



FastFacts Feature Presentation

August 12, 2008



We are using audio during this session, so please dial in to our conference line...

- Phone number: 877-322-9648
- Participant code: 182500



Today's Topic

- We'll be taking a look at...
 - Salary overpayments – how to prevent them, and what to do when they happen



Today's Presenter

- Kelly Mountcastle
Manager, Payroll Shared Services

- With additional comments from:
Debbie Edmonds
Manager, Payroll Shared Services



Session Segments

- Presentation
 - Kelly will provide an overview of the overpayment process.
 - During the presentation, your phone will be muted.
- Q&A
 - After the presentation, we'll hold a Q&A session.
 - We'll open up the phone lines, and you'll be able to ask questions.
 - Please keep your questions centered around overpayment policy and procedure. Please discuss your specific employee overpayment questions with Payroll at another time.
 - The group will answer as many of your questions as time allows.



Contact Us

- If you would like to submit a question during the presentation or if you're having technical difficulties, you can email us at:
fastfacts@jhu.edu
- You can also send us an instant message!
 - GoogleTalk – HopkinsFastFacts@gmail.com
 - AOL Instant Messenger – HopkinsFastFacts
 - MSN – FastFacts@jhu.edu



Survey

- Survey
 - At the end of this FastFacts session, we'll ask you to complete a short survey.
 - Your honest comments will help us to enhance and improve future FastFacts sessions.



Salary Overpayments



Agenda

Today, we'll be taking a look at:

- The causes of overpayments
- How to prevent overpayments
- What to do when an overpayment occurs
 - Different collection methods
- Available resources



Causes of Overpayments

Causes:

- Retroactive terminations
- Retroactive salary decrease (example: decrease in hours)
- Retroactive leave of absence
- Retroactive fellowship to wage transfer
- Reducing the amount or deleting a supplement that has already been paid
- Deleting or reducing hours in CATS for a weekly employee/student



Prevention of Overpayments

- Timely processing of ISRs
 - ISR deadlines and Payroll schedules are posted on the HR Shared Services website under the heading "Communications/Deadlines."
 - <http://ssc.jhu.edu/humanresources/deadlines.html>
 - ISRs can be future dated.



Prevention Continued

- BW reports
 - Check/Direct Deposit Register
 - Located at: <http://ssc.jhu.edu/payroll/forms.html>
 - Account reconciliation
 - Account reconciliation guide can be found at:
http://www.controller.jhu.edu/acct_recon/acct_reconciliation_guide/Acct_Reconciliation_Guide.pdf



Prevention Continued

- SAP/BW training
 - Center for Training and Education
 - <http://training.jhu.edu/html/Main/default.asp>
- Human Resources will be enhancing training for supervisors and managers.



Claims

- The SAP-delivered overpayment solution is to create a “claim.”
- The claim represents the amount that has been overpaid.
- The system automatically deducts the claim from any money the employee receives, possibly leaving the employee with a zero net pay.
- The claim remains on the employee’s record until the claim is collected in full.



Overpayment Advance

- Overpayment amounts can not be deducted without the employee's consent.
- JHU's solution to offset the claim process: create an overpayment advance.
- Wage types used by Payroll:
 - 3041- Salary overpayment advance
 - 3083- Fellowship overpayment advance
- Allows department to discuss repayment options with employee.



Creating an Overpayment Advance

- Creating an overpayment advance is a manual process, done by Payroll Shared Services (PRSS) during the Payroll process.
- Report is generated in SAP while payroll is processing to identify employees with a claim.
- PRSS creates overpayment advance according to report.
 - Charges the Cost Center/Internal Order the employee was paid from.
 - If employee is on grant or multiple budgets, overpayment advance is charged to control salary.

