



Financial Services Standard Operating Procedure No. 3315			
<b>Title</b>	Compensation Overpayment and Recovery	<b>Related Policy No.</b>	<a href="#">UMB VIII-99.02</a>
<b>Effective Date</b>	March 1, 2016	<b>Refer Questions To</b>	Payroll Manager Financial Services 410-706-1243
<b>Approved By</b>	Scott Bitner Acting Chief Financial Officer		

**Purpose** This procedure establishes instructions and guidelines for University of Maryland, Baltimore (UMB) schools/departments/centers (“units”) to use when an [employee](#) is in debt to UMB for overpayment of [compensation](#). UMB must recover the overpayment in accordance with rules set by the [Central Payroll Bureau \(CPB\)](#) and the [Maryland State Central Collection Unit \(CCU\)](#) and in accordance with UMB policy.

**Scope** This procedure applies to any instance where an active or separated employee has received an overpayment of compensation in error regardless of whether the error was originated by the employee, the unit, a central administrative office, or the computer system.

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- General Guidelines
- I. If an [overpayment](#) is identified by a unit, the unit must notify [Financial Services-Payroll \(FS-PR\)](#). The UMB unit must verify the overpayment amount and confirm the amount with FS-PR. FS-PR will direct the unit to complete and return a [Compensation Overpayment Form \(COF\)](#) and a [Compensation Reconciliation Worksheet \(CRW\)](#) (if applicable).
  - II. The unit must return the COF, CRW (if applicable), and attachments to FS-PR as soon as possible; but every attempt should be made to return all documents to FS-PR within one month from the date of discovery. If documents are not received by FS-PR within one month, FS-PR will notify the unit payroll representative, administrator, chair, and dean/vice president, unless other arrangements have been made.
  - III. If an overpayment is identified by FS-PR during payroll processing, the appropriate UMB unit will be notified. The UMB unit must verify the overpayment amount and confirm with FS-PR by completing the COF and the CRW (if applicable) and returning both forms to FS-PR.
  - IV. After receiving the COF and CRW (if applicable), FS-PR will contact the unit to confirm that the [repayment](#) option is appropriate.
  - V. When an overpayment is discovered after payday the UMB unit must notify the employee and execute either a [Repayment Agreement](#), if the employee is active, or a [Notice of Debt](#), if the employee has separated from UMB.
  - VI. Active employees eligible for the payroll deduction method for repayment may not select repayment by check unless approved by FS-PR.
  - VII. If feasible, overpayments should be collected within the calendar/tax year in which the overpayment was made in order to properly reflect the year-to-date earnings on the IRS Form W-2.
    - A. If repayments are made by check or money order in the same calendar year as the overpayment, the repayment amount may be net of certain taxes and deductions when the repayment is made by a cut-off date established by FS-PR. Generally the cut-off date will be November 1.
    - B. If repayments are made by check or money order in a calendar year after the cut-off date, or subsequent to the year in which the overpayment was made, the repayment must be at the gross amount.
    - C. Overpayments must be paid in full before documentation is sent to CPB to adjust the earnings records and applicable Form W-2s.
  - VIII. Installment plans are not permitted for separated employees.

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- IX. Overpayments must be moved to the unit [Payroll Clearing Account \(PCA\)](#) project within the payroll system (eUMB-HRMS). This will be done by FS-PR via the [Prior Pay Period Adjustment Form \(PPAF\)](#) or by [Sponsored Projects Accounting and Compliance- Costing & Compliance \(SPAC-CC\)](#) via the [Direct Retro Request \(DR\)](#) form.

Procedures

I. **Repayment Options for ACTIVE Employees**

A. Overpayments discovered BEFORE payday

1. One-Time Full Repayment- Direct Deposit Recovery
  - a. This option can be used if an entire direct deposit is an overpayment and it is discovered BEFORE payday.
  - b. Contact FS-PR as soon as possible, but no later than noon the day before payday, to request a direct deposit recovery.
  - c. Unit completes and submits the COF to FS-PR. It is critical for the unit to input the correct Overpaid Period dates on the COF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System.
  - d. Central Payroll Bureau will attempt to recover the direct deposit from the employee's bank account. The unit should explain to the employee that the overpayment should not be withdrawn or transferred from the bank account. If the employee withdraws or transfers the money before the recovery attempt, the direct deposit recovery will not be successful. The repayment must then be made using another available option. See [Section B – Overpayments discovered AFTER payday](#).
  - e. FS-PR will notify the unit if the direct deposit recovery is not successful.
  - f. Accounting procedures:
    - i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
    - ii. FS-PR notifies SPAC-CC of the overpayment. SPAC-CC creates and processes a Direct Retro Request form to credit the original project(s)/account(s) with the gross amount of the overpayment and to debit a unit PCA project (account 7173 – A/R Payroll Related).
    - iii. After the recovery is processed by CPB, FS-PR creates a journal entry directly in the general ledger to credit the unit PCA project (account 7173).
    - iv. [See Example 1: Direct Deposit Recovery when Discovery is Before Payday](#).
2. One-Time Full Repayment- Return of Paper Paycheck
  - a. This option can be used if the entire amount of net compensation in a paper paycheck is an overpayment and it is discovered BEFORE payday.
  - b. Contact FS-PR as soon as possible, but no later than 5:00 PM two days before payday, to request FS-PR to retain the check. If FS-PR has already mailed the check, the unit must use another available

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- option for recovering the funds. See [Section B – Overpayments discovered AFTER payday](#).
- c. Unit completes the COF. It is critical for the unit to input the correct Overpaid Period dates on the COF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System.
- d. Unit completes the [Payroll Check Cancellation Request](#) form.
- e. Unit submits the Payroll Check Cancellation Request form and the COF to FS-PR.
- f. Accounting procedures:
  - i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
  - ii. FS-PR notifies SPAC-CC of the overpayment. SPAC-CC creates and processes a Direct Retro Request form to credit the original project(s)/account(s) with the gross amount of the overpayment and to debit a unit PCA project (account 7173 – A/R Payroll Related).
  - iii. After the check cancellation is processed by CPB, FS-PR creates a journal entry directly in the general ledger to credit the unit PCA project (account 7173).
  - iv. [See Example 2: Return of Paycheck when Discovery is Before Payday](#).

