



TITLE	POLICY NUMBER	
Payroll Overpayment Recovery	DCS 03-08	
RESPONSIBLE AREA	EFFECTIVE DATE	REVISION
Finance – Office of Accounting/Payroll	10/14/16	

**I. POLICY STATEMENT**

The purpose of this policy is to establish a process for collecting employee payroll overpayments.

**II. APPLICABILITY**

This policy applies to all DCS employees.

**III. AUTHORITY**

<a href="#">A.R.S. § 23-352</a>	Withholding of wages
<a href="#">A.R.S. § 35-192.02</a>	Travel advances; administration; reimbursement
<a href="#">A.R.S. § 38-601</a>	Effect of payment of legal salary
<a href="#">State of Arizona Accounting Manual</a>	Form 22, Delinquent Debt Processing

**IV. DEFINITIONS**

Bi-Weekly Gross Salary: An employee’s bi-weekly gross salary, as established in Department employee master file records.

Department or DCS: The Department of Child Safety.

Office of the Attorney General: The office that represents, provides legal guidance, and coordinates overpayment collection efforts for DCS.

Overpayment: A case where an employee receives overpayment of approved salary or where an employee is required to return a reimbursement.

## **V. POLICY**

- A. The DCS Payroll Office is authorized to collect overpayments from an employee in active pay status via the direct deposit reversal process.
- B. The DCS Payroll Office is authorized to collect overpayments from the employee's final regular pay and annual leave payoff warrant. If the employee owes an overpayment from the previous calendar year, they shall submit payment via certified check or money order.
- C. The DCS Payroll Office will document overpayment calculations and dates when the overpayments were collected.
- D. Payroll overpayment amounts will be collected in a timely fashion.
- E. The DCS Payroll Office will make all reasonable collection efforts.

## **VI. PROCEDURES**

### **A. Overpayment Collection Process**

The DCS Payroll Office will notify an employee when an overpayment is detected. Notice of overpayment collection may be made by e-mail message or certified mail.

### **B. Overpayment Collection Referral Process**

- 1. In cases where an overpayment is made by direct deposit to an employee, and the due date for submitting a direct deposit reversal transaction has expired, the DCS Payroll Office will issue a letter to the employee asking for repayment.

- a. Ex-employees, upon notification, shall re-pay the amount owed immediately. If no payment is received within thirty (30) days, the matter will be referred to the Office of the Attorney General.
  - b. Current employees, upon notification, shall re-pay the amount owed via the direct deposit reversal process.
2. The DCS Payroll Office will document efforts to seek recovery of employee overpayments.
3. When the DCS Payroll Office refers cases for collection to the Office of the Attorney General, the DCS Payroll Office will provide pertinent information regarding the overpayment event to the Office of the Attorney General.
4. The DCS Payroll Office will process recovered overpayment amounts within five (5) days of receipt.