

**MCNEESE STATE UNIVERSITY  
RECOUPMENT OF OVERPAYMENT POLICY**

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**The purpose of this policy is to establish procedures to be followed when an employee has been overpaid. Overpayment occurs when compensation that is not owed to the employee is paid in error. This may include but is not limited to: overpayment of wages, leave payoff in error, erroneous refunds of deductions, etc. Unearned payments to employees are prohibited by Article 7, Section 14, of the Louisiana State Constitution which prohibits the donation of public funds. As a result, McNeese State University is required to recoup overpayments from both active and separated employees.**

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**I. Notification to Active/Separated Employee of Overpayment**

Employees will be notified immediately in writing by the Controller, or delegate of the Controller, once it is determined that an overpayment has been made. The notification to the employee will include the following information: (a) Pay date(s) the overpayment occurred; (b) Amount of overpayment; (c) Plan of action for recoupment; (d) Employee options for repayment; and (e) University procedure for dispute of recoupment.

**II. Recoupment from Active Employees**

The following repayment options are available:

1. Direct deposit reversal
2. One-time deduction from a subsequent paycheck
3. Payment Plan (recurring deductions may be established for a period not to exceed 12 months) in accordance with internal procedures for such
4. Personal payment from employee (check, money order)

**If an employee who has been overpaid is separating from employment, the amount of overpayment will be withheld from the employee's final paycheck. If the full amount is not recovered, then the guidelines for Recoupment from Separated Employees will be followed.**

**III. Recoupment from Employees Transferring to Another State Agency**

If an overpaid employee is transferring to another state agency, and the recoupment process has not yet been completed, Human Resources will notify the new agency that the employee has an outstanding balance due, and will work with the new agency to determine a reasonable solution for recouping the overpayment from the employee, and for transferring funds received back to the university. The amount of recoupment established cannot bring the employee's bi-weekly gross hourly wage amount below the federal minimum wage unless indicated by written approval from the employee.

**IV. Recoupment from Separated Employees**

The following repayment options are available:

1. Personal payment from the separated employee (check, money order)
2. Payment Plan (multiple payments may be established with the University in accordance with internal procedures for such. The period of recoupment may not exceed 12 months)

**If the University is unable to recover overpayments from a separated employee, the university will seek legal assistance from the University's legal counsel to determine if legal recourse is warranted.**

#### **V. Employee Dispute**

If the employee is in disagreement with the overpayment, he or she must provide a written statement of disagreement to the Director of Human Resources along with any supporting documentation no later than 15 business days from the date of Notification to Employee of Overpayment. The dispute will be reviewed and a decision by the university will be rendered. Based on the decision rendered, the university will proceed with the recoupment according to this policy, or will dismiss the recoupment process.