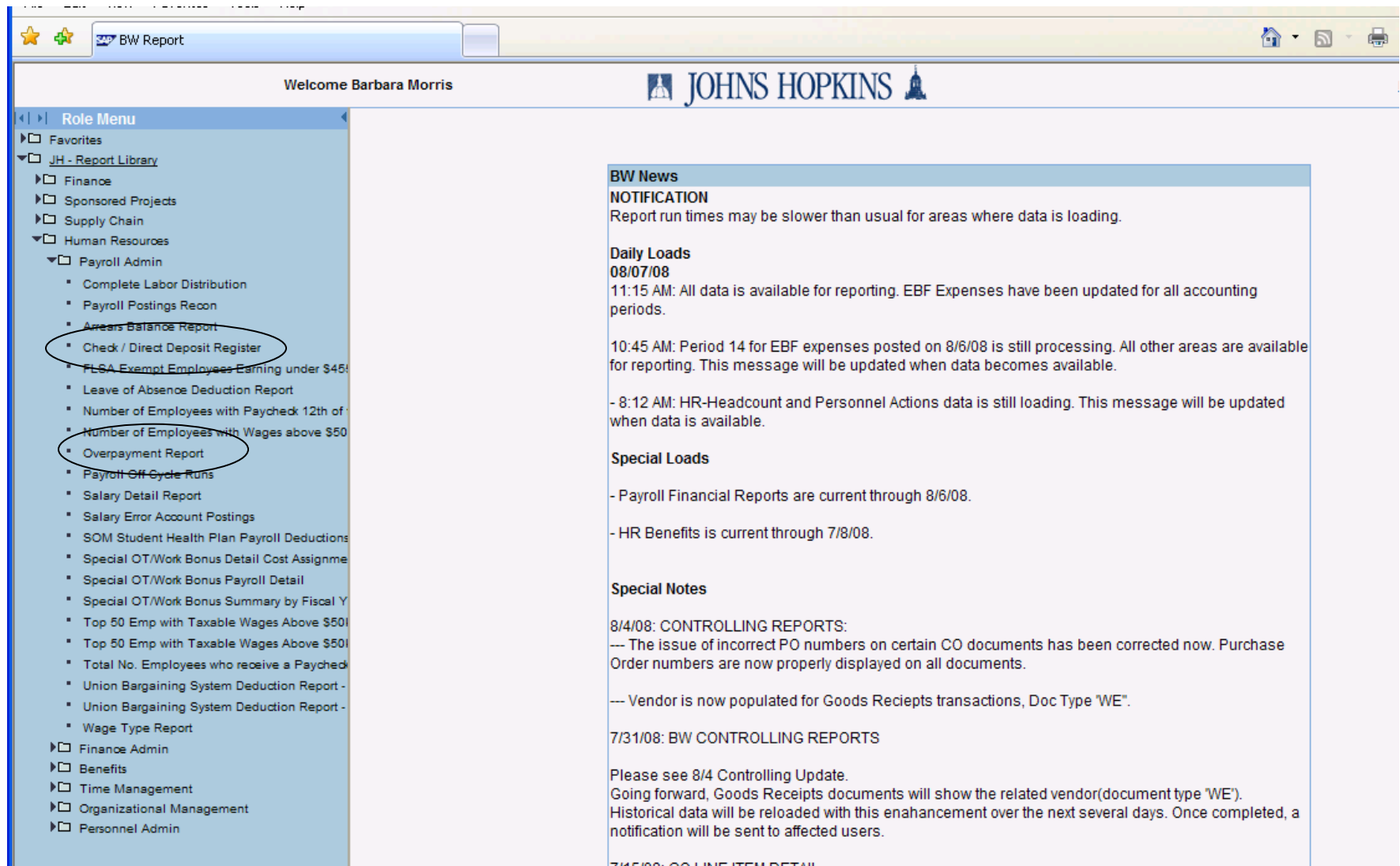


Ways to View Overpayment Balances

- Monitor after each semi-monthly payroll, or at least monthly.
- BW overpayment report:
 - Human Resources- Payroll Admin- Overpayment Report
 - Required fields are Org Unit and Personnel Area
 - Role needed: ZBHR_PA_R_PAV_ORG (BW-HR Payroll Admin View Reports-Org)



