Chair]

Rutgers Payroll Office

EXHIBIT B

RBHS – Repayment Option Form for Active Faculty Member

I, (enter _____), acknowledge that I received a salary overpayment of \$____, from _____ to name _____ (enter dates).

Options for Repayment (Please check an option):

- Pay entire net amount owed by personal check.
- Authorize deductions of \$_____per payroll date until net overpayment is paid in full.
 - Under normal circumstances the time period for repayment should not exceed the time period during which overpayment was made.
 - In case of hardship, repayment schedule may be determined between faculty member and the Department.

If the faculty member does not agree to a repayment plan, any remaining overpaid balance may be sent to collections and billed to the faculty member.

If you choose Payroll deductions:

Repayment of the above overpayment will be made in accordance with the following schedule. Payroll deductions will be made on a bi-weekly basis as per Rutgers scheduled payroll dates.

Payroll Date _____ \$ _____

Payroll Date _____ \$ _____

Authorization

I authorize each and every payroll deduction as delineated in the above schedule. I also agree to repay Rutgers upon separation of employment, if the remaining balance of the overpayment has not been repaid via payroll deduction.

Signature

Employee ID

Date

Approval – Dept. Mgr./Payroll Representative

Date

By affixing these signatures, both parties acknowledge documentation of overpayment has been provided.

