Policy 2.14
Incorrect or Rejected Pay

This policy version was not current at the time of printing. Please see http://policies.emory.edu/2.14 for the current version.

Responsible Official: Vice President for Finance/Chief Finance Officer
Administering Division/Department: Payroll
Effective Date: March 20, 2007
Last Revision: March 29, 2007

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Policy Details

2.14.1 Stop Payments for Paper Payroll Checks

On-Demand Checks can be processed for this type of request but is not required. The request for stop payment/reissue of the check will only be processed after the third business date following the check day.

Example: On a check dated Friday 06/25/04, the request for stop payment/reissued will not be taken until the following Wednesday 06/30/04.

Important Items to Remember:

- Make sure that your address is correct in the system. If your address is incorrect, you must contact Human Resource Data Services to request an address change. You may also go online via the PeopleSoft Self-Service website to correct your own address.
- Checks are directed to your home address.
- All employees must be on direct deposit or CashPay. This is an Emory University policy.
- Employees must complete a stop payment request form located on the Finance website under Forms, and fax it to the Payroll office at 404-727-5280 in order to request the stop payment/reissuance of their check.
- Stop payments take 24 to 48 hours to confirm.
- The check will be reissued only after the confirmation is received.
- On-Demand Checks (ODC) are processed Mondays, Wednesdays and Fridays and can be picked at 1762 Clifton Road in the Payroll Department after 3:00 PM.
- On-Demand Checks (ODC) incur a $100.00 fee. To avoid this fee an alternative method would be to request a payment to be paid in the next available pay cycle.

Departments are responsible for informing employees of the above policies.

Payroll's Responsibilities

- Place stop payment.
- Ask if payment will be an On-Demand Check or if the amount can be added to the next available cycle.
- Upon receipt of stop payment confirmation, process a replacement check in the next available On-Demand Check run (only if requested) or add payment to the next available pay run process.
- Request that the employee sign up for direct deposit.

2.14.2 Direct Deposit Rejects

Definition of a direct deposit reject: the automatic deposit of an employee’s pay into his or her checking and/or savings account that is not accepted by their designated financial institution.
On-Demand Checks can be processed for this type of payment or the rejected amount can be added to the next available cycle.

Example: The bank will notify the Payroll Department that the employee’s pay was not deposited into their designated account for the following reasons:

- Account closed.
- Account could not be located; information provided was incorrect or the information was entered incorrectly.
- Bank does not accept direct deposit funds.

**Important Items to Remember:**

- Notify the Payroll Department immediately after making bank account changes or closing accounts by filling out a new direct deposit form.
- Payroll does not except faxed forms.
- All employees must be on direct deposit or CashPay, as this is an Emory University policy.
- Closing an account without notifying payroll will result in a delay in receiving your pay.
- Direct deposit funds will be reissued via the form of a paycheck only after we have received the reject of funds notice from the bank.
- **On-Demand Checks (ODC)** are processed Mondays, Wednesdays and Fridays and can be picked up at 1762 Clifton Road in the Payroll Department after 3:00 pm.
- **On-Demand Checks (ODC)** incur a $100.00 fee. To avoid this fee, an alternative method would be to include the payment in the next available pay cycle.
- If the Payroll Department makes the error, the On-Demand Check will not result in a check fee. If the employee inputs incorrect information via the Self-Serve website then the On-Demand Check does require a $100 check fee that can be paid by the department or the employee.

Department’s Responsibilities

I. Inform employees of the above policies.

II. Forward direct deposit forms to the Payroll Dept.

**Payroll’s Responsibilities**

I. Review data entry for errors and correct the system.

II. Notify employee that his/her money has been returned to the University.

   - If this occurred due to Payroll’s error we will tell the employee when to come to the Payroll Office to pick up a check and make the necessary corrections.
   - If it is due to employee error Payroll will contact the department to see if they will pay for the On-Demand Check, if yes, Payroll will notify the employee that his/her money has been returned to the University and to come pick up a check on a specified day.
   - If the department will not pay an On-Demand Check then Payroll will contact the employee to notify him/her that his/her money was returned to the University and ask if the employee will pay the ODC fee. If the employee agrees to pay the fee, Payroll will inform the employee of the date to pick up the check. If not, the amount of the direct deposit reject will be added to the next available cycle.

III. Process the replacement check or add payment to the next available payroll process, according to the request.

IV. Request that the employee give us a corrected direct deposit authorization form.

**2.14.3 Employee Overpayments**

If the University inadvertently overpays an employee, the overpayment, as a legal debt, must be repaid in full. University Payroll office will initially act as the collection agent for the University.