B. Overpayments discovered AFTER payday

1. One-Time Full Repayment- by Payroll Deduction in Subsequent Pay Period
  - a. This option cannot be used for [Empl Classes](#) 14, 14W, 16, 16W, 31I, 31T, and 34-SPC.
  - b. This is the preferred method for eligible employees.
  - c. Unit contacts FS-PR immediately for the gross overpaid amount.
  - d. Unit reviews employee’s previous, correct paychecks to determine if there will be sufficient remaining gross pay to cover standard deductions if the entire amount of overpaid compensation is withheld from the paycheck. If the entire amount cannot be deducted from the employee’s next pay, the [Multiple Payroll Deduction](#) option must be selected.
  - e. Unit completes the COF and the [Compensation Reconciliation Worksheet \(CRW\)](#). It is critical for the unit to input the correct Overpaid Period dates on the COF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System.
  - f. Unit completes the [Repayment Agreement](#) with the employee. The Repayment Agreement must be signed by the employee and the appropriate Associate/Assistant Vice President, Associate/Assistant Dean, or [designee](#).
  - g. A copy of the Repayment Agreement must be sent to the appropriate Vice President’s or Dean’s office.
  - h. Unit submits a [Prior Pay Period Adjustment Form \(PPAF\)](#) to FS-PR for the overpayment amount to be deducted in the next pay

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- period. The COF, CRW, and signed Repayment Agreement must be attached.
- i. Accounting procedures:
    - i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
    - ii. Unit submits Prior Pay Period Adjustment Form (PPAF) to FS-PR to credit the original project(s)/account(s) with the gross amount of the overpayment. It is critical for the unit to input the correct pay periods on the PPAF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System. [Earnings code](#) RRR must be used to credit the original project(s)/account(s).
    - iii. [See Example 3: One-Time Full Payroll Deduction Recovery when Discovery is After Payday.](#)
2. Multiple Payroll Deductions
- a. This option cannot be used for [Empl Classes](#) 14, 14W, 16, 16W, 31I, 31T, and 34-SPC.
  - b. When an active employee cannot repay the debt in full and the circumstances that caused the overpayment justify leniency in the recovery terms, then recovery may be made over multiple pay periods directly from the employee's bi-weekly paychecks.
  - c. Unit contacts FS-PR immediately for the gross overpaid amount.
  - d. Unit completes the COF and the [Compensation Reconciliation Worksheet \(CRW\)](#). It is critical for the unit to input the correct Overpaid Period dates on the COF because processing overpayments charged to grants or contracts impacts the data in the Effort Reporting System.
  - e. Unit submits the CRW to FS-PR for approval.
  - f. After FS-PR approves the CRW, the unit completes the [Repayment Agreement](#) with the employee. The Repayment Agreement must be signed by the employee and the appropriate Associate/Assistant Vice President, Associate/Assistant Dean, or [designee](#).
  - g. A copy of the Repayment Agreement must be sent to the appropriate Vice President's or Dean's office.
  - h. Unit submits a [Prior Pay Period Adjustment Form \(PPAF\)](#) to FS-PR for the overpayment amount to be deducted in the next pay period and agreed subsequent pay periods. The COF, CRW, and signed Repayment Agreement must be attached.
  - i. In general, the employee should repay as soon as possible, but the entire amount must be repaid within 120 days from the first notification date.
  - j. Accounting procedures:
    - i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
    - ii. Unit submits Prior Pay Period Adjustment Form (PPAF) to FS-PR to credit the original project(s)/account(s) with the gross amount of the overpayment and to debit a unit PCA project

(account 2150 – Salary Collections). It is critical for the unit to input the correct pay periods on the PPAF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System. [Earnings code](#) RRR must be used to credit the original project(s)/account(s) and earnings code GPB is used to debit the unit PCA.

- iii. Earnings code GPB is used to process the next payroll deduction and subsequent payroll deductions, and to credit the unit PCA.
- iv. Earnings code GPB is mapped to account 2150 – Salary Collections.
- v. Earnings code GPB and account 2150 are excluded from the Effort Reporting System.
- vi. Fringes are not allocated to account 2150.
- vii. As subsequent earnings are credited to the PCA 2150, the balance will be reduced to zero when the full amount is repaid.
- viii. [See Example 4: Multiple Payroll Deductions when Discovery is After Payday.](#)

3. Full Repayment- Check or Money Order

- a. This option is available to [Empl Classes](#) 14, 14W, 16, 16W, 31I, 31T, and 34-SPC. All other employees requesting this option must contact FS-PR for approval.
- b. Unit contacts FS-PR immediately to request the payback amount.
- c. Unit completes the COF and the [Compensation Reconciliation Worksheet \(CRW\)](#). It is critical for the unit to input the correct Overpaid Period dates on the COF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System.
- d. Unit submits the CRW to FS-PR for approval.
- e. After FS-PR approves the CRW the unit completes the [Repayment Agreement](#) with the employee. The Repayment Agreement must be signed by the employee and the appropriate Associate/Assistant Vice President, Associate/Assistant Dean, or [designee](#).
- f. A copy of the Repayment Agreement must be sent to the appropriate Vice President's or Dean's office.
- g. Unit submits the COF, CRW, and signed Repayment Agreement to FS-PR.
- h. FS-PR will contact [Financial Services-General Accounting \(FS-GA\)](#) to enter an invoice into the Customer Billing System (CBS) for the amount due.
- i. The invoice will be sent to the employee at the CPB (W-4) address stored in eUMB. If there is no CPB address, the home address will be used. Any questions about the invoice should be directed to the unit contact information printed on the invoice.
- j. The personal check or money order should be made payable to "University of Maryland, Baltimore" and include the employee's name, Empl ID number, and invoice number on the memo line. The employee should retain a copy of the check or money order.

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- k. Payment information is printed on the invoice. Employees are encouraged to mail payments to the lockbox address provided on the invoice. Payments are also accepted in the Cashier's Office located at 601 W. Lombard Street, 2nd Floor.
- l. Dunning letters are generated monthly by FS-GA for invoices over 30 days past due until an invoice is over 120 days past due. Accounts that remain unpaid after 120 days may be referred to Human Resource Services or University Counsel.
- m. If an account is not paid in full by November 1 (or any other cut-off date established by FS-PR), the amount due will be increased to account for the taxes that were withheld in the overpayment. An additional invoice will be issued for the amount of taxes due.
- n. Units are responsible for analyzing accounts receivable aging reports for account 7137-CBS Payroll to determine whether additional action may be needed to collect amounts due.
- o. Unpaid accounts transferred to CCU will be charged to the unit's project expense account 4950-Bad Debt Expense.
- p. Accounting procedures:
  - i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
  - ii. FS-PR notifies SPAC-CC of the overpayment. SPAC-CC creates and processes a Direct Retro Request form to credit the original project(s)/account(s) with the gross amount of the overpayment and associated fringes and to debit a unit PCA project (account 7173 – A/R Payroll Related).
  - iii. After the check is deposited and the recovery is processed by CPB, FS-PR creates a journal entry directly in the general ledger to credit the unit PCA project (account 7173).
  - iv. [See Example 5: Repayment by Check or Money Order when Discovery is After Payday.](#)

## II. Repayment Options for SEPARATED Employees

### A. Overpayments discovered BEFORE payday

#### 1. One-Time Full Repayment- Direct Deposit Recovery

- a. This option can be used if an entire direct deposit is an overpayment and it is discovered BEFORE payday.
- b. Unit contacts FS-PR as soon as possible, but no later than noon the day before payday, to request a direct deposit recovery. If FS-PR is not notified by noon the day before payday, the unit must use the procedures described below in [Section B: Overpayments discovered AFTER payday.](#)
- c. Unit completes and submits the COF to FS-PR. It is critical for the unit to input the correct Overpaid Period dates on the COF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System.
- d. Central Payroll Bureau will attempt to recover the direct deposit from the separated employee's bank account. The unit should explain to the separated employee that the overpayment should not be withdrawn or transferred.



