

THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES

FPU Reg. 7.007 Employee Debt Collection

(1) **Purpose.** Section 1010.03, Florida Statutes, requires universities 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. This regulation does not apply to debts based on educational loans made or guaranteed by the University or the State of Florida; such debts are governed by Section 112.175, Florida Statutes.

(2) **Definitions:**

(a) **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, charges for the following: registration fees, returned checks, traffic and parking fines, parking permits, library fines, educational resources fines/sales, graduation fees, health services, childcare services fees, rental fees, housing fees, travel advance reimbursements, disallowed revolving fund reimbursements, overpayments to employees, and miscellaneous charges.

(b) **Employee** – for purposes of this regulation, “employee” means any paid part-time or paid full-time employee of the University;

(c) **Notice to the employee**- where the University provides notice to an employee under this regulation by U.S. Mail, such mail shall be sent to the employee's last known residence address on record with the University, and where the University provides notice to an employee by email, such email shall be sent to the employee’s University email address.

(3) **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 written notice (by U.S. Mail or email) to the employee that the debt is due. Delinquent debts bear interest and penalties as provided by the debt instrument, agreement, or applicable law.

(4) **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 may include contacting the employee by sending an email to inquire about payment, calling the employee, or taking 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 Executive Director of Budget and Finance or designee (“Executive Director”) for further action.

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

- (a) the source of the debt, including a copy of any debt instrument or agreement;
- (b) the employee's name and University ID number;
- (c) the original amount of the debt;
- (d) the amount of any interest or penalties owed, including the basis for interest or penalties;
- (e) a record of all payments made on the original debt; and
- (f) documentation of efforts to collect the debt.

Prior to commencing collection procedures, the Executive Director will verify the amount of the delinquent debt with the University unit.

(5) **Executive Director's Collection Procedures.** Following referral of the delinquent debt to the Executive Director 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 sent notice in writing (by U.S. Mail or email) that the University will set off the employee's debt against the employee's wages as more particularly provided in Section (7).

(6) 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 to the University which was returned by the bank for insufficient funds.

(7) Set-Off for Delinquent Debts other than Returned Checks. The employee will be notified by certified letter, return receipt requested, that:

- (a) the University will collect the delinquent debt by deducting funds from the employee's wages or expense reimbursement due;
- (b) in order to delay or avoid such a set-off, the employee has ten (10) calendar days from the date of delivery of the certified 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) 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.

(8) 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).
- (b) 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.
- (c) 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.

(9) Set-Off and Calculation of Payroll Deduction for Returned Checks. When a check written by an employee to the University is returned by the financial institution for insufficient funds or is otherwise uncollectible, 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 the date the certified letter is delivered; 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.

(10) 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).

(11) **Delinquent Debts of Departing Employees.** In the event a delinquent debt is owed by an employee departing employment with the University, the entire amount of the outstanding debt shall be recovered from the employee's final pay. If the amount deducted from the employee's final pay is insufficient to satisfy the debt, the University may take additional steps to collect the debt, including, without limitation, referring the debt to a private collection agency for action.

(12) **Means of Collection.** In addition to the ability to settle or to set-off of delinquent debts, the University Executive Director or designee may undertake any additional lawful steps to collect delinquent debts, including, but not limited to:

- (a) employing the services of a collection agency,
- (b) issuing University collection letters,
- (c) withholding transcripts or current grades, and
- (d) withholding University registration.

Specific Authority: Fla. Stat. §1010.03

History-New 6.27.13.