**Salary Repayment Procedures**

(i.e., correction of salary overpayments)

*This document provides general and procedural information on correcting overpayments and is a reference for both unit and division staff (department administrators, payroll coordinators, and financial specialists as well as divisional accountants and Human Resources (HR) staff)*

**General Information**

Salary corrections are processed when an employee or former employee’s salary is overpaid and repayment to the University is needed.

Possible reasons for overpayments are:

* Late submission of appointment changes
* Appointment changes from one pay group to another
* Appointments not terminated in a timely manner in HRS after a person leaves employment with CALS

**Repayment Methods**

Two repayments methods are available. The method used depends on the amount, age of salary error, if the person is still an active employee in the same pay group, and the impacted person’s financial situation.

1. Via Check Correction Process where the person writes one check for the total net amount received. Depending on the situation, the person works out a repayment plan and makes periodic payments via check.
2. Via Negative Payline Process if the person is still employed AND in the same pay group, total entire overpayment amount is deducted from next paycheck. If that is not feasible, the overpayment is deducted over a period from future paychecks

**Role of CALS Business Services**

The CALS [Business Services Accountant](https://bussvc.cals.wisc.edu/contacts-by-department/) ensures the correct repayment amount zeros out the overpayment and has been applied to the same funding to which the overpayment was transferred. This occurs in WISER. Accountant involvement is important because overpayments and corrections affect effort reporting, overstates spending on financial reports and invoices, delays award closeout, and possibly creates a refund situation with a grant sponsor.

**Role of CALS Human Resources**

CALS HR determines, in collaboration with the department administrator and the person, the amount and best method of repayment and ensures repayment is made.

**Process**

1. Department administrator or payroll specialist/representative or CALS HR Generalist notices overpayment. Possible (but not exhaustive) list of ways that an overpayment may be found:

* If centralized unit without own payroll/HR staff:
  + Someone in the unit views the payroll edit report and notices an employee was paid when they should not have been
  + Supervisor notifies the unit of a termination after the payroll has calculated
* If decentralized unit with own payroll/HR staff:
  + The department payroll coordinator notices that an overpayment has occurred
  + A department submits a JEMS job change request for a termination and the HR Generalist notices the request is past the payroll deadline and, thus, the employee was overpaid
  + Employee terminates but they overused their leave, and their last paycheck is not enough to cover the overuse
  + Employee contacts department to inform it of overpayment

1. Department administrator or payroll specialist/representative notifies CALS HR Generalist and overpayment was made including the following information:
   * Employee name and employee ID
   * Amount
   * Pay period
   * Funding string on which the overpayment was made
     1. *If sponsored funding (133, 142, 143, 144),* also notify CALS Business Services Accountant
   * Reason/explanation for overpayment
2. CALS HR Generalist works with the department payroll person, current/former employee to determine 1. the amount and 2. how the repayment will be made

* UW Shared Services can be consulted if assistance is needed

1. CALS HR Generalist emails the CALS Business Services Accountant (and cc: Assistant Dean for Business Services) informing them that a check correction/negative payline request has been made

The email should include the following:

* + Employee name and employee ID
  + Amount
  + Pay period of overpayment
  + Funding string on which the overpayment was made

1. CALS HR Generalist submits check correction/negative payline request to UW Shared services and emails CALS Business Services Accountant when the request has been submitted as well as when it has been processed
   * [KB # 27632](https://kb.uwss.wisconsin.edu/page.php?id=27632) - Processing Check Corrections in HRS
   * [KB # 20566](https://kb.uwss.wisconsin.edu/20566) – Viewing Payline Adjustments in HRS
2. CALS HR Generalist ensures (and follows-up as needed) either:
   * check is delivered to UW Shared Services either via mail or their drobox
   * payline processes accurately on next payroll
3. *If a 133, 142, 143, or 144 project was impacted,* CALS Business Services Accountant **immediately** takes the following steps:
   * Instruct the department contact to submit a [salary cost transfer](https://businessservices.wisc.edu/accounting/cost-transfer-workflow-tool/) moving the salary to unrestricted funding
     1. Note: Understanding that corrections are not always timely, it is highly recommended to use a source not tied to fiscal year end closeout processes
   * Instruct the department contact to not process the employee’s effort card and place it on hold. The hold note should read “*overpayment of salary in the process of being refunded, institutional base salary will reduce”*
   * Email the assigned RSP [post-award accountant](https://rsp.wisc.edu/directory.cfm) to inform them of the overpayment and either:
     1. Ask that they not include the overpaid salary on any pending financial report
     2. Depending on timing of overpayment situation, ask RSP to issue refund to sponsor
4. Department administrator, payroll specialist/representative, effort coordinator, grant manager, and CALS Business Services Accountant periodically check WISER to ensure refund has posted and to the same unrestricted source the salary was moved to
5. Note: *If repayment and overpayment are on different funding sources,* a **second** salary cost transfer is required (submitted by the department contact) to move the repayment to the correct unrestricted funding
6. Effort cards need to be checked by Department Effort Coordinator to ensure salary repayment is landing on the correct reporting period. Depending on timing, multiple cards may have updated when only one should have. This means the computed effort amounts are incorrect because the institutional base salary (IBS) is not correct. If the IBS is not correct, the math to determine the effort percentage is incorrect. If errors are found, effort should be recalculated and reported using the true IBS and effort notes explaining the differences should be added.
   * Connect with CALS Business Services Accountant for questions
7. Applicable records are retained
   * CALS HR
     1. UW Shared Services retains the records for the required period; CALS HR is not required to retain them at the divisional level for official records purposes
   * CALS Business Services
     1. File PDF versions of email notifications in project specific Image folder or WAES folder if involving sponsored project funding
   * Units/departments
     1. Per department policies – likely don’t need to retain any documentation

**Helpful Information:**

* **Roles and Responsibilities** – It is a *team effort*. Delays and mistakes can have many downstream impacts
* **233-AAH5592 –** Check the CALS HRS default project if the credit goes missing; some departments have their own default funding
* **Effort Certification and Reporting Technology (ECRT)**  – Toss-up on how effort cards are affected, and it is very likely the card will be corrupted in some way
* **Salary Cost Transfers –** Almost guaranteed two cost transfers will be needed
* **Timing** – Check corrections are not fast. It can take months to even a year for the process to conclude. Follow-up a lot!
  + If processing a check correction around the end of the year, there are important year-end cut off dates to keep in mind
  + CALS Payroll Manager sends these dates to department payroll coordinators each year (the dates are determined by UW Shared Services)
    - For example, in 2020:
      * 12/14/20:
        + Check Correction deadline to guarantee original W2’s reflect the correct amounts
      * 12/29/20:
        + NOON - Deadline for Missed Payroll submissions for inclusion on 2020 W2s.
        + 4PM - Deadline for Foreign National Personal/Other Data Entry in Glacier (for 1042-S forms)
      * 12/30/20:
        + Last off-cycle check date for 2020
        + Last on-cycle pay date in 2020 (the 12B)
      * 1/4/21:
        + Final deadline for last minute Check Correction adjustments on an employee’s W2 (not guaranteed, based on volume)