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- e. If the employee withdraws or transfers the overpayment before the recovery attempt, the direct deposit recovery will not be successful. The repayment must then be made using the procedures described below in [Section B: Overpayments discovered AFTER payday](#).
  - f. FS-PR will notify the unit if the direct deposit recovery is not successful.
  - g. Accounting procedures:
    - i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
    - ii. FS-PR notifies SPAC-CC of the overpayment. SPAC-CC creates and processes a Direct Retro Request form to credit the original project(s)/account(s) with the gross amount of the overpayment and to debit a unit PCA project (account 7173 – A/R Payroll Related).
    - iii. After the recovery is processed by CPB, FS-PR creates a journal entry directly in the general ledger (i.e. not within eUMB-HRMS) to credit the unit PCA project (account 7173).
    - iv. [See Example 6: Direct Deposit Recovery when Discovery is Before Payday](#).
2. One-Time Full Repayment- Return of Paper Paycheck
- a. This option can be used if an entire paper paycheck is an overpayment and it is discovered BEFORE payday.
  - b. Unit contacts FS-PR as soon as possible, but no later than 5:00 PM two days before payday, to request FS-PR to retain the check. If FS-PR has already mailed the check, the unit must use the procedures described below in [Section B: Overpayments discovered AFTER payday](#).
  - c. Unit completes the COF. It is critical for the unit to input the correct Overpaid Period dates on the COF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System.
  - d. Unit completes the [Payroll Check Cancellation Request](#) form.
  - e. Unit submits the COF and the Payroll Check Cancellation Request form to FS-PR.
  - f. Accounting procedures:
    - i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
    - ii. FS-PR notifies SPAC-CC of the overpayment. SPAC-CC creates and processes a Direct Retro Request form to credit the original project(s)/account(s) with the gross amount of the overpayment and to debit a unit PCA project (account 7173 – A/R Payroll Related).
    - iii. After the recovery is processed by CPB, FS-PR creates a journal entry directly in the general ledger (i.e. not within eUMB-HRMS) to credit the unit PCA project (account 7173).
    - iv. [See Example 7: Return of Paycheck when Discovery is Before Payday](#).



## B. Overpayments discovered AFTER payday

1. Full Repayment by Holiday and /or Annual Leave Balances (Separated Employees Only)
  - a. This repayment method is not optional. Separated employees who have sufficient leave balances to repay the entire debt will have their leave balances reduced accordingly to satisfy the debt.
  - b. Unit notifies FS-PR immediately of the overpayment.
  - c. Unit completes the COF and the [Compensation Reconciliation Worksheet \(CRW\)](#). It is critical for the unit to input the correct Overpaid Period dates on the COF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System.
  - d. The unit must determine if the employee's leave payout can offset the overpayment. If the leave payout cannot offset the entire overpayment or a payout is not due, the unit must select another repayment option for separated employees.
  - e. Unit submits the CRW to FS-PR for approval.
  - f. After FS-PR approves the CRW the unit must send a [Notice of Debt](#) to the separated employee. The Notice of Debt will indicate the reduction in the leave payout and any balance due to the separated employee. The Notice of Debt must be signed by the appropriate Associate/Assistant Vice President, Associate/Assistant Dean, or [designee](#).
  - g. Copies of the Notice of Debt must be sent to FS-PR and to the appropriate Vice President's or Dean's office.
  - h. Accounting procedures:
    - i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
    - ii. Unit submits Prior Pay Period Adjustment Form (PPAF) to FS-PR to credit the original project(s)/account(s) with the gross amount of the overpayment. It is critical for the unit to input the correct pay periods on the PPAF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System. The PPAF should be completed as follows:
      - Use [earnings codes](#) OFA (Annual Offset Overpayment) and OFH (Holiday Offset Overpayment).
      - Use HRMS combo code 0000015682 for OFA and OFH because leave payouts are not charged to units.
      - Use earnings code RRR for the gross overpayment amount to credit the original project(s)/account(s) with the total overpaid amount. Include actual overpaid period (begin to end dates).
      - Code any remaining leave payments accordingly to earnings codes FPA or FPH and enter HRMS combo code 0000015682.
    - iii. [See Example 8: Recovery by Available Leave](#).

2. Repayment by Holiday and /or Annual Leave Balances and Check/Money Order
  - a. This repayment method is used for separated employees whose leave balances are not sufficient to repay the entire debt. The remaining balance must be paid with a check to UMB.
  - b. Unit notifies FS-PR immediately of the overpayment.
  - c. Unit completes the COF and the [Compensation Reconciliation Worksheet \(CRW\)](#). It is critical for the unit to input the correct Overpaid Period dates on the COF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System.
  - d. The unit must determine if the employee's leave payout can offset the overpayment. If the leave payout cannot offset the entire overpayment, the unit should indicate the leave payout amount, if any, the gross overpayment amount, and the difference on the CRW. The balance of the overpayment must be repaid with a check or money order.
  - e. Unit submits the CRW to FS-PR for approval.
  - f. Unit must contact FS-PR by email to request the remaining payback amount due by check.
  - g. After FS-PR approves the CRW the unit must send a [Notice of Debt](#) to the separated employee. The Notice of Debt will indicate the reduction in the leave payout and any balance due to be invoiced. The Notice of Debt must be signed by the appropriate Associate/Assistant Vice President, Associate/Assistant Dean, or [designee](#).
  - h. Copies of the Notice of Debt must be sent to FS-PR and to the appropriate Vice President's or Dean's office.
  - i. FS-PR will contact FS-GA to enter an invoice into the Customer Billing System (CBS) for the amount due.
  - j. The invoice will be sent to the separated employee at the CPB (W-4) address stored in eUMB. If there is no CPB address, the home address will be used. Any questions about the invoice should be directed to the unit contact information printed on the invoice.
  - k. The personal check or money order should be made payable to "University of Maryland, Baltimore" and include the employee's name, Empl ID number, and invoice number on the memo line. The employee should retain a copy of the check or money order.
  - l. Payment information is printed on the invoice. Individuals are encouraged to mail payments to the lockbox address provided on the invoice. Payments are also accepted in the Cashier's Office located at 601 W. Lombard Street, 2<sup>nd</sup> Floor.
  - m. Dunning letters are generated monthly by FS-GA for invoices over 30 days past due and until an invoice is over 120 days past due. FS-GA will mail dunning letters to the separated employee at the CPB (W-4) address stored in eUMB. If there is no CPB address, the home address will be used.

