

UNIVERSITY of HOUSTON  
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

**SECTION: Finance and Accounting**  
**AREA: Billings and Collections**

**Number: 05.03.01**

<b>SUBJECT: Employee Financial Responsibility</b>
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I. PURPOSE

The purpose of this document is to define the financial obligations of employees to the University and the sanctions for not fulfilling those obligations. This document applies to all faculty, staff, and student employees of the University of Houston and to all financial obligations and payments due or made to the University by the employees. The procedures in this document will be applied to financial obligations of all University employees and potential employees.

II. POLICY STATEMENT

University employees are required to satisfy their financial obligations to the University in a timely fashion. Employee financial obligations include payment for parking permits; payment for parking citations or towing; purchases of goods or services from University auxiliary operations; payment for tuition, fees, or housing; library fines; Health Center or Counseling and Psychological Services charges; any personal checks submitted for payment; or any other financial obligation to the University incurred by the employee.

Applicants will not be approved for new employment unless and until any delinquent debt to the University is paid.

The writing and/or presenting of a check against insufficient funds or a closed account or the issuance of a stop payment after goods or services have been delivered is considered **theft**, under certain circumstances, according to Texas statutes. Employees who present checks to the University that are returned unpaid by the financial institution will be subject to service charges and may be subject to forfeiture of check-writing privileges, loss of certain University opportunities and services, disciplinary action up to and including termination from employment, and referral for prosecution. The returned check is considered a delinquent debt whether the underlying debt to the University is delinquent or not.

Failure of an employee to pay for services provided or fines assessed by the due date noted on any billing statement will constitute debt delinquency and may result in loss of these services; loss of certain University opportunities; assessment of a collection charge; disciplinary action up to and including termination from employment; referral to a collection agency; and reporting to a credit bureau.

III. DEFINITIONS

For the purposes of this document, the following definitions apply:

- A. Applicant: A person applying for employment who has never been on the University of Houston payroll; one whose employment with the University has been interrupted and who is applying for new employment; or a person applying for renewal or extension of appointment.

- B. College/division administrator: The person with business management responsibilities for that college or administrative division.
- C. Delinquent debt: Any obligation to the University that is not paid by the due date indicated on the billing statement or letter. Erroneous overpayments to employees are considered delinquent debt if not repaid within 30 calendar days of the overpayment. Personal charges to University credit cards are considered delinquent debt if not repaid to the University or refunded to the credit card within 30 calendar days of the transaction date. Checks that are returned unpaid by the employee's financial institution are considered delinquent debt if not paid by cash, cashier's check, traveler's check, or money order within 10 calendar days from the date the check was returned, whether the underlying debt to the University is delinquent or not.
- D. Employee: Any person employed to perform a service for the University and paid through the University payroll system -- regardless of whether the person is staff or faculty, full-time or part-time, temporary or permanent, or holds student status.
- E. Financial obligations: Any debt owed to the University of Houston, which includes but is not limited to payment for parking permits; parking fines; purchases of goods from University auxiliary operations; payment for tuition, fees, or housing; library fines; transcript charges; Health Center or Counseling and Psychological Services charges; travel advances; operational cash advances; personal expenses charged to University credit cards; personal checks submitted for cash; checks that are returned unpaid by the financial institution; and reimbursement to the University for any erroneous payment to the employee.
- F. Non-regular employee: A University employee appointed to a position designated as temporary, as one requiring student status as a condition of employment, as lump sum, and/or as non-benefits eligible. (Note: Certain graduate student positions are insurance eligible, but are considered non-regular.) With a few exceptions, this employment category includes all positions not defined as regular. Non-regular employees may be terminated without cause or without due process required for regular employees.
- G. Payment plan or payment agreement: An agreement arranged with the University by Student Financial Services or the Office of General Counsel for regular payment of the delinquent debt (excluding returned checks) over a defined period of time.
- H. Probationary employee: An employee within the initial employment period defined as "probation" by University policy, during which the employee's performance is monitored to determine whether employment should be continued and during which the employee may be terminated without cause.
- I. Regular employee: A University employee who is appointed for .50 FTE (20 hours per week) or more on a regular basis for a period of 4-1/2 continuous months or longer, excluding those employed in positions that require student status as a condition of employment. These employees are eligible for regular employee benefits and accrue paid leave entitlements in proportion to the FTE for which they are appointed.
- J. Returned check: A check presented in payment or for cash that is returned unpaid to the University by the financial institution for insufficient funds, because the account has been closed, or because a stop payment has been issued after goods or services have been delivered or the services rendered.
- K. Supervisor: For the purposes of this document, any person in the chain of command with supervisory authority over an employee, not necessarily the direct supervisor.

