Item 4

# UNF Finance and Audit Committee January 17, 2012

## Issue Employee Debt Collection Regulation

## Proposed Action Approval

## Background Information

The purpose of this item is to present, for approval, a newly proposed employee debt collection regulation. This regulation establishes procedures whereby the university may collect on delinquent debts owed to the university by university employees, excluding educational loans.

The regulation was developed with oversight from Administration and Finance.

## Supporting Documentation

* Employee Debt Collection Regulation

# NOTICE OF NEW REGULATION

November 7, 2011

## DEPARTMENT OF EDUCATION

Division of Universities University of North Florida

## REGULATION TITLE:

Employee Debt Collection

## REGULATION NO.:

6.0104R

## SUMMARY:

The Employee Debt Collection regulation establishes procedures whereby the University may collect on delinquent debts owed to the University by University employees, excluding educational loans.

## FULL TEXT:

The full text of the regulation being proposed is attached.

## AUTHORITY:

Resolution of the Florida Board of Governors dated January 7, 2003 and Florida Statutes 1010.03.

## UNIVERSITY OFFICIAL INITIATING THE PROPOSED REGULATION:

Shari Shuman, Vice President Administration and Finance

## INDIVIDUAL TO BE CONTACTED REGARDING THE PROPOSED REGULATION:

Stephanie Howell, Paralegal, Office of the General Counsel, showell@unf.edu, phone (904)620-2828; fax (904)620-1044; Building 1, Room 2100, 1 UNF Drive, Jacksonville,

FL 32224.

***Any comments regarding the repeal of the regulation must be sent in writing to the contact person on or before November 22, 2011 to receive full consideration.***

 University of North Florida

**Regulation Number**: 6.0140R

**Effective Date**: **Revised Date**:

**Regulation Title**: Employee Debt Collection

**Responsible Division**: Administration and Finance/ Controller’s Office

**Indicate what type of Regulation this is:**

[x] New Regulation [ ] Repeal of Existing Regulation

[ ] Revision of Existing Regulation [ ]  Reaffirmation of Existing Regulation

### OBJECTIVE & PURPOSE

1. Section 1010.03, Florida Statutes, requires the University of North Florida to exert every effort to collect delinquent accounts. The purpose of this regulation is to establish procedures for collection of delinquent debts owed to the University by University employees, other than debts based on educational loans made or guaranteed by the University or the State of Florida, which are governed by Section 112.175, Florida Statutes.

### STATEMENT OF REGULATION

1. Definitions:
	1. Debt – a sum of money owed by an employee to the University or a fixed and certain obligation by an employee to pay money to the University. A debt may be a single sum or obligation or an aggregate of separate debts. Debts include, but are not limited to the following: registration fees, returned checks, traffic and parking fines, parking permits, library fines, educational resources fines/sales, graduation fees, health services, unpaid childcare services, rental fees, housing, physical education equipment, travel advance reimbursements, disallowed revolving fund reimbursements, overpayment to employees, and miscellaneous charges.
	2. Employee – any paid part-time or paid full-time employee of the University;
	3. Settlement – a written agreement by the University to accept a sum of money

or other consideration from an employee in full satisfaction of the employee’s debt.

1. Delinquency. A debt is delinquent on the first day following the date on which the debt is due as specified in any debt instrument, agreement, application, or University regulation or policy, as the case may be. If a due date is not specified, the debt is delinquent on the third day following the date on which the University provides the employee written notice that the debt is due. The University may provide such notice by U. S. Mail to the employee’s last known residence address or by email addressed to the employee’s University email address. Delinquent debts bear interest and penalties if and as provided by the debt instrument, agreement, or applicable law.
2. Initial Collection Efforts. For delinquent debts other than returned checks, the University unit to which an employee has incurred the debt is responsible for the initial efforts to collect it. Such initial efforts will include contacting the employee in writing to inquire about payment and other routine and informal actions to arrange for the employee to pay the debt. If the University unit is unsuccessful in collecting the debt, it will refer the debt to the Office of the University Controller for further action.