- n. FS-GA will transfer uncollected accounts over 120 days past due to the State of Maryland Central Collection Unit (CCU) as required by State regulations. CCU adds a fee to the outstanding balance of the account.
  - o. If an account is not paid in full by November 1 (or any other cut-off date established by FS-PR), the amount due will be increased to account for the taxes that were withheld in the overpayment. An additional invoice will be issued for the amount of taxes due.
  - p. Units are responsible for analyzing accounts receivable aging reports for account 7137 – CBS Payroll to determine whether additional action may be needed to collect amounts due.
  - q. Unpaid accounts transferred to CCU will be charged to the unit's project expense account 4950-Bad Debt Expense.
  - r. Accounting procedures:
    - i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
    - ii. For the portion that will be repaid by available leave, Unit submits Prior Pay Period Adjustment Form (PPAF) to FS-PR to credit the original project(s)/account(s) with the gross amount of the overpayment. It is critical for the unit to input the correct pay periods on the PPAF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System. [Earnings code](#) RRR is used to credit the original project(s)/account(s). The PPAF should be completed as follows:
      - Use earnings codes OFA (Annual Offset Overpayment) and OFH (Holiday Offset Overpayment).
      - Use HRMS combo code 0000015682 for OFA and OFH because leave payouts are not charged to units.
      - Use earnings code RRR for the gross overpayment amount that equals the sum of OFA and OFH to credit the original project(s)/account(s).  
Include actual overpaid period (begin to end dates).
    - iii. FS-PR notifies SPAC-CC of the overpayment. SPAC-CC creates and processes a Direct Retro Request form to credit the original project(s)/account(s) with the balance of the overpayment and associated fringes and to debit a unit PCA project (account 7173 – A/R Payroll Related).
    - iv. After the remaining amount due is collected from the separated employee and processed by CPB, FS-PR will create a journal entry directly in the general ledger to credit the unit PCA (account 7173).
    - v. [See Example 9: Recovery by Available Leave and Check.](#)
3. Full Repayment by Check/Money Order (Separated employee has no accrued leave balances or not eligible for a leave payout)
- a. This repayment method is for separated employees who do not have any leave balances to apply to the overpayment. The entire payment must be made by check or money order.

- b. Unit completes the COF and the [Compensation Reconciliation Worksheet \(CRW\)](#). It is critical for the unit to input the correct Overpaid Period dates on the COF because processing recoveries charged to grants or contracts impacts the data in the Effort Reporting System.
- c. Unit submits the CRW to FS-PR for approval.
- d. Unit contacts FS-PR immediately to request the payback amount.
- e. After FS-PR approves the CRW the unit completes the Notice of Debt. The Notice of Debt must be signed by the appropriate Associate/Assistant Vice President, Associate/Assistant Dean, or [designee](#).
- f. A copy of the Notice of Debt must be sent to the appropriate Vice President's or Dean's office.
- g. Unit submits the COF, CRW, and signed Notice of Debt to FS-PR.
- h. FS-PR will contact [Financial Services-General Accounting \(FS-GA\)](#) to enter an invoice into the Customer Billing System (CBS) for the amount due.
- i. The invoice will be sent to the separated employee at the CPB (W-4) address stored in eUMB. If there is no CPB address, the home address will be used. Any questions about the invoice should be directed to the unit contact information printed on the invoice.
- j. The personal check or money order should be made payable to "University of Maryland, Baltimore" and include the separated employee's name, Empl ID number, and invoice number on the memo line. The separated employee should retain a copy of the check or money order.
- k. Payment information is printed on the invoice. Individuals are encouraged to mail payments to the lockbox address provided on the invoice. Payments are also accepted in the Cashier's Office located at 601 W. Lombard Street, 2nd Floor.
- l. Dunning letters are generated monthly by FS-GA for invoices over 30 days past due and until an invoice is over 120 days past due. FS-GA will mail dunning letters to the separated employee at the CPB (W-4) address stored in eUMB. If there is no CPB address, the home address will be used.
- m. FS-GA will transfer uncollected accounts over 120 days past due to the State of Maryland Central Collection Unit (CCU) as required by State regulations. CCU adds a fee to the outstanding balance of the account.
- n. If an account is not paid in full by November 1 (or any other cut-off date established by FS-PR), the amount due will be increased to account for the taxes that were withheld in the overpayment. An additional invoice will be issued for the amount of taxes due.
- o. Units are responsible for analyzing accounts receivable aging reports for account 7137-CBS Payroll to determine whether additional action may be needed to collect amounts due.
- p. Unpaid accounts transferred to CCU will be charged to the unit's project expense account 4950-Bad Debt Expense.
- q. Accounting procedures:

- i. Initial payroll charge debits project salary and fringes accounts according to the Employee Funding Profile (EFP) in eUMB-HRMS.
  - ii. FS-PR notifies SPAC-CC of the overpayment. SPAC-CC creates and processes a Direct Retro Request form to credit the original project(s)/account(s) with the gross amount of the overpayment and associated fringes and to debit a unit PCA project (account 7173 – A/R Payroll Related).
  - iii. After the check is deposited and the recovery is processed by CPB, FS-PR creates a journal entry directly in the general ledger to credit the unit PCA project (account 7173).
- r. [See Example 10: Repayment by Check or Money Order.](#)

### III. Notifications

#### A. Repayment Agreement

1. The [Repayment Agreement](#) is required for **active** employees whenever the overpayment is discovered after payday.
2. All units are required to use the standard Repayment Agreement available on the FS-PR website:  
<http://www.umaryland.edu/financialservices/payroll/forms/>
3. Any requests to customize or modify the Repayment Agreement must be approved by FS-PR and University Counsel.
4. The Repayment Agreement must be signed by the employee and the appropriate Associate/Assistant Vice President, Associate/Assistant Dean, or [designee](#).
5. Copies of the Repayment Agreement must be sent to FS-PR and to the appropriate Vice President's or Dean's office.

#### B. Notice of Debt

1. The [Notice of Debt](#) is required for **separated** employees.
2. All units are required to use the standard Notice of Debt available on the FS-PR website:  
<http://www.umaryland.edu/financialservices/payroll/forms/>
3. Any requests to customize or modify the Notice of Debt must be approved by FS-PR and University Counsel.
4. The Notice of Debt must be signed by the appropriate Associate/Assistant Vice President, Associate/Assistant Dean, or [designee](#).
5. Copies of the Notice of Debt must be sent to FS-PR and to the appropriate Vice President's or Dean's office.

## Responsibilities

**I. Employee**

- A. Notify supervisor of any overpayments.
- B. Repay any overpayments according to the procedures described under the appropriate repayment option.

**II. Schools/Departments/Centers ("Units")**

- A. Periodically monitor and reconcile general ledger payroll accounts to ensure employee compensation is correct.
- B. Contact FS-PR by email when an overpayment is discovered and complete the required forms and attachments.
- C. Discuss with FS-PR the various repayment options before a Repayment Agreement is finalized with an employee.
- D. Communicate overpayment information and requirements with active and separated employees.
- E. Administer Repayment Agreements and Notices of Debt. Issue a properly authorized and signed Repayment Agreement to an active employee; or, a properly authorized and signed Notice of Debt to a separated employee.
- F. Periodically review accounts receivable aging reports for account 7137 – CBS Payroll to identify payments and delinquent accounts.
- G. Monitor and resolve issues related to open receivables.
- H. Provide a project number on the COF for unpaid balances transferred to CCU.