**Definition of an overpayment:** any money paid to an employee through payroll in error.

**Examples:**

- Termination dates not in system prior to a payroll run date.
- Leave of absence without pay, not in the system prior to a payroll run date.
- Decrease in salary not processed in the system prior to a payroll run date.

**Important Items to Remember:**

The Human Resources or Account Representative needs to call Payroll immediately about the overpayment:

- Janey McNeil: 404-727-2640
- Erin Pickens: 404-727-2014
- Joleen Mitchell: 404-727-6137

The department’s Human Resources Representative or Account Representative will need to follow up with an email
notification authorizing us to the start process:

Janey McNeil: jmcneil@emory.edu
Erin Pickens: epicken@emory.edu
Joleen Mitchell: jmitch2@emory.edu

The email should contain:

I. Employee’s ID Number.
II. Employee’s Record Number.
III. The time period for the overpayment.
IV. A statement authorizing payroll to stop payment on a check or reverse the direct deposit.

Methods of handling the overpayment:

- Direct deposit reversal: the net amount of the deposit is reversed from the employee’s bank account or accounts.
  - Direct deposit reversals take five business days to confirm.
  - No partial reversal of money can be requested.
- The employee writes a check to Emory University and the department Representative forwards the check to Payroll so that the wages, taxes and account can be corrected.
- Payroll deducts the overpayment from the employee’s next paycheck or paychecks.

**Note: Payroll deduction amounts must allow the employee to pay for their benefit deductions.**

- Overpayments for current calendar year are paid back as the net amount of the overpayment (gross overpayment – assoc. taxes and assoc. deduction = net amount of the overpayment).
- Overpayments for prior calendar year are paid back as gross – assoc. OASDI and Medicare taxes.
- Payroll will help calculate the overpayment amounts.
- Department’s Human Resources Representative and Account Representative must contact the employee to collect the money.
- Complete and send a Human Resource Action Form (HRAF) to Data Services to correct the employee’s status and/or salary in PeopleSoft.
- Review the PeopleSoft HR website to make sure the HRAF was input correctly.

**Department’s Responsibilities**

I. Contact payroll regarding the overpayment.
II. Email payroll with the authorization to reverse or stop payment on a check.
III. Complete and send a HRAF to Data Services to correct the employee in the PeopleSoft system.
IV. Verify via the HR website that your transaction was keyed.
V. Contact employee regarding how Emory plans to handle the overpayment.
  - Direct deposit reversal: employee needs to leave the net amount of the deposit in the account so that the reversal can be done.
  - Write check: ask the employee to write a check to Emory University, specifying the exact amount for which the check needs to be written.
  - Payroll deduction: inform employee of the amount of the deduction from his or her next paycheck or checks.
VI. If the method of repayment is a written check, send the check to the Payroll Department immediately so that the employee’s wages and taxes can be corrected, as well as the account number adjusted.

**Payroll’s Responsibilities**

I. Help calculate the overpayment amount.
II. Process the bank reversal or stop payment on the check.
III. Check with the bank to confirm the reversal or stop payment.
IV. Correct the employee’s wages and taxes, so that his or her W-2 is correct.
V. Adjust the account from which the employee was originally charged.
VI. Process payroll deductions.
VII. Verify that the employee has enough money to cover benefits.
VIII. Notify the department Human Resources or Account Representative that the money has been returned to the University.

**2.14.4 Payments Received/Adjustments**

**2.14.4.1 Current Calendar Year**

If repayment is made in the same calendar year as the overpayment, the amount repaid is deducted from employee’s gross income.
2.14.4.2 Subsequent Calendar Year

If repayment is made for an overpayment that took place in a prior year, University Payroll office will reissue a corrected W-2 that reflects adjustments involving social security and Medicare taxes attributable to the overpayment year. It will be the responsibility of the individual to consult IRS Tax Publication 525 for information relating to reporting of "federal taxable wages" on individual income tax returns.

2.14.4.3 Departmental Adjustments pertaining to Overpayments

The Departments that were charged at the time the overpayments occurred will not receive credit until the overpayment funds are collected in full.

Definitions

Stop payment: The replacement of a paper paycheck that was lost or stolen.

Related Links

- Current Version of This Policy: [http://policies.emory.edu/2.14](http://policies.emory.edu/2.14)

Contact Information

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<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Email</th>
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<td>Incorrect or Rejected Pay</td>
<td>Payroll</td>
<td>404-727-6100</td>
<td><a href="mailto:payroll@emory.edu">payroll@emory.edu</a></td>
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Revision History

Emory University policies are subject to change at any time. If you are reading this policy in paper or PDF format, you are strongly encouraged to visit policies.emory.edu to ensure that you are relying on the current version.