



# **SALARY OVERPAYMENTS & RECOUPMENT**

**OFFICE OF ACCOUNTING SERVICES  
PAYROLL**

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## OVERPAYMENTS

- Compensation paid to an employee that is not earned or owed.
- Examples (not all inclusive):
  1. Overpayment of wages
  2. Leave paid in error
  3. Alterations of time entry
  4. Refunds of deductions



## GOVERNING LEGISLATION

### ARTICLE 7 SECTION 14 OF THE LOUISIANA CONSTITUTION

*. . . the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.*

### LOUISIANA REVISED STATUTE (RS) 47:1676.A.(1)

*It shall be the public policy of this state to aggressively pursue the collection of accounts or claims due and payable to the state of Louisiana through all reasonable means.*



## HOW OVERPAYMENTS OCCUR

- Late terminations
  - Termination not entered in Workday timely
  - Termination entered with incorrect date
- Late time entry
  - Entering and/or approving time after a pay period ends
- Inaccurate hire date (effective date should be first day of work)
- Inaccurate compensation end dates
- Unrecorded or late leave entry



## EMPLOYMENT

- Work should not begin prior to start date
- Work performed prior to the start date creates a liability for LSU
- Hiring and onboarding processes should be completed in a timely manner
- Hiring departments must ensure payments to employees comply with governing policies and procedures



## TIME AND LEAVE ENTRY

- Workday is the system of record for time and leave
- All time and leave must be entered in Workday in a timely manner
- Compensation is calculated on time and leave entered and approved in Workday



## MANAGER & TIMEKEEPER RESPONSIBILITIES

- Monitor and manage time and leave for their assigned organizations/employees
- Ensure all time and leave is entered accurately and timely
- Communicate deadlines and policies to employees
- Utilize Workday reports to prevent overpayments
- Ensure compliance with policies and procedures
- Process terminations immediately
- Notify HRM and Payroll of any discrepancies immediately



## WORKDAY REPORTING

- Run and review before each payroll run date:
  - *Time Not Submitted*
  - *Time Not Approved*
  - *Workers with No Time Entry*
  - *Workers with No Time Entry Timekeeper*
  - *Compensation Ending Within a Date*
- Search for additional reports:
  - *Time Tracking Reports I Can Run*





## IMPACT OF OVERPAYMENTS

### University

- Loss of university financial resources
- Increased receivables and/or write-offs
- Audit findings
- Decreased employee morale
- Loss of institutional reputation
- Higher employer contributions to retirement

### Employee

- Disciplinary action or termination
- Loss of security privileges
- Tax consequences
- Transcripts and diplomas withheld
- Decreased job satisfaction
- Credit implications if overpayments are not repaid timely



## TERMINATIONS

- Terminations must be entered in Workday immediately upon notification of resignation/retirement from employee
- Transient/WAE employees with no time entered for four (4) months of their last paycheck must be terminated
- Student workers with no time submitted for four (4) months will be notified by Payroll to determine whether a termination should be entered.
- Involuntary terminations must be coordinated with HRM



## NOTIFICATION OF OVERPAYMENT TO EMPLOYEE

- Notifications to include:
  - Pay date(s) the overpayment occurred
  - Amount
  - Reason
  - LSU plan of action for recoupment
  - Employee options for reimbursing the overpayment
  - Process to dispute



## METHODS FOR RECOUPING OVERPAYMENTS

- One-time deduction from a subsequent paycheck
- Direct deposit reversal
- Payment plan as agreed upon by LSU
- Personal payment from employee
- Recoupment balances for employees leaving the university
  - Deduct from final paycheck and/or leave payout
  - Any remaining balance set up as an account receivable



## DISPUTE PROCESS

- Appeal to be submitted to Payroll
  - Must be in writing and received no later than fourteen (14) days from the date of *Notification of Overpayment*
  - Must include reason for dispute and any supporting documentation to be considered for review
- Payroll Director makes recommendation to the Associate Vice President for Accounting Services (AVP)
- AVP or designee shall accept, reject, or modify the recommendation
  - The decision is final
  - The decision shall be in writing and sent to the disputing party



## RESOURCES

Payroll Webpage

<https://www.lsu.edu/administration/ofa/oas/pay/index.php>

Payroll Schedules

<https://www.lsu.edu/administration/ofa/oas/pay/payrollschedules.php>

Coming Soon...

FASOP Salary and Wage Overpayment Prevention and Recoupment

Payroll 101 Training – Fall 2021

# QUESTIONS?