**III. Department of Financial Services**

- A. Payroll (FS-PR)
  - 1. Provide acceptable repayment options to UMB units for employee's overpayment.
  - 2. Provide payback amount upon request (obtained from System Payroll office).
  - 3. Process payroll deductions according to the signed Repayment Agreement.
  - 4. Prepare journal entries for overpayment corrections after payment is received.

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5. Provide employee information, amount due, and department contact information to FS-GA for processing invoices.
6. Prepare documentation for CPB to make the appropriate adjustments to the employee earnings record.
7. Contact information for FS-PR is:

The Saratoga Building  
 220 Arch St, Room 02-122  
 Baltimore, MD 21201  
 410-706-1243  
 dl-bfpayrollhelp@umaryland.edu

B. General Accounting (FS-GA)

1. Enter invoices into the Customer Billing System.
2. Send the delinquent account file generated from the Customer Billing System to CCU.
3. Notify FS-PR when an employee's account has been collected or abated by CCU.

**IV. Department of Sponsored Projects Accounting & Compliance (SPAC)- Costing & Compliance (SPAC-CC)**

Creates and processes Direct Retro Requests to reallocate wages and fringes.

Terms and Definitions

Term	Definition
CCU	State of Maryland Central Collection Unit- The unit within the Department of Budget and Management state agency responsible for acting as a collection agency when UMB is not successful in collecting amounts due from others.
Compensation	Compensation includes all types of payments issued to a UMB employee through the State Central Payroll Bureau or paid to a third party on behalf of the employee. Examples of compensation include, but are not limited to, all salaries, wages, supplemental pay, healthcare premiums or subsidies, moving reimbursements, relocation allowances, travel and business expense reimbursements, equipment allowances, bonuses, advanced leave, and leave payouts.
Designee	An employee officially chosen to act on behalf of another employee. The designees of an Associate/Assistant Vice President or Associate/Assistant Dean should be a professional who possess the appropriate skills, knowledge, and experience needed for making responsible business decisions related to compensation and payroll.



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Dunning Letter	A reminder notice to a debtor of an outstanding debt owed to UMB.
Earnings Code	Internal code used only in FS-PR to map transactions to the general ledger accounts.
Empl Class	Categorizes UMB employees into groupings reflecting their appointment status. Benefit eligibility, rank, and payment methods are linked to an employee's Empl class.
Employee	Includes all types and classes of employees, such as officers, faculty, staff, students, post-doctoral fellows, regular employees, contingent I and contingent II employees and foreign nationals.
FS-GA	Financial Services- General Accounting- unit in Administration and Finance responsible for entering invoices into the Customer Billing System and communicating with CCU regarding delinquent accounts.
FS-PR	Financial Services- Payroll- unit in Administration and Finance responsible for UMB payroll processing.
Notice of Debt	Notification to a separated employee of a debt due to UMB. After execution by the separated employee, it is a binding agreement between UMB and the separated employee requiring repayment in full.
Overpayment	Any compensation paid to an employee that is in excess of the amount owed to the employee and/or in excess of the payment the employee is entitled to receive.
PCA	Payroll Clearing Account used to temporarily support an employee's distribution or redistribution of payroll expenses.
Repayment	Payment for a debt owed to UMB.
Repayment Agreement	Notification to an active employee of a debt due to UMB. After execution by the employee, it is a binding agreement between UMB and the employee requiring repayment in full.
SPAC-CC	Sponsored Projects Accounting and Compliance- Costing & Compliance- unit in Administration and Finance responsible for overseeing cost and compliance activities related to grants and projects.
State of Maryland Central Payroll Bureau (CPB)	The state agency responsible for issuing paychecks and processing tax forms for UMB.

#### Exceptions

Exceptions to these **procedures** must be approved in writing by the Controller in Financial Services. All requests for exceptions must be submitted to the Controller using the [Policy or Procedure Exception Request Form](#) available on the Financial Services website. The request must be signed/e-mailed by the Department Head or designee.

Exceptions to the related **policy**, UMB [VIII-99.02 UMB Compensation Overpayment and Recovery](#), must be approved in writing by the Chief Business and Finance Officer. Requests to the CBFO may be submitted to the Controller using the [Policy or Procedure Exception Request Form](#). Alternatively, a policy exception request may be submitted in the form of a memo to the CBFO. Policy exception requests must be signed by the appropriate Dean/Vice President or Associate Dean/AVP.

<b>Procedure Title</b>	Compensation Overpayment and Recovery
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Forms

Forms can be obtained from the FS-PR website:

<http://www.umaryland.edu/financialservices/payroll/forms/>

Form Name	Completed by	Original Sent to	Purpose
<a href="#">Compensation Overpayment Form (COF)</a>	Unit	FS-PR	State reason for overpayment, amount, and period and repayment option.
<a href="#">Compensation Reconciliation Worksheet (CRW)</a>	Unit	Active or Separated Employee	Calculate overpayment. May be attached to the Employee Repayment Agreement or Notice of Debt.
<a href="#">Direct Retro Request</a>	Unit and SPAC-CC	SPAC-CC	Reallocate wages to PCA-7173.
<a href="#">Notice of Debt</a>	Unit and Employee	Separated Employee	Notify a separated employee of an overpayment.
<a href="#">Payroll Check Cancellation Request</a>	Unit	FS-PR	Cancel an entire paycheck issued in error.
<a href="#">Policy or Procedure Exception Request</a>	Unit	Controller	Request an exception to policy and procedure guidelines for overpayment collection.
<a href="#">Prior Pay Period Adjustment form (PPAF)</a>	Unit	FS-PR	Adjust prior period compensation.
<a href="#">Repayment Agreement</a>	Unit and Employee	Active Employee	Notify an active employee of an overpayment of compensation and establish repayment terms.

**Related Training/  
Guidance**

- I. Unit Payroll Processing
  - A. UPK link- <http://cf.umaryland.edu/ondemandtraining/enterprise/PlayerPackage/data/to.c.html>
  - B. UPK Menu: eUMB HRMS> Departmental Payroll Processing
  - C. [Payroll Reps Presentation](#)
  - D. [Summary Chart of Forms](#)
  - E. [Overpayment Flowcharts](#)

Procedure Title	Compensation Overpayment and Recovery
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II. Effort Management

<http://www.cost.umaryland.edu/effortmanagement.cfm>

III. Accounts Receivables – UMB Customer Billing System

A/R Aging Report

A. UMB Systems Tutorials Browser Link: -

<http://cf.umaryland.edu/ondemandtraining/enterprise/PlayerPackage/data/to.c.html>

B. In the MyUMB portal Enterprise Menu: eUMB Financials> UMB Systems Tutorials Browser>UMB Customer Billing System

IV. Related Policy and Procedure

[A&F Policy No. 3313 – UMB Payroll](#)

[UMB VIII-99.02 UMB Compensation Overpayment and Recovery](#)