Ways to View Overpayment Balances



The screenshot shows a web browser window displaying the 'BW Report' application. The browser's address bar shows 'BW Report'. The page header includes a 'Welcome Barbara Morris' message and the Johns Hopkins logo. On the left, a 'Role Menu' sidebar lists various report categories, with 'Overpayment Report' highlighted under the 'Payroll Admin' section. The main content area on the right is titled 'BW News' and contains several sections of updates:

BW News
NOTIFICATION
 Report run times may be slower than usual for areas where data is loading.

Daily Loads
08/07/08
 11:15 AM: All data is available for reporting. EBF Expenses have been updated for all accounting periods.
 10:45 AM: Period 14 for EBF expenses posted on 8/6/08 is still processing. All other areas are available for reporting. This message will be updated when data becomes available.
 - 8:12 AM: HR-Headcount and Personnel Actions data is still loading. This message will be updated when data is available.

Special Loads
 - Payroll Financial Reports are current through 8/6/08.
 - HR Benefits is current through 7/8/08.

Special Notes
 8/4/08: CONTROLLING REPORTS:
 --- The issue of incorrect PO numbers on certain CO documents has been corrected now. Purchase Order numbers are now properly displayed on all documents.
 --- Vendor is now populated for Goods Receipts transactions, Doc Type 'WE'.
 7/31/08: BW CONTROLLING REPORTS
 Please see 8/4 Controlling Update.
 Going forward, Goods Receipts documents will show the related vendor(document type 'WE'). Historical data will be reloaded with this enhancement over the next several days. Once completed, a notification will be sent to affected users.
 7/4/08: CO LINE ITEM DETAIL



Collection Methods



Collection of Overpayment

- Department is responsible for the initial communication to employee.
 - Email or letter can be used.
 - Sample letters are available on Payroll's website.
- Two methods of collection:
 - Payroll deductions (active employees only)
 - Personal check (terminated employees)



Payroll Deductions

- Easiest and most accurate for active employees.
- No manual calculations.
- Taxes are automatically adjusted each pay.
- Budget is credited each time a deduction is taken from employee's pay.
- Overpayment agreement can be found on Payroll Shared Service's website, under the heading "Salary Overpayments."
- Fax or email signed agreement to PRSS — department retains original.



Personal Check

- Try to reserve this method for terminated employees only.
- For current year overpayments, the check is made out for 70% of the gross overpayment (70%= 7.65% FICA, 6% State tax, 16.35% federal tax).
- For prior calendar year overpayments, check is made out for 92.35% (7.65% FICA).
 - Make sure FICA was withheld. If not, employee owes full gross (ex: students).
- This process is only an estimate for ease of calculating a pay back amount.
 - Could result in a remaining balance still due.
 - There is an automatic refund of excess.
- A more accurate net amount can be calculated. Instructions will be posted on Payroll's website.
- Check is made payable to JHU and sent to PRSS for deposit and processing.



Additional Collection Methods

- When attempts are unsuccessful, department can use the Overpayment Collection form.
 - This form is available on Payroll's website, under the heading "Salary Overpayments."
 - Should generally only be used for terminated employees.
- Three choices:
 - Request Payroll to proceed with attempting to collect.
 - Place with collection agency.
 - Write off balance.



PRSS Collects Overpayment

- PRSS will send two letters to the employee.
- The first letter will be sent within days of receiving form from department.
- If no response within 30 days, the second letter will be sent.
- PRSS will not attempt any further collection after the second letter and will proceed as indicated on the form:
 - Collection agency
 - Write off balance



Collection Agency

- If the department has made initial contact with the employee and no response from the employee, the overpayment can be sent directly to the collection agency for collection.
- Recommended for balances over \$100.00.
- PRSS will work directly with a collection agency to attempt to collect the overpayment.
 - 20% of the collected amount will be assessed to the department's cost center for the collection agency service fee.
 - If no payment is received, the department will not be assessed the fee.
- If collection attempts fail, the remaining balance will be written off.