At the time of referral, the University unit shall supply to the University Controller:

(i) the source of the debt, including a copy of any debt instrument or agreement; (ii) the employee’s name and University ID number (N number); (iii) the original amount of the debt; (iv) the amount of any interest or penalties owed, including the basis for interest or penalties; (v) a record of all payments made on the original debt; and (vi) any documentation of efforts to collect the debt. Prior to commencing collection procedures, the Controller will verify the amount of the delinquent debt with the University unit.

1. Controller’s Collection Procedures. Following referral of the delinquent debt to the Controller by the University unit, the debt will be entered in the University’s Accounts Receivable billing system and the employee will be billed accordingly. If the University does not receive full payment of the delinquent debt within ten (10) calendar days following the date of the first billing, unless substitute payment arrangements have been agreed upon by the University, the employee will be notified that the University will set off the employee’s debt against the employee’s wages as more particularly provided in Section (7).
2. Form of Payment. Payment of an employee’s delinquent debt may be made by money order, certified or cashier’s check, eCheck, credit card, cash, payroll deduction, or expense reimbursement reduction. Payment of the debt by personal check is discouraged, but will be accepted if the employee has not, prior to the date of payment, presented a check returned by the bank for insufficient funds.
3. Set-Off for Delinquent Debts other than Returned Checks. The employee will be notified by certified letter, return receipt requested, (a) that the University will collect the delinquent debt by deducting funds from the employee’s wages or expense reimbursement due; (b) that, in order to delay or avoid such a set-off, the employee has ten (10) calendar days following receipt of the letter (i) to pay the delinquent debt in full, (ii) to make payment arrangements satisfactory to the University, (iii) to submit documentary evidence disputing the debt or the amount of the debt, or (iv) to request administrative review of the decision to set-off; and (c) that a deduction of funds from the employee’s wages or expense reimbursements will commence without additional notice following expiration of the ten (10) day notice period unless the

employee has taken one of the actions identified in subsection (7)(b) above.

1. Calculation of Payroll Deduction for Delinquent Debts other than Returned Checks. (a) If the amount of the employee’s delinquent debt is less than ten percent (10%) of the employee’s bi-weekly gross wages, the full amount of the debt will be deducted from the employee’s pay in the first or second bi-weekly pay period following the expiration of the ten (10) day notice period described in Section 7.
2. If the amount of the delinquent debt is greater than ten percent (10%) of the employee’s bi-weekly gross wages, an amount not exceeding ten percent (10%) of the employee’s bi-weekly gross salary will be deducted from the employee’s pay in each pay period until the debt is satisfied.
3. To the extent the calculation of payroll deduction is limited by applicable law to a sum less than that calculated under this Section 8, the University will limit the payroll deduction to the amount permitted by applicable law.
4. Set-Off and Calculation of Payroll Deduction for Returned Checks. When a check written by an employee to the University is returned uncollected, the employee shall be notified by certified letter, return receipt requested, (a) that the check was returned; (b) that the employee is required to make full payment of the check and return check charge within ten (10) calendar days from receipt of the letter; and (c) that, if the employee fails to make full payment within the ten (10) day period, a deduction of funds from the employee’s wages will commence without additional notice following expiration of the ten (10) day notice period.

The full amount of the returned check and return check charge shall be deducted in the first or second pay period without regard to the amount of the delinquent debt.

1. Expense Reimbursement Reduction. An employee’s delinquent debt shall be applied against the amount of any expense reimbursement due from the University to the employee without additional notice following expiration of the ten (10) day notice period described in Section 7, unless the employee has taken one of the actions identified in subsection (7)(b).
2. Delinquent Debts of Departing Employees. In the event that a delinquent debt is owed by an employee departing employment with the University for whom final pay has not been issued, the entire amount of the debt shall be applied against the employee’s final pay. If the amount deducted from the employee’s final pay is insufficient to satisfy the debt, the University may be undertake additional steps to collect the debt, including, without limitation, referral to a private collection agency for action.
3. Means of Collection. In addition to the set-off of delinquent debts, the University Controller’s Office may undertake any additional lawful steps to collect delinquent debts, including, to the extent permitted by law:
	1. Issuing University collection letters;
	2. Withholding transcripts or current grades; and
	3. Withholding University registration.

*Specific Authority 1010.03. History - New (repealed under FAC 6C9-4.035 2006).*