[A&F Procedure No. 3511 – Customer Billing and Collections](#)

Examples I. Active Employees

A. [Example 1: Direct Deposit Recovery – Discovery Before Payday](#)

Employee: Tom Smith  
 Empl Class: 33-Exempt Regular  
 Overpayment: \$1,000.00  
 Fringes: \$360.00 (36.0%)  
 Funding: 100% Project A  
 Pay Period: 12/15/13-12/28/13

**Entry #1: Debits Project A for salary and fringes (I.A.1.f.i above).**

Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
12/28/13	1,000.00 1013	360.00 2791	12/15/13- 12/28/13	Project A (based on EFP)

**Entry #2: Credits Project A for the overpayment. Debits unit Payroll Clearing Account (PCA) 7173 (I.A.1.f.ii above).**

SPAC-CC creates and enters a Direct Retro Request (DR) to move the overpayment and associated fringes shown above from Project A to the unit PCA-7173. Account 7173 is not charged for the amount of the fringes.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code

<b>Procedure Title</b>	Compensation Overpayment and Recovery
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02/08/14	(1,000.00) 1013	(360.00) 2791	12/15/13- 12/28/13	Project A
02/08/14	1,000.00		12/15/13- 12/28/13	Unit PCA - 7173

**Entry #3: Credits unit PCA (I.A.1.f.iii above).**

The direct deposit is recovered. After FS-PR receives the credit from CPB, FS-PR enters a journal entry into eUMB Financials to credit the unit PCA.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
05/03/14	(1,000.00)		12/15/13- 12/28/13	Unit PCA- 7173

**Summary:**

Entry Number	Department Task	SPAC-CC Task	FS-PR Task
1-Initial Payroll Charge (I.A.1.f.i above)	None	None	None
2-Reallocate Initial Payroll Charge (I.A.1.f.ii above)	Complete COF and send with attachments to FS-PR	Create and Process Direct Retro	None
3-Credit Unit (I.A.1.f.iii above)	None	None	Process journal entry

**B. [Example 2: Paper Paycheck Recovery – Discovery Before Payday](#)**

Employee: Tom Smith  
 Empl Class: 33-Exempt Regular  
 Overpayment: \$1,000.00  
 Fringes: \$360.00 (36.00%)  
 Funding: 100% Project A  
 Pay Period: 12/15/13-12/28/13

**Entry #1: Debits Project A for salary and fringes (I.A.2.f.i above).**

Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
12/28/13	1,000.00 1013	360.00 2791	12/15/13- 12/28/13	Project A (based on EFP)

Procedure Title	Compensation Overpayment and Recovery
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**Entry #2: Credits Project A for the overpayment. Debits unit Payroll Clearing Account (PCA) 7173 (I.A.2.f.ii above).**

SPAC-CC creates and enters a Direct Retro Request (DR) to move the overpayment and associated fringes shown above from Project A to the unit PCA-7173. Account 7173 is not charged for the amount of the fringes.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
02/08/14	(1,000.00) 1013	(360.00) 2791	12/15/13- 12/28/13	Project A
02/08/14	1,000.00		12/15/13- 12/28/13	Unit PCA - 7173

**Entry #3: Credits unit PCA (I.A.2.f.iii above).**

The payroll check is cancelled. After FS-PR receives the credit from CPB, FS-PR enters a journal entry into eUMB Financials to credit the unit PCA.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
05/03/14	(1,000.00)		12/15/13- 12/28/13	Unit PCA- 7173

**Summary:**

Entry Number	Unit Task	SPAC-CC Task	FS-PR Task
1-Initial Payroll Charge (I.A.2.f.i above)	None	None	None
2-Reallocate Initial Payroll Charge (I.A.2.f.ii above)	Complete COF, Payroll Check Cancellation Request, and send with attachments to FS-PR	Process Direct Retro	None
3-Credit Unit (I.A.2.f.iii above)	None	None	Process journal entry

**C. [Example 3: One-Time Full Payroll Deduction Recovery - Discovery is Made After Payday](#)**

Employee: John Doe  
 Empl Class: 33-Exempt Regular  
 Overpayment: \$7,500.00  
 Fringes: \$2,700.00 (36%)  
 Funding: 100% Project A  
 Pay Period: 07/01/13-09/07/13

Procedure Title	Compensation Overpayment and Recovery
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Payback Agreement: One pay period  
Payback Period: PPE 09/21/13

**Entry #1: Debits Project A for salary and fringes charged between 07/01/13 and 09/07/13 (I.B.1.i.i above).**

Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
07/13/13-09/7/13	7,500.00 1013	2,700.00 2791	07/01/13-09/07/13	Project A (based on EFP)

**Entry #2: Credits Project A for the overpayment. (I.B.1.i.ii above).**

Unit submits a Prior Pay Period Adjustment Form (PPAF) to FS-PR to process the repayment.

Pay Period End Processed	Gross Salary	Earnings Code	Service Begin-End Dates	Combo Code
09/21/13	(7,500.00)	RRR	07/01/13-09/07/13	Leave blank (EFP applies)

Summary:

Entry Number	Department Task	FS-PR Task
1-Initial Payroll Charge (I.B.1.i.i above)	None	None
2-Reallocate Initial Payroll Charge (I.B.1.i.ii above)	Complete COF, CRW, Prior Pay Period Adjustment Form (PPAF), and send with attachments to FS-PR	Process PPAF

**D. Example 4: Multiple Payroll Deduction Recovery – Discovery After Payday**

Employee: John Doe  
Empl Class: 33-Exempt Regular  
Overpayment: \$7,500.00  
Fringes: \$2,700.00 (36%)  
Funding: 100% Project A  
Pay Period: 07/01/13-09/07/13  
Payback Agreement: \$2,500 in 3 pay periods  
Payback Period: PPE 09/21/13- PPE 10/19/13

**Entry #1: Debits Project A for salary and fringes charged between 07/01/13 and 09/07/13 (I.B.2.j.i above).**

Procedure Title	Compensation Overpayment and Recovery
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Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
07/13/13-09/7/13	7,500.00 1013	2,700.00 2791	07/01/13-09/07/13	Project A (based on EFP)

**Entry #2: Credits Project A for salary and fringes. Debits unit Payroll Clearing Account (PCA) 2150 for salary ([I.B.2.j.ii above](#)).**

Unit submits a Prior Pay Period Adjustment Form (PPAF) to FS-PR to move the overpayment shown above from Project A to the unit PCA. The PPAF is used to transfer the salary charges. The associated fringes are automatically calculated when the PPAF is processed in eUMB-HRMS. Only the salary expense is posted to the unit's PCA. The first payroll deduction is also posted.

Pay Period End Processed	Gross Salary	Earnings Code	Service Begin-End Dates	Combo Code
09/21/13	(7,500.00)	RRR	07/01/13-09/07/13	Leave blank (EFP applies)
09/21/13	7,500.00	GPB	07/01/13-09/07/13	Unit PCA - 2150
09/21/13	(2,500.00)	GPB	09/08/13-09/21/13	Unit PCA- 2150

**Entry #3: Credits unit PCA ([I.B.2.j.iii above](#)).**

FS-PR processes payroll deductions to recover funds and to credit unit PCA.