**IV. SPECIFIC PROVISIONS**

- A. Human Resources will not approve an applicant for employment until any existing delinquent debt is paid.
- B. Failure to pay University accounts in full by the due date and/or to make returned checks good will result in the following sanctions:
  - 1. Regular employees:
    - a. The employee will be ineligible for a University award or for any University initiated personnel action that results in increased status and financial benefit to the employee until the delinquent debt is paid in full.
    - b. The employee may be subject to disciplinary action up to and including termination from employment.
  - 2. Non-regular and probationary employees are subject to immediate termination and may not be reappointed until the debt is paid in full.
- C. University employees previously allowed to enter into payment agreements have been provided copies of terms and conditions for those agreements. Until the delinquent debt is paid in full, the employee will not be eligible for a University award or for any University-initiated personnel action that results in their increased status or financial benefit. An employee who defaults on this agreement will be given 10 days to pay the account balance in full. If the balance is not paid in full within the 10-day period, the employee will be subject to immediate suspension for three to 10 days. If the balance is not paid by the end of the suspension period, the employee will be terminated at the end of the period.
- D. University employees are informed of their indebtedness to the University through regular mail (U.S. Postal Service) or e-mail. It is, therefore, imperative that employees maintain their current address on file by updating this information online via their employee self service account (PASS). If the invoice is mailed to the current address provided, the University will not waive delinquency sanctions based upon claims of non-receipt of billing statements or any other notification of indebtedness.

**V. PROCEDURES**

- A. APPLICANTS FOR UNIVERSITY EMPLOYMENT
  - 1. Before an offer is made to any applicant, the department, college, or division should ascertain whether the applicant has a financial hold for delinquent University debt by checking the Student System. If a financial hold is discovered, the offer should not be made unless and until the delinquent debt is paid.
  - 2. Human Resources and Faculty Affairs will review final candidates processed through their areas to verify the applicant does not have a financial hold and will deny any applications that do.
  - 3. The department business administrator will be responsible for informing the applicant that he/she may not be employed until the University delinquent debt is paid in full. The department may choose to hire the next most qualified candidate who does not owe a delinquent debt to the University.

4. Upon payment of the debt in full, all related financial holds will be removed from the account. The administrator is then clear to submit the employment paperwork.

B. EMPLOYEES WITH DELINQUENT DEBT

1. Human Resources and Faculty Affairs will review personnel actions processed through their areas to verify the employee does not have a financial hold and will reject any personnel action that results in increased status and financial benefit to the employee that has a financial hold.
2. When a delinquent debt occurs, the department that is owed the debt must notify Student Financial Services in writing to place a financial hold on the employee's account in the Student System. This notification must include the following information:
  - Employee name
  - Employee ID
  - Nature of the debt (erroneous over reimbursement, personal charge on University credit card, returned check, past due fine, etc.)
  - Date the debt became delinquent (see definition of delinquent debt above)
  - Amount of debt, including any related charges (e.g., returned check charge).

When the delinquent debt is paid, Student Financial Services must also be notified in writing by the department that receives the payment so that the financial hold can be removed in the Student System.

