

ADMINISTRATIVE PROCEDURES



Procedure Number: 22-24

Effective Date: 02/11/1999

Revision Date: 08/11/2006

C. Deluberry
County Administrator

SUBJECT: **PAYROLL OVERPAYMENTS**

DEPARTMENT RESPONSIBLE: **All County Departments**

I. STATEMENT

When an employee is overpaid, in order to ensure that the overpayment is recovered as soon as possible, the following procedures will be adhered to.

II. PROCEDURE

A. **The Director of the Department of Finance and Risk Management Will Determine If a Stop Payment or Sure Pay Reversal Is Required**

As soon as a Department becomes aware that an employee has been overpaid, the Department must notify the Financial Operations Division of the Department of Finance and Risk Management and obtain the amount that needs to be reimbursed to Pima County.

1. **Negotiable Warrants**

If it has been determined that the employee received a negotiable warrant, the Department should contact the employee to determine if the payroll warrant has been deposited into the employee's financial institution or cashed.

a. If the warrant has not been deposited or cashed, the following will occur:

- (1) The Department for whom the employee works will instruct the employee to immediately bring the warrant to the Department Payroll Representative. The Department Payroll Representative will deliver the warrant to the Financial Operations Division of the Department of Finance and Risk Management so that a replacement warrant for the correct amount can be issued, if required.

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- (2) If the employee refuses to return the payroll warrant and it appears that the employee's subsequent payroll warrant will be insufficient to recover the overpayment, a stop payment will be placed on the warrant. Once the stop payment has been confirmed, a replacement warrant will be issued to the employee.
 - (3) If the stop payment was denied or if the employee's subsequent payroll warrant appears sufficient to recover the overpayment, the repayment amount will be deducted or garnished as stated in Section B - Repayment of Overpayments.
- b. If the employee stated that he or she has already deposited or cashed the payroll warrant, the following will occur:
- (1) The Department for whom the employee works will ask the employee to repay the overpayment amount in one lump sum.
 - (2) If the employee refuses to repay the overpayment in one lump sum and it appears that the employee's subsequent payroll warrant will be insufficient to recover the overpayment, an attempt will be made to place a stop payment on the warrant in hopes that it has not yet cleared the bank. Once the stop payment has been confirmed, a replacement warrant will be issued to the employee, if necessary.
 - (3) If the stop payment was denied or if the employee's subsequent payroll warrant appears sufficient to recover the overpayment amount, the repayment amount will be deducted or garnished as stated in Section B - Repayment of Overpayments.

2. **Nonnegotiable Warrants/Direct Deposit**

If it has been determined that the employee was on direct deposit, the following events will transpire:

- a. The Department for whom the employee works will contact the employee and ask the employee to repay the overpayment in one lump sum.
- b. If the employee refuses to repay the overpayment in one lump sum, the repayment amount will be deducted or garnished as stated in Section B - Repayment of Overpayments.
- c. If it appears that the employee's subsequent payroll warrant will be insufficient to recover the overpayment and the overpayment was discovered within the A.C.H. rules governing timing requirements, a direct deposit reversal will be sent to the employee's financial

institution. If possible, the Department should obtain a copy of the employee's pay stub and fax it to Financial Operations Division of the Department of Finance and Risk Management at 624-9178. Once the direct deposit reversal has been confirmed, a negotiable replacement warrant will be issued to the employee, if necessary.

B. Repayment of Overpayments

1. The Employee Is Still an Active Pima County Employee

If the employee is currently receiving earnings from Pima County, the overpayment will be deducted from the employee's future earnings as follows:

- a. Any amounts remaining after deductions for federal/state tax, court orders, tax levies, retirement contributions, medical, dental, long term disability, short term disability, life insurance, supplemental life insurance, parking, and bike rental will be retained by Pima County until the full amount of the overpayment has been recovered.
- b. Until the overpayment has been recovered, the following deductions will be suspended: credit union, bonds, deferred compensation, union dues, charitable contributions, and any other payroll deduction not listed in Section B.1.a. above or not required to be withheld by law.

2. The Employee is Currently Not an Active Pima County Employee

If the employee is currently not receiving earnings from Pima County, the following events will transpire:

- a. The overpayment will be withheld from any final payments that the employee may be receiving.
- b. If the employee has already received his or her final payment or if the final payment is insufficient to cover the overpayment, appropriate action will be taken to recover the outstanding amount from the overpaid individual.