Pay Period End Processed	Gross Salary	Earnings Code	Service Begin-End Dates	Combo Code
10/05/13	(2,500.00)	GPB	09/22/13-10/05/13	Unit PCA- 2150
10/19/13	(2,500.00)	GPB	10/06/13-10/19/13	Unit PCA- 2150

**Summary:**

Entry Number	Department Task	FS-PR Task
1-Initial Payroll Charge ( <a href="#">I.B.2.j.i above</a> )	None	None



Procedure Title	Compensation Overpayment and Recovery
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2-Reallocate Initial Payroll Charge (I.B.2.j.ii above)	Complete COF, CRW, Prior Pay Period Adjustment Form (PPAF), and send with attachments to FS-PR	Process PPAF
3-Credit Unit (I.B.2.j.iii above)	None	Process payroll deductions using earnings code GPB

Note: If the employee separates from UMB before the entire amount is repaid, FS-PR will process an entry to reclass the outstanding balance from PCA 2150 to account 7173 - A/R - Payroll Related. An invoice will be issued to the employee for the outstanding amount. After the invoice is paid, 7173 will be credited with the payment amount.

E. [Example 5: Check or Money Order Recovery – Discovery After Payday](#)

Employee: Tom Smith  
 Empl Class: 33-Regular Exempt  
 Overpayment: \$1,000.00  
 Fringes: \$360.00 (36%)  
 Funding: 100% Project A  
 Pay Period: 12/15/13-12/28/13

**Entry #1: Debits Project A for salary and fringes (I.B.3.p.i above).**

Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
12/28/13	1,000.00 1013	360.00 2791	12/15/13- 12/28/13	Project A (based on EFP)

**Entry #2: Credits Project A for the overpayment. Debits unit Payroll Clearing Account (PCA) 7173 (I.B.3.p.ii above).**

SPAC-CC creates and enters a Direct Retro Request (DR) to move the overpayment and associated fringes shown above from Project A to the unit PCA-7173. Account 7173 is not charged for the amount of the fringes.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
02/08/14	(1,000.00) 1013	(360.00) 2791	12/15/13- 12/28/13	Project A
02/08/14	1,000.00		12/15/13- 12/28/13	Unit PCA - 7173

**Entry #3: Credits unit PCA (I.B.3.p.iii above).**

Procedure Title	Compensation Overpayment and Recovery
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The repayment check is received. After FS-PR receives the credit from CPB, FS-PR enters a journal entry into eUMB Financials to credit the unit PCA.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
05/03/14	(1,000.00)		12/15/13-12/28/13	Unit PCA-7173

**Summary:**

Entry Number	Unit Task	SPAC-CC Task	FS-PR Task
1-Initial Payroll Charge (I.B.3.p.i above)	None	None	None
2-Reallocate Initial Payroll Charge (I.B.3.p.ii above)	Complete COF, CRW, and send with attachments to FS-PR	Process Direct Retro	None
3-Credit Unit (I.B.3.p.iii above)	None	None	Process journal entry

**II. Separated Employees**

**A. [Example 6: Direct Deposit Recovery – Discovery Before Payday](#)**

Employee: Tom Smith  
 Empl Class: 33-Regular Exempt  
 Overpayment: \$1,000.00  
 Fringes: \$360.00(36%)  
 Funding: 100% Project A  
 Pay Period: 12/15/13-12/28/13

**Entry #1: Debits Project A for salary and fringes (II.A.g.i above).**

Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
12/28/13	1,000.00 1013	360.00 2791	12/15/13-12/28/13	Project A (based on EFP)

**Entry #2: Credits Project A for the overpayment. Debits unit Payroll Clearing Account (PCA) 7173 (II.A.g.ii above).**

Procedure Title	Compensation Overpayment and Recovery
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SPAC-CC creates and enters a Direct Retro Request (DR) to move the overpayment and associated fringes shown above from Project A to the unit PCA-7173. Account 7173 is not charged for the amount of the fringes.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
02/08/14	(1,000.00) 1013	(360.00) 2791	12/15/13- 12/28/13	Project A
02/08/14	1,000.00		12/15/13- 12/28/13	Unit PCA - 7173

**Entry #3: Credits unit PCA (II.A.g.iii above).**

The direct deposit is recovered. After FS-PR receives the credit from CPB, FS-PR enters a journal entry into eUMB Financials to credit the unit PCA.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
05/03/14	(1,000.00)		12/15/13- 12/28/13	Unit PCA- 7173

**Summary:**

Entry Number	Unit Task	SPAC-CC Task	FS-PR Task
1-Initial Payroll Charge (II.A.g.i above)	None	None	None
2-Reallocate Initial Payroll Charge (II.A.g.ii above)	Complete COF and return with attachments to FS-PR	Process Direct Retro	None
3-Credit Unit (II.A.g.iii above)	None	None	Process journal entry

**B. Example 7: Paycheck Recovery – Discovery Before Payday**

Employee: Tom Smith  
 Empl Class: 33-Regular Exempt  
 Overpayment: \$1,000.00  
 Fringes: \$360.00 (36%)  
 Funding: 100% Project A  
 Pay Period: 12/15/13-12/28/13

**Entry #1: Debits Project A for salary and fringes (II.A.2.f.i above).**

Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Procedure Title	Compensation Overpayment and Recovery
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Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
12/28/13	1,000.00 1013	360.00 2791	12/15/13- 12/28/13	Project A (based on EFP)

**Entry #2: Credits Project A for the overpayment. Debits unit Payroll Clearing Account (PCA) 7173 (II.A.2.f.ii above).**

SPAC-CC creates and enters a Direct Retro Request (DR) to move the overpayment and associated fringes shown above from Project A to the unit PCA-7173. Account 7173 is not charged for the amount of the fringes.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
02/08/14	(1,000.00) 1013	(360.00) 2791	12/15/13- 12/28/13	Project A
02/08/14	1,000.00		12/15/13- 12/28/13	Unit PCA – 7173

**Entry #3: Credits unit PCA (II.A.2.f.iii above).**

The payroll check is cancelled. After FS-PR receives the credit from CPB, FS-PR enters a journal entry into eUMB Financials to credit the unit PCA.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
05/03/14	(1,000.00)		12/15/13- 12/28/13	Unit PCA- 7173

**Summary:**

Entry Number	Unit Task	SPAC-CC Task	FS-PR Task
1-Initial Payroll Charge (II.A.2.f.i above)	None	None	None
2-Reallocate Initial Payroll Charge (II.A.2.f.ii above)	Complete COF, Payroll Check Cancellation Request, and send with attachments to FS-PR	Process Direct Retro	None
3-Credit Unit (II.A.2.f.iii above)	None	None	Process journal entry

### C. Example 8: Available Leave Recovery – Discovery After Payday

**Employee: Jane Doe**

Procedure Title	Compensation Overpayment and Recovery
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Empl Class: 33-Regular Exempt  
 Overpayment: \$1,000.00  
 Fringes: \$360.00(36%)  
 Funding: 100% Project A  
 Pay Period: 07/01/13-09/07/13  
 Payback Agreement: Use available leave

**Entry #1: Debits Project A for salary and fringes charged between 07/01/13 and 09/07/13 (II.B.1.h.i above).**

Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
07/13/13-09/7/13	1,000.00 1013	360.00 2791	07/01/13-09/07/13	Project A (based on EFP)

**Entry #2: Credits Project A for the overpayment and payout remaining leave balances to the employee (II.B.1.h.ii above).**

Unit submits a Prior Pay Period Adjustment Form (PPAF) to FS-PR to credit the original project(s)/account(s) using available leave and to debit combo code 0000015682. Any remaining leave balances are paid to the employee using FPA for annual leave or FPH for holiday leave. The combo code used for FPA and FPH is 0000015682. The unit lists the leave hours on the PPAF.