3. At least twice a year, Human Resources will notify college/division administrators to run a report that indicates whether any employees in their college/division have a financial hold. If any do, the college/division will send the employee a completed [Notification of Delinquent University Debt](#) by Certified Mail with Restricted Delivery (the employee is required to sign for the letter). The department will also enclose a copy of [MAPP 05.03.01](#).
4. The employee is then required to pay the delinquent debt within 10 calendar days of the date the employee receives the Notification of Delinquent University Debt, as indicated by the notice from the U.S. Postal Service. If the University is closed on the 10<sup>th</sup> calendar day, the following business day will be the deadline for payment.
  - a. If an employee is overpaid through payroll, the overpayment will be deducted from a subsequent payroll payment, which may be more than 10 calendar days after the notice is received.
  - b. Returned checks must be redeemed by cash, cashier's check, traveler's check, or money order. A returned check charge of no less than \$20.00 will be assessed by the department that accepted the original check.
5. If an employee fails to pay the delinquent debt, including any related charges, within the 10-day time frame (excluding payroll payments), the college/division

will complete the [Final Notice of Delinquent Debt](#) and hand-deliver it to the employee.

- a. The employee will be asked to sign and date the notice acknowledging receipt and will be given a copy of the signed form. If the employee refuses to sign the form, the college/division representative will write the date that it was given to the employee on the form. The college/division will also send a copy of the signed form to Human Resources to be placed in the employee's personnel file.
  - b. The Final Delinquent Debt Notice will inform the employee that the delinquent debt must be paid within 10 calendar days of receiving this notice. If the University is closed on the 10<sup>th</sup> calendar day, the following business day will be the deadline for payment.
6. If the employee fails to pay the delinquent debt within 10 calendar days of receiving the Final Delinquent Debt Notice, the appropriate College/Division Administrator will contact the Executive Director of Human Resources to arrange suspension without pay for the employee that will last a minimum of three days and no more than ten days. The employee will be notified in writing of the suspension period. If the employee has not paid the delinquent debt by the end of the suspension period, he/she will be terminated for misconduct.
- a. If an employee is terminated for failure to make a returned check good, the department will contact the Department of Public Safety for referral to the District Attorney or Justice of the Peace for possible prosecution. The employee will be liable for all collection and legal fees.
  - b. A termination may be appealed through [MAPP 02.04.01](#) - Employee Grievances, or, in the case of a faculty termination, the process related to dismissal outlined in the Faculty Handbook.
7. At any point during the process, the supervisor, dean, or vice president or designee may wish to confer with the Executive Director of Human Resources, the Executive Vice President for Administration and Finance, and/or the Senior Vice President for Academic Affairs and Provost regarding options for resolution.

At any point in the process, the employee may appeal any item(s) of indebtedness through the appeal process outlined at <http://www.uh.edu/af/survival/Finance/miscemployeedebt.htm>.

#### VI. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President for Finance

Review: Every three years on or before June 1

## VII. APPROVAL

Carl Carlucci

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Executive Vice President for Administration and Finance

Renu Khator

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President

Date of President's Approval: \_\_\_\_\_ September 7, 2011

### REVISION LOG

Revision Number	Approved Date	Description of Changes
1	06/29/1993	Initial version
2	02/16/1994	Created MAPP companion policy with more definitions and procedural information
3	12/02/1999	Applied revised MAPP template. Rewrote Section I to narrow scope of applicability and emphasize potential employees. Added College/division administrator and supervisor to Section III. Joined the two companion MAPPs into one policy; created Section V (Procedures) to include additional information on employees with delinquent debt. Payment changed from the Bursar's Office to Student Financial Services. Updated Addendums A and B
4	09/07/2011	Applied revised MAPP template and added new Revision Log. Rewrote Section I to remove scope of university responsibility. Added statement on returned checks as delinquent debt in Section II. Added documentation to Section III's delinquent debt definition, removed Master Check List, and removed requirement to pay debt in full from Payment Plan definition. Removed Section IV.B on employee accountability for checks submitted in payment to the university. Updated Section IV.D for updating current address information via PASS. Rewrote Section V to emphasize specific university roles and delinquent debt information. Added report on financial hold information for employees run by college/division administrators in Section V.B.3. Removed Section VIII (References), Addendum A, and Addendum B. Changed review period from every three years on or before July 1 <sup>st</sup> to every three years on or before June 1 <sup>st</sup>