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Chapter: Personnel

Modification No. 002

Subject: **Employee Indebtedness**

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- I. The Board of Trustees recognizes that prudent fiscal control includes the active collection of all indebtedness, including employee indebtedness.
- II. If an employee or former employee has been overpaid by the College, the overpayment is a legal debt and must be repaid in full. It is the policy of Montgomery College to initiate recovery efforts on all employee indebtedness as soon as the debt is discovered.
- III. In all cases, College employees will be notified of any indebtedness and given the available options for repayment and an opportunity to rebut the College's claim.
- IV. The President is authorized to establish procedures necessary to implement this policy.

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Board Approval: October 28, 1991; May 16, 2016.

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- I. Each department will work with Payroll in the determination of overpayment.
- II. The Vice President of Finance/Chief Financial Officer (or designee) will notify an employee, in writing, of any overdue employee indebtedness to the College.
- III. The written notice will include, at minimum, the reason for indebtedness; the amount of the indebtedness; and the time period (no less than thirty (30) working days) in which payment must be made before further action is taken. The notice will also include the opportunity to establish a schedule for voluntary repayment.
- IV. The written notice will also indicate that the employee may dispute the debt, in writing and/or by requesting a meeting with the Vice President of Finance/Chief Financial Officer (or designee), within ten (10) working days of receipt of the notice. If an employee disputes the debt, no further action will be taken until the Vice President of Finance/Chief Financial Officer has reviewed the matter and made a final determination. The Vice President of Finance/Chief Financial Officer will notify the employee, in writing, of the final determination.
- V. If the debt remains unpaid after 30 working days notice of Vice President of Finance/Chief Financial Officer's final determination and no arrangements for repayment have been made, the collection process will be implemented and the debt sent to collection.
- VI. The Vice President of Finance/Chief Financial Officer is responsible for implementing these procedures.
- VII. These procedures shall not preclude the College from taking any action warranted if the basis of the debt arises from a violation of College policies and procedures.

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Administrative Approval: October 28, 1991; August 23, 2004; May 18, 2016