

Collection of Amounts Owed to the University from Overpayment

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I. Purpose

On rare occasion, an inadvertent overpayment made by the University to an individual or organization may result in a debt owed to the University. The purpose of this policy is to provide guidance to University staff in the collection efforts of overpaid amounts owed to the University.

Note: This policy is NOT applicable to the collection efforts that units undertake with regard to payment due to the University for services rendered (such as tuition, housing, patient and clinical services, employee benefits payments, student loans, etc.)

II. Definitions

- *Collection:* Any efforts either by University unit staff, Treasury Services, or a contracted collection agency to obtain payment for amounts owed to the University due to inadvertent overpayments.
- *UFS:* University Financial Services
- *Overpayment:* Any amount paid to an individual or organization through normal University payment processes that exceeds the actual amount due to that individual or organization.

III. Responsibilities

- A. All units of the University that initiate an inadvertent overpayment to an individual or organization through normal University payment processes are responsible for:
1. Upon discovery of the overpayment, the business officer or unit administrator will contact the individual or organization to request repayment by:
 - a. Initial phone call and/or email;
 - b. Official letter sent via the US mail.
 2. The business officer or unit administrator must document all attempts at collecting the amount owed to the University.
 3. After multiple unsuccessful, documented attempts to collect payment, the business officers will contact Treasury Services within University Financial Services to request assistance in the collection efforts.
 - a. The business officer or unit administrator must supply all documentation for the collection efforts and overpayment details.
- B. Treasury Services within UFS is responsible for:
1. Reviewing the documentation submitted.
 2. Contacting the individual or organization and requesting repayment, notifying them of the case potentially being turned over to a collection agency if repayment is not made.
 - a. Treasury Services may set up a written repayment plan with the individual or organization.

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3. After thirty (30) days of unsuccessful attempts to collect the amounts owed, engaging a collection agency currently contracted with the University to assist in the collection efforts.
 - a. After six (6) months of unsuccessful attempts by the collection agency, the Treasury Services may authorize the collection agency to legal action to collect the debt on behalf of the University.
4. Allocating all funds collected back to the originating unit.

IV. Policy

- A. Upon the discovery of inadvertent overpayments to individuals or organizations that result in amounts owed to the University, the unit that initiated the original overpayment must expend all efforts to collect the University funds.

V. Procedures

- A. When a unit is made aware of an inadvertent overpayment, the unit should contact the individual or organization to request reimbursement. Initial contact may be via telephone or email; however, the results of the conversation must be documented in a letter, sent via regular mail. The purpose of this contact should be to seek reimbursement of University funds.
- B. After multiple documented attempts, if the unit is unable to obtain immediate and full reimbursement, the collection effort should be turned over to the Treasury Services Director within the Office of the Treasurer.
- C. Once referred to Treasury Services, the following collections efforts will take place:
 1. The Treasury Services Director will contact the individual or organization and request reimbursement, informing them that lack of repayment will result in the issue being turned over to a collection agency.
 2. If Treasury Services is unable to fully collect the payment within thirty (30) days, or make satisfactory arrangements for repayment, the account will be referred to one of the University's contracted collection agencies.
 3. To ensure the consistent treatment of all individuals or organizations owing the University funds, Treasury Services has the authority to establish a written repayment plan with the individual if deemed in the University's best interest. Units are not authorized to enter into repayment plans with individuals or organizations.
 4. If the collection agency is unable, through normal collection processes and procedures, to collect the payment within six (6) months, Treasury Services may authorize the collection agency to initiate legal action to collect the debt on behalf of the University.
 5. All collections will be remitted to Treasury Services for allocation to the originating unit, in consultation with the Area Fiscal Officer.