Procedure: Overpayments

Purpose
To outline the University's procedures relating to overpayments, including responsibility and recovery.

Procedure

Introduction
1. The University, as a Commonwealth statutory is publicly accountable for all its funds. Accordingly, it is formally recognised that all monies must be managed effectively and efficiently in accordance with governance frameworks.

2. The Director, Human Resources will take responsibility for salary overpayments administration for existing staff, whereas the Chief Financial Officer will take responsibility for recovery of salary overpayment debts for former staff. Debts for former staff will not be transferred to the CFO unless necessary.

3. College/Divisional HR Managers will assist the Director, Human Resources in recovering overpaid salaries in a simple and blameless manner.

4. Staff will repay any overpayments in accordance with this procedure, subject to any explicit provisions of the ANU Enterprise Agreement.

Responsibilities include:

5. The University recognises that overpayments will occur from time to time, and requests that budget unit delegates, subordinate cost centre administrators and their relevant staff are responsible for managing financial and related resources, including monitoring all salary matters.

6. The University has produced an automated Payroll Costing Analysis (PCA) report, delivered directly to budget unit delegate’s emails two days prior to pay run.

7. Budget unit delegates are responsible for thoroughly checking the PCA report on the Tuesday prior to pay day, and advising their local HR team of any discrepancies prior to 10am on Wednesday, one day before pay day.
8. In the event that a staff member is overpaid, it is imperative that the local HR team are immediately notified, irrespective of the amount involved. The College/Divisional HR Manager (or equivalent) who will then take recovery action as detailed below.

9. Where salary overpayments are identified from the PCA report prior to 10am on Wednesday before payday, local HR will notify the overpaid staff member of the amount of the overpayment, before payday.

10. In accordance with clause 9, where a staff member is notified of a salary overpayment prior to pay day, the staff member is required to repay the full overpayment amount in the next available pay day. Alternatively, the staff member may transfer the full amount to the University via EFT.

11. A staff member will receive written record (email/letter) of the overpayment, with a copy to be placed on their personnel file.

12. Where a salary overpayment occurs that is over $10,000 gross, the Director, Human Resources will notify the Vice-Chancellor within one month of receiving notification of the overpayment.

13. To act upon notification, College/Divisional HR Managers (or equivalent) will take action to recover these monies, unless otherwise provided for in this procedure. It is acknowledged that in some circumstances a staff member may not realise that they have been overpaid, therefore declaration and recovery are intended to be undertaken in a no blame manner.

14. Where salary overpayments are discovered or notified after the staff member has received the payment, recovery will occur as per the below:

   a. A minimum of $200.00 will be recovered in the pay following the notification. Where the total overpayment amount is less than $200.00 the full amount will be recovered;

   b. Greater than $200.00 will be recovered in instalments of $200.00 per pay OR by dividing the overpayment by the number of paydays left remaining in the tax year, whichever provides for the larger (payment per fortnight).

15. Wherever a salary overpayment has occurred over a long period of time, action may be taken to recover the debt commensurate with a period that saw the debt accumulate.

16. In the case of points a) and b) above, salary repayment is to be made of the net overpayment and by the end of the tax year, otherwise repayment will be of the gross overpayment (i.e. where recovery action falls over two tax years).

17. Except for when notice is provided in accordance with clause 9, in exceptional circumstances, overpaid staff members may make application to the Director, Human
Resources to vary repayment arrangements to avoid financial hardship. In such cases, evidence supporting the existence of extenuating circumstances must be provided.

18. Where overpayments are paid by the staff member in instalments, this may be considered a loan by the University potentially have a fringe benefit tax liability, borne by the staff member. The size of the debt and the instalment recovery period will determine whether FBT is payable.

19. In exceptional circumstances, a request to write off a debt may be made to the Director, Human Resources and considered by the Chief Financial Officer. In the event that any salary overpayments are written off with University delegations, Fringe Benefit Tax may apply and will be borne by the budget unit or cost centre.

Upon Resignation or Separation of Service

20. Unless otherwise negotiated, outstanding salary overpayments will be recovered from any salary and accrued leave payments normally paid out upon resignation, retirement or separation from the University.

21. Where salary and accrued leave credits are insufficient to discharge any salary overpayment, the remaining amount will become immediately payable. The University reserves the right to refer this matter to Financial and Business Services Division or its agents for debt recovery action. In these cases, the University may include costs for debt recovery.

Manual (out-of-pay-cycle) payments

22. A manual payment may be made to a new starter or casual staff member, where paperwork was delayed through no fault of the staff member.

23. Where a manual payment is request and approved by the Director, Human Resources (or their delegate), a $50.00 service fee will apply, payable by the budget unit.

24. Manual payments will be processed on Tuesdays and Thursdays only.

Reporting

25. Budget unit areas and the College/Divisional HR teams will receive bi-monthly reporting of overpayments, to assist with recovery.

26. Liability for overpayments will be borne centrally, unless there has been an unsuccessful collaborative attempt to recover overpayments. Where this has occurred, the Chief Financial Officer may consider transferring the debt to the budget unit area.

Delegations relevant to this policy

- **000176**: Salary Overpayments