Pay Period End Processed	Gross Salary	Earnings Code	Hours	Service Begin-End Dates	Combo Code
09/21/13	(1,000.00)	RRR		07/01/13-09/07/13	Leave blank (EFP applies)
09/21/13	500.00	OFH	10	09/21/13-09/21/13	0000015682
09/21/13	500.00	OFA	10	09/21/13-09/21/13	0000015682
09/21/13	500.00	FPA	10	09/21/13-09/21/13	0000015682

**Summary:**

Entry Number	Unit Task	FS-PR Task
1-Initial Payroll Charge (II.B.1.h.i above)	None	None
2-Credit Project using available leave (II.B.1.h.ii above)	Complete COF, CRW, Prior Pay Period Adjustment Form (PPAF), and send with additional attachments to FS-PR	Process PPAF and any remaining leave payout.

Procedure Title	Compensation Overpayment and Recovery
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D. [Example 9: Available Leave and Check Recovery – Discovery After Payday](#)

Employee: Jane Doe  
 Empl Class: 33-Regular Exempt  
 Overpayment: \$1,000.00  
 Fringes: \$360.00(36%)  
 Funding: 100% Project A  
 Pay Period: 07/01/13-09/07/13  
 Payback Agreement: Use available leave and use check to pay the remaining balance due

**Entry #1: Debits Project A for salary and fringes charged between 07/01/13 and 09/07/13 (II.B.2.r.i above).**

Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
07/13/13-09/7/13	1,000.00 1013	360.00 2791	07/01/13-09/07/13	Project A (based on EFP)

**Entry #2: Credits Project A for the overpayment. Debits unit Payroll Clearing Account (PCA) 7173 for the remaining balance due (II.B.2.r.ii).**

Unit submits a Prior Pay Period Adjustment Form (PPAF) to FS-PR to credit the original project(s)/account(s) using available leave and to debit combo code 0000015682. Any remaining balance due to UMB will be repaid by check.

Pay Period End Processed	Gross Salary	Earnings Code	Hours	Service Begin-End Dates	Combo Code
09/21/13	(750.00)	RRR		07/01/13-09/07/13	Leave blank (EFP applies)
09/21/13	500.00	OFH	10	09/21/13-09/21/13	0000015682
09/21/13	250.00	OFA	5	09/21/13-09/21/13	0000015682

Procedure Title	Compensation Overpayment and Recovery
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**Entry #3: Credits Project A for the remaining overpayment. Debits unit Payroll Clearing Account (PCA) 7173 (II.B.2.r.iii above).**

SPAC-CC creates and enters a Direct Retro Request (DR) to move the remaining overpayment and associated fringes shown above from Project A to the unit PCA-7173. Account 7173 is not charged for the amount of the fringes.

Pay Period End Processed	Remaining Overpayment	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
02/08/14	(250.00) 1013	(90.00) 2791	12/15/13- 12/28/13	Project A
02/08/14	250.00		12/15/13- 12/28/13	Unit PCA – 7173

**Entry #4: Credits unit PCA (II.B.2.r.iv above).**

The repayment check is received and deposited. After FS-PR receives the credit from CPB, FS-PR enters a journal entry into eUMB Financials to credit the unit PCA.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
05/03/14	(250.00)		12/15/13- 12/28/13	Unit PCA- 7173

**Summary:**

Entry Number	Unit Task	FS-PR Task	SPAC
1-Initial Payroll Charge (II.B.2.r.i above)	None	None	None
2-Credit Project using available leave (II.B.2.r.ii above)	Complete COF, CRW, Prior Pay Period Adjustment Form (PPAF), and send with additional attachments to FS-PR	Process PPAF.	None
3-Reallocate remaining overpayment (II.B.2.r.iii above)	None	None	Process DR
4-Credit Unit (II.B.2.r.iv above)	None	Process Journal Entry	None



Procedure Title	Compensation Overpayment and Recovery
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E. [Example 10: Check Recovery – Discovery After Payday](#)

Employee: Tom Smith  
 Overpayment: \$1,000.00  
 Fringes: \$360.00 (36%)  
 Funding: 100% Project A  
 Pay Period: 12/15/13-12/28/13

**Entry #1: Debits Project A for salary and fringes ([II.B.3.q.i above](#)).**

Payroll system debits Project A salary and fringes according to the Employee Funding Profile (EFP). This entry is reported on the UMB Payroll Charges Detail Report (PCD).

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
12/28/13	1,000.00 1013	360.00 2791	12/15/13- 12/28/13	Project A (based on EFP)

**Entry #2: Credits Project A for the overpayment. Debits unit Payroll Clearing Account (PCA) 7173 ([II.B.3.q.ii above](#)).**

SPAC-CC creates and enters a Direct Retro Request (DR) to move the overpayment and associated fringes shown above from Project A to the unit PCA-7173. Account 7173 is not charged for the amount of the fringes.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
02/08/14	(1,000.00) 1013	(360.00) 2791	12/15/13- 12/28/13	Project A
02/08/14	1,000.00		12/15/13- 12/28/13	Unit PCA – 7173

**Entry #3: Credits unit PCA ([II.B.3.q.iii above](#)).**

The repayment check is received and deposited. After FS-PR receives the credit from CPB, FS-PR enters a journal entry into eUMB Financials to credit the unit PCA.

Pay Period End Processed	Gross Salary	Fringes Paid by UMB	Service Begin-End Dates	Combo Code
05/03/14	(1,000.00)		12/15/13- 12/28/13	Unit PCA- 7173

**Summary:**

Entry Number	Unit Task	SPAC-CC Task	FS-PR Task
1-Initial Payroll Charge	None	None	None

<b>Procedure Title</b>	Compensation Overpayment and Recovery
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(II.B.3.q.i above)			
2-Reallocate Initial Payroll Charge (II.B.3.q.ii above)	Complete Payroll Check Cancellation Request, COF, CRW, and send with attachments to FS-PR	Process Direct Retro	None
3-Credit Unit (II.B.3.q.iiiII.B.2.r. iv above )	None	None	Process journal entry