

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 followed by Student Financial Services, Human Resources, Parking and Transportation Services, and other affected departments, and 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 Testing 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.

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.
- 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 Testing charges; travel advances; 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. Master Check List: The list maintained by Student Financial Services of persons who have submitted two checks to the university that have been returned unpaid by the financial institution or one check which is not made good within 10 days. Persons whose names appear on the Master Check List must provide payment to the university by cash, credit card, money order, or cashier's check until they qualify for removal from the list. A check writer may petition the Bursar for removal of his/her name one year after the first check has been made good, assuming the second one has also been redeemed. Guidelines for petitioning are available from the Bursar.
- G. 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.

- H. Payment plan or payment agreement: An agreement arranged with the university by Student Financial Services or Office of General Counsel for regular payment of the delinquent debt (excluding returned checks) over a defined period of time. Employees must pay all current debt in full and are not eligible for payment agreements to avoid sanctions.
- I. 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.
- J. 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.
- K. 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.
- L. 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. University employees shall be accountable for all checks submitted in payment to the university for any purpose. A check written to the University of Houston by a university employee that is returned unpaid will result in the following sanctions:
  - 1. A returned check charge of at least \$20.00 will be assessed.
  - 2. The returned check must be redeemed with cash, credit card, cashier’s check, travelers’ check, or money order.
  - 3. If the employee’s returned check to the university is not made good within 10 days from the date of the notice letter, the following employee sanctions will apply:

- a. The employee may be subject to criminal charges.
  - b. All check-writing privileges will be forfeited until the check is made good.
  - c. The employee's supervisor will be notified to initiate a disciplinary process that will include suspension and termination if the check is not redeemed by the specified deadlines.
4. Even if the employee's first returned check is made good within the required 10 days from the date of the notice letter, upon return of the second check, all check-writing privileges will be forfeited for one calendar year from the date of the return of the second check, with reinstatement of check-writing privileges only upon successful petitioning of Student Financial Services.
  5. When check-writing privileges are forfeited, any required payments to the university must be made by cash, credit card, cashier's check, travelers' check, or money order.
- C. 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 campus parking decal.
    - b. 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.
    - c. 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.
- D. University employees previously allowed to enter into payment agreements have been provided copies of terms and conditions of payment agreements. An employee who defaults for the second time as defined in these terms and conditions 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.

- E. University employees are informed of their indebtedness to the university through regular mail (U.S. Postal Service). It is, therefore, imperative that employees maintain their current address on file through submission of a correcting personnel action request (PAR) to Human Resources. 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, university debt records should be verified on-line at the department, college, or division level to ascertain whether the applicant has delinquent university debt. If delinquent debt is discovered, the offer should not be made unless and until the delinquent debt is paid.
2. As a further step in the employment process, Human Resources staff will review employee sign-up documentation against university debt records and will return the employment paperwork to the submitting administrator if a delinquent debt is found.
3. The college/division administrator will be responsible for ensuring that the applicant is informed that his/her employment has been suspended without pay pending resolution of university delinquent debt. It is then the responsibility of the applicant to contact the Bursar and pay any delinquent debt to the university.
4. Upon payment of the debt in full, all STOPS will be removed from the account. The administrator is then clear to submit the employment paperwork.

### B. EMPLOYEES WITH RETURNED CHECKS

1. Checks may be accepted from employees in payment for goods, services, fees, or fines with two pieces of identification: a University of Houston student, staff, or faculty I.D. and a driver's license. (If the individual writing the check does not have a driver's license, a picture I.D. issued by the Texas Department of Public Safety or a passport may be accepted as the second identification. A driver's license only is adequate identification if the individual is providing payment for which university status is not required.)

The check writer's social security number is required on the face of the check; the university extension is also required for university employees. The clerk accepting the check is required to review the employee's account to verify that the employee has check-writing privileges.

