FISCAL MANAGEMENT

Overpayments to Employees

I. Purpose

The purpose of this regulation is to define the various departmental responsibilities in relation to a payroll overpayment to an employee.

II. General Information

It is the responsibility of directors, supervisors, and managers to insure that the employee has worked for that entire pay period or leave was entered to cover any absences during the period for which the employee is being paid. An overpayment to an employee requires significant adjustments to the payroll and accounting systems in order to correct the postings made for the overpayment, and potentially to record the liability for any funds which are owed the School Division.

III. Responsibilities if an Overpayment Occurs

A. If an employee has not worked some part of the period and does not have sufficient leave to cover normal pay, verify that the employee’s leave is entered correctly in the payroll program. If an employee indicates that there is a need for them to be on an extended leave of absence, direct them to the Office of Benefit and Retirement Services.

B. If an overpayment has occurred and the monies have been received by the employee, the director, supervisor, or manager, etc., shall call the Payroll Office immediately when overpayment is discovered or suspected.

1. The Supervisor of Payroll will contact the employee in writing explaining the basis for the overpayment and advise the employee the funds will be deducted from their next paycheck unless otherwise corrected or repaid.

2. If the overpayment amount exceeds the employee’s next expected paycheck, the Supervisor of Payroll will contact the employee in writing explaining the overpayment. The Supervisor of Payroll will request that the funds be returned to the Prince William County School Board within ten working days.

3. If the employee is unable to repay the overpayment on the next check or within 10 days, the Supervisor of Payroll will contact the Supervisor of Accounting Services to obtain authorization to make another repayment arrangement.

4. If the individual is no longer employed by the Prince William County School Board, the Supervisor of Payroll will contact the individual in writing
explaining the overpayment and request that the funds be returned to the Prince William County School Board within 10 working days.

a. If the individual does not respond within 10 working days, the Supervisor of Payroll will notify the Supervisor of Accounting Services.

b. The Supervisor of Accounting Services will notify the individual in writing through certified mail of the consequences of failing to repay the funds. If the individual disregards the correspondence, the Supervisor of Accounting Services may take appropriate steps to notify the Director of Financial Services, who may turn the matter over to the Division Counsel for possible legal action.

c. The Supervisor of Payroll will advise the Department of Human Resources of any outstanding overpayment and request that the letters provided to the employee explaining the overpayment be included in the individual's personnel file. This may permit collection in the event legal action is not pursued, and/or the overpayment is not satisfied, and the employee is re-employed by the School Division at some future date.

C. The Supervisor of Payroll shall insure the following:

1. Appropriate corrections are made to the payroll records.

2. When appropriate, prepare a Journal Voucher to correct gross wages, withholdings, and set up an account receivable for net amount due in the accounting system.

3. Provide the Finance Specialist with the overpayment documentation, including a copy of the written correspondence sent to the employee.

D. If a situation occurs that was not covered in the above regulation, contact the Supervisor of Accounting Services.

The Associate Superintendent for Finance and Support Services (or designee) is responsible for implementing and monitoring this regulation.

The Associate Superintendent for Finance and Support Services (or designee) is responsible for reviewing this regulation in 2016.