Write Off Balance

- A department can choose to write off the salary overpayment with no employee contact for one of the following reasons:
 - Minimal balance - PRSS recommends a threshold of less than \$100.00. Department's minimal balances could be different. Please contact your business office for further assistance in determining a good threshold for your department.
 - Deceased Employee - PRSS recommends that overpayments resulting from death not be collected.
 - Not practical or appropriate - A determination is made by the Divisional Business Office, and potentially in conjunction with Legal Counsel, that the collection is not practical or appropriate.



Resources

- Payroll Shared Services website:
 - Overpayment agreement
 - Overpayment Collection form
 - Sample letters
 - Instructions to run Check/Direct Deposit Register BW report
 - Example of payroll deduction vs. check payment when repaying an overpayment
 - Instructions for calculating more accurate net repayment



sort Center - SAP Net... Johns Hopkins Institutions - ... Payroll

JOHNS HOPKINS INSTITUTIONS SHARED SERVICES

Search

SSC QUICKLINKS
Please Select:

ACCOUNTS PAYABLE

ACCOUNTS RECEIVABLE

FIXED ASSETS

HUMAN RESOURCES

PAYROLL

- + [Home](#)
- + [Staff Contacts](#)
- + [Forms](#)
- + [Policies & Procedures](#)
- + [Time Entry Cut-offs](#)
- + [News](#)
- + [Other Links](#)
- + [Salary Overpayments](#)

SPONSORED PROJECTS

SUPPLY CHAIN

Payroll

Johns Hopkins at Eastern - Suite D200
1101 East 33rd Street
Baltimore, MD 21218
Phone: 443-997-8146 Fax: 443-997-6686
Email: pavroll@jhu.edu

OFFICE HOURS
Monday - Friday 8:30am - 5:00pm

To request a reprint or correction of your W-2 the website is <http://www.w2express.com/> or call 1-877-325-9239.

[JHU Web Pay Stub](#) [JHU Mailcode Online List](#)

[JHE Organization Structure](#) [JHHS mail codes Crosswalk](#)

The Payroll Shared Services handles the processing and payment of all payrolls at Johns Hopkins. This includes the Bi-weekly, Semi-monthly, and Weekly payroll cycle for:

Johns Hopkins University
JHHS including:
Johns Hopkins Health System
Johns Hopkins Community Physicians
Johns Hopkins Health Care
Johns Hopkins Hospital
Johns Hopkins Bayview Medical Center

Internet



Resources Continued

- Human Resources Shared Services website:
 - SAP job aides
 - Communications/Deadlines
- Divisional Business Offices
 - Threshold for write offs
- Divisional Human Resource Offices
 - Leave of Absence policy and procedures



Conclusion

- Prevention is key in minimizing overpayments
- Methods of collecting an overpayment
- Helpful resources for the department



Q&A

- We're going to open the phone lines now!
- There will be a slight pause, and then a recorded voice will provide instructions on how to ask questions over this conference call line.
- We'll be answering questions in the order that we receive them.
- We'll also be answering the questions that were emailed to us during the presentation.
- If there's a question that we can't answer, we'll do some research after this session, and then email the answer to all participants.
- Please remember to reserve your employee-specific questions for a later time.



Thank You!

- Thank you for participating!
- We would love to hear from you.
 - Are there certain topics that you would like us to cover in future FastFacts sessions?
 - Would you like to be a FastFacts presenter?
 - Please email us at: fastfacts@jhu.edu



Survey

- Before we close, please take the time to complete a short survey.
- Your feedback will help us as we plan future FastFacts sessions.
- Click this link to access the survey...

<http://connect.johnshopkins.edu/fastfactssurvey/>

Thanks again!