



THE UNIVERSITY of
NEW ORLEANS

Policy No: AP-BA-25.2
TITLE: Employee Receivables
EFFECTIVE DATE: March 7, 2014
CANCELLATION:
REVIEW DATE: Spring 2016

ADMINISTERED BY: Office of Vice
President for Business Affairs

PURPOSE

To set forth administrative policy and procedures to collect debts of current employees owed to the University.

AUTHORITY

*Part Two, Chapter III, Section IV of the Bylaws and Rules of the University of Louisiana System.
University of Louisiana System Policy and Procedure Memorandum FB-IV.-3 (Students with Debt Policy) and M-1a (Reporting Misappropriation of Public Funds or Assets)*

OBJECTIVE

To minimize the debts owed to the University by current employees through the establishment of due diligence collection procedures.

DEFINITIONS

- 1. Authorization to Withhold**-a document whereby the employee voluntarily authorizes the University to deduct a designated amount from subsequent paychecks or if the employee is terminating, from the accrued but unused annual leave payout.
- 2. Indebtedness**- amounts owed to the University such as tuition, University of New Orleans Police Department (UNOPD) parking/traffic tickets, Earl Long Library fees/charges, and other University charges such as the Children's Center, etc.
- 3. Notice of Intent to Withhold**- document that provides advance notice to the employee informing him/her of the amount the University will withhold from subsequent paychecks should the employee fail to pay the debt in full or make acceptable payment arrangement with the Accounts Receivable Department. This notice also provides instructions for disputed amounts.
- 4. Return Check**- check returned unpaid by the bank for reasons such as Non-Sufficient Funds (NSF), Account Closed, Stop Payment, etc.

GENERAL POLICY

In general, indebtedness to the University from an employee may be deducted from an amount owing by the University to that individual. The consent of the debtor is not a necessary prerequisite to this offset procedure, nor is there any legal requirement that a deduction be accomplished in installments. The entire amount can be deducted from salary payments or any other amount owed the employee by the University. This offset procedure should be considered only when a receivable has clearly become delinquent and there is a high risk of nonpayment.

PROCEDURE

I. BILLINGS

On a monthly basis (or less frequently in cases of a Return Check), various units within the Accounting Services Department will bill employees who have amounts due the University.

II. COLLECTION POLICIES

A. DELINQUENT ACCOUNTS. Employees are billed monthly and are expected to make payment upon receipt of the bill. In the event charges are disputed, such charges should be promptly resolved with the charging unit.

1. Method of Payment. Employees are encouraged to resolve delinquent account balances, in a timely manner, through one of the following payment methods:

i. Pay the debt in full by cash, personal check, money order or credit card.

ii. Payment Plans are available for balances over \$100.00 and are irrevocable.

a. Pay by Cash, Check, Money Order, or Credit Card.

b. Authorization to Withhold a designated amount from a limited number of subsequent paychecks or if the employee is terminating, from the accrued but unused annual leave payout.

2. Collection Process. An account is generally considered to be delinquent if unpaid by the specified due date after the issuance of the bill. The employee will receive two billings prior to further collection procedures noted below.

3. Notice of Intent to Withhold. If payment is not received by the due date of the second billing, deduction from the employee's paycheck may be initiated by sending a *Notice of Intent to Withhold* to the employee by registered/certified mail, as well as to the employee's UNO email address. The notice should inform the employee of the amount alleged to be owed, acceptable methods of payment, and the payment deadline. Also, this notice should provide instructions for disputed amounts.

4. Deadline to Pay. The employee is given fifteen (15) calendar days after receipt of the *Notice of Intent to Withhold*, to pay the charge. The letter of notification to the employee will also indicate that unless one of the actions stated in **II.A.1** is finalized by the stipulated date, an automatic payroll deduction will be performed. *All deduction procedures will be in accordance with applicable federal & state laws and regulations.*

5. Disputed Amount. If the charge is disputed, the employee should immediately contact the charging department. If it is later concluded that the amount was incurred in error, the

charging department must provide the Accounts Receivable Department with an approved credit memo.

6. Payroll Deductions. The Accounts Receivable Department is responsible for the billing, collection, and notification of employees with delinquent accounts and is responsible for submitting the appropriate deduction form to the Payroll Department after due process steps have occurred.

- i. **Limitations.** Maximum deduction allowed by the U.S. Department of Labor.
- ii. **Overlapping Payments and Deductions.** Payments by employees which are made after a deduction has been submitted to the Payroll Office will not stop the deduction process. See **Refund** below.

7. Refund. A refund will be initiated when a credit on an account is created by the application of the deduction in conjunction with the debtor making restitution for indebtedness.

B. RETURN CHECK. Employees whose personal check is returned unpaid by the bank for any reason will be notified via their UNO employee email account, mail and/or telephone to immediately replace the check and pay the applicable service charge. Future check privileges may be restricted.

1. Method of Payment. Employees are encouraged to promptly pay the debt --amount of check plus a Return Check fee-- in full via cash, money order, or credit card.

2. Collection Process. A letter will be mailed to the employee, as well as sent to the employee's UNO email address, notifying the employee that he/she has until a specified date (ordinarily ten working days) to settle the amount due.

3. Notice of Intent to Withhold. If payment is not received by the due date of the second billing, deduction from the employee's paycheck may be initiated by sending a *Notice of Intent to Withhold* to the employee by registered/certified mail, as well as to the employee's UNO email address. The notice should inform the employee of the total amount owed (amount of check + Return Check fee), acceptable methods of payment, and the payment deadline.

4. Deadline to Pay. The employee is given five (5) calendar days from receipt of the notice of intent to withhold, to pay the charge. The letter of notification to the employee will also indicate that unless full payment (amount of check + the Return Check fee) is received by the stipulated date, an automatic payroll deduction will be performed. *All deduction procedures will be in accordance with applicable federal & state laws and regulations.*

5. Payroll Deductions. The Accounts Receivable Department is responsible for the billing, collection, and notification of employees with Return Check and will be responsible for submitting the appropriate deduction form to the Payroll Department after due process steps have occurred.

- i. **Limitations.** Maximum deduction allowed by the U.S. Department of Labor.
- ii. **Overlapping Payment and Deductions.** Payment by employees which are made after a deduction has been submitted to the Payroll Office will not stop the deduction process. See **Refund** below.

6. Refund. A refund will be initiated when a credit on an account is created by the application of the deduction in conjunction with the debtor making restitution for indebtedness.

RESPONSIBILITIES

Accounts Receivable Department is responsible for the following when collecting from current employees:

- Generating and distributing monthly billing notices. Conducting follow-up to ensure billing correspondence has been delivered to the employee via Certified/Registered Mail.
- Handling of returned items (NSF checks), charge appropriate fee.
- Handling payment options, debt disputes, processing payments.
- Submitting the appropriate deduction form to the Payroll Department after due process steps have been completed.
- Compiling and communicating “collection” activity to the University.

Employee is responsible for timely settlement of all University debts.

Payroll Department is responsible for the accurate and timely processing of deductions submitted by the Accounts Receivable Department in accordance with applicable federal and state laws and regulations.



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