2. Texas statute, under certain circumstances, defines as **theft** 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. If an employee presents a check to the university that is returned unpaid by the employee's bank, the following will occur:
  - a. Within one week of receipt of the unpaid check, Student Financial Services will notify the employee by certified mail that the check was returned and for what reason(s); e.g., "nonsufficient funds," "account closed," or "stop payment."
  - b. The employee is then required to redeem the check within 10 calendar days of the date of the notice at the Cashier's Office, Room 6, E. Cullen. Cash, cashier's check, travelers' check, or money order must be used to redeem the check.
  - c. A returned check charge of no less than \$20.00 will be assessed the employee at that time.
  - d. An employee who fails to make the returned check good within the 10-day time frame may have the following sanctions applied:
    - Immediate loss of check-writing privileges until the check is redeemed.
    - The transmittal of the check to the District Attorney or Justice of the Peace for possible prosecution. The employee will be liable for all collection and legal fees.
    - The employee's supervisor will be instructed through the college/division administrator to notify the employee that if the check is not made good within an additional 10 days the employee will be suspended for three to 10 days. Further, the employee will be terminated at the end of the suspension period if the returned check has not been redeemed.
3. An employee who presents two checks to the university within one year that are subsequently returned unpaid by the bank (regardless of whether they are made good within the 10-day period) will forfeit his/her check writing privileges for one year and be added to the university "Master

Check List.” This list is made available on-line to university units accepting employee and student checks.

After one year, the employee’s name may be removed from the list upon petitioning of Student Financial Services, based upon the employee’s financial record. (Instructions for petitioning for removal of one’s name are available from the Bursar.)

4. Any subsequent check submitted to the university that is returned unpaid will result in permanent suspension of that employee’s check-writing privileges.
5. Any unredeemed checks are treated like other delinquent debt to the university. Delinquent debt information is provided to the Parking and Transportation Services, Human Resources, Residential Life and Housing, and other departments needing this information--and at the appropriate time will be referred to Student Financial Services, who will proceed to assess a collection charge and collect the delinquent debt. Uncollected debt may also be referred to a credit bureau and/or to a collection agency. Employee services and privileges are suspended as outlined in Section C, Employees with Delinquent Debt.

#### C. EMPLOYEES WITH DELINQUENT DEBT

1. Employees may incur financial obligations to the university for goods, services, fees, fines, or erroneous payments by the university to the employee. Examples include parking permits; parking fines; library fines; or tuition, fees, and housing.
2. If the financial obligation is due to an overpayment of payroll, the overpayment will be deducted from a subsequent payroll payment.
3. Upon failure to pay for such obligations by the due date, the employee’s account will reflect that it is delinquent; employee delinquent account information is made available to Parking and Transportation Services, Residential Life and Housing, Human Resources, the Health Center, and other appropriate departments, as necessary--and at an appropriate time to Student Financial Services.
  - a. Parking and Transportation Services will not issue a parking decal to an employee whose account is indicated as delinquent, unless and until the debt is cleared.

- b. Human Resources will not approve a university award or any personnel action that results in increased status and financial benefit for an employee whose account indicates delinquent debt, unless and until the debt is cleared.
      - c. Normally, at the end of approximately ninety days, delinquent debts are referred to Student Financial Services for collection and ultimately may be referred to a collection agency and a credit bureau. The employee will be responsible for all collection fees and fines assessed at that point.
      - d. The delinquent debt may be paid to Student Financial Services.
4. When an employee debt becomes delinquent, the following collections actions will be initiated:
  - a. The employee will be contacted by Student Financial Services through the college/division administrator informing the employee of the requirement to pay or be subject to the university sanctions outlined in Section IV of this document. A Notification of Delinquent University Debt form (Addendum A), a copy of the employee's account statement, and a copy of this document will be provided at that time.
  - b. Thirty days after the initial notification, if the employee still has not paid the delinquent debt, Student Financial Services will notify the college/division administrator. At that point, a letter will be provided by the supervisor informing the employee of the status of his/her delinquent debt and the necessity that the debt be cleared. The letter will outline the disciplinary sanctions that will be applied if the delinquent debt is not settled. A second copy of the employee's account statement and this MAPP will be furnished at that time.

The employee will sign, acknowledging receipt