



THE UNIVERSITY of
NEW ORLEANS

**ADMINISTERED BY: Office of Vice
President for Business Affairs**

Policy No: AP-BA-25.4
**TITLE: Employee Debts to the
University**
EFFECTIVE DATE: March 7, 2014*
(*Policy Revised, see below)
CANCELLATION:
REVIEW DATE: Fall 2025

PURPOSE

- A. The intent of this policy is to strictly limit the use of payroll deductions in order to avoid practices that may violate the Louisiana Code of Ethics, responsible business practices, and the best interests of UNO and the taxpayers of Louisiana. Payroll deductions should be kept to a minimum. The purpose of this policy is to exert tight control on payroll deductions and management of debts owed by employees to UNO.
- B. The Louisiana Code of Ethics prohibits the use of public resources for personal gain by public employees. UNO will not allow employees to pay off significant debts over extended periods of time through payroll deduction because that would essentially be giving interest-free loans of taxpayer's money to the employees, which would violate the Code of Ethics.
- C. It is the duty of UNO management employees to closely monitor actual and potential cases of indebtedness to UNO and take appropriate steps to avoid losses for UNO. Managers should enforce procedures to minimize debts owed to the University by employees. When necessary, managers should initiate due diligence collection procedures.

AUTHORITY

Part Two, Chapter III, Section IV of the Bylaws and Rules of the University of Louisiana System.

GENERAL POLICY

- A. The University of New Orleans does not allow payroll deductions for payment of employees' debts to the University except for a very limited set of specific deductions that have been approved in advance. Except for those limited payroll deductions that have been approved, employees are required to pay all other debts to the University with a credit card, debit card, cash, check, or other method that is acceptable to UNO.
- B. The University will monitor and manage employees' debts to the University to ensure debts are collected promptly and in a fiscally responsible manner.

APPROVAL REQUIRED FOR PAYROLL DEDUCTIONS

- A. No new type of payroll deduction may be implemented unless and until explicit written approval has been granted by the head of the Payroll Department, the head of the Human Resources Department, the University's Ethics Liaison, the CFO and Vice President for Business Affairs, and the President of the University. These individuals will judge if a type of payroll deduction should be approved based on: the Louisiana Code of Ethics; the federal Fair Labor Standards Act; other federal, state, and local laws that may be relevant; fiscally responsible business practices; the best interests of the University and the taxpayers of Louisiana.

- B. The following types of payroll deductions have been approved and are permitted.
 - 1. Standard deductions, adjustments, and arrears balances related to UNO's employee benefits package including:
 - a. Premiums for health, dental, vision, life, AD&D, LTD, and any other insurances offered by UNO.
 - b. Retirement plan deductions required by law.
 - c. Voluntary contributions and loan payments to UNO's sponsored 403(b) annuity, 457 deferred compensation, Roth retirement plans, and UNO Federal Credit Union accounts.
 - d. Voluntary contributions into UNO's flexible spending plans, health savings plans, LA START 529 plan, and similar plans in the employee benefits package.
 - 2. Court-ordered or federally administered (AWG) garnishments of wages.
 - 3. Recoupment of incorrect and unreconciled payments made to employees including, but not limited to: salary overpayments; benefit arrears balances; excessive expense reimbursements; unreconciled or unused travel advances; personnel action errors; processing delays; payroll errors; failure to submit expense reports; unreconciled or missing petty cash; and other such reasons.
 - 4. Philanthropic donations to UNO, the UNO Foundation, or the United Way.
 - 5. Additional UNO parking permits.
 - 6. UNO Recreation and Fitness Center membership dues.
 - 7. Value of UNO property that the employee lost, damaged, failed to return, or otherwise caused to be unusable to UNO due to any reason other than normal routine wear and tear.
 - 8. In the event an employee owes a past-due balance to UNO and fails to pay or fails to make acceptable arrangements to pay, UNO may, at its sole discretion, deduct the debt from the employee's disposable earnings or other money that UNO otherwise would have

paid the employee, to the extent allowed by Title III of the Consumer Credit Protection Act, the Fair Labor Standards Act, and other relevant federal, state, and local laws.

9. Payroll deductions in addition to those listed above are not permitted unless they are approved in advance in accordance with the approval process explained above.

C. Payroll deductions are not permitted for the following types of debts (unless the exception stated above in section B.8 applies).

1. Rent of UNO employees who are or were residents in UNO housing.

2. Tuition and fees of UNO employees who are or were UNO students.

3. UNO parking tickets, library fines, sports tickets, meal plans, and similar debts.

4. Membership fees for professional associations, dues to labor unions, and similar debts.

I. PAYMENT OF DEBTS BY EMPLOYEES

A. An employee who is also a UNO student must pay all student debts to UNO in the normal manner non-employed students pay debts such as with a credit card, debit card, cash, check, or other method acceptable to UNO. As explained above, payroll deductions for such debts are not allowed.

B. An employee who lives in UNO housing must pay rent and associated housing costs to UNO in the normal manner non-employed tenants pay debts, such as with a credit card, cash, check, or other method acceptable to UNO. As explained above, payroll deductions for such debts are not allowed.

C. UNO employees who purchase food and beverages at UNO, buy sports tickets, buy meal plans, and incur similar expenses must pay for them with a credit card, cash, check, or other method acceptable to UNO. As explained above, payroll deductions for such expenses are not allowed.

II. RESPONSIBLE PAYMENT OF DEBTS IS A CONDITION OF EMPLOYMENT

A. All UNO employees are responsible for timely settlement of all University debts. Employees who owe money to UNO for any reason and who fail to pay the debt within the time period required by UNO, or who fail to make acceptable arrangements to pay the debt, or who fail to act responsibly regarding their debt, will be subject to employment disciplinary action possibly including termination of employment. UNO will not allow continued employment of employees who fail to fulfill their obligations to the University. Since UNO and employee's salaries are largely funded by public money, it would be irresponsible of UNO to permit violators of this policy to remain employed.

B. UNO will not give any special preferential treatment to employees who owe the University money. UNO will enforce collection procedures for employees no less than we enforce

collection procedures for non-employees. Employees are required to pay their debts just as non-employees are required to pay their debts.

PROCEDURES UPON TERMINATION OF EMPLOYMENT

- A. As soon as an employee knows they will be leaving the employment of the University, the employee is responsible for paying in full any debts to UNO or making arrangements to pay any debts.
- B. The employee and the employee's supervisor are required to comply with [AP-BA-26](#) "[Clearance of Employees Terminating Employment with the University.](#)" Both the employee and the supervisor must complete the required forms as soon as possible so the clearance process can be completed prior to the employee's final day of work.
- C. If an employee fails to pay their debts in full or make acceptable arrangements to pay their debts prior to the end of their employment, the University may deduct as much of the debt as possible from the employee's final wages, accrued leave, reimbursements, and other monies that otherwise would have been paid to the employee. If this does not fully satisfy the employee's debt to the University, UNO may initiate collection procedures.



John W. Nicklow
President
University of New Orleans

**Policy updates:*

08/04/2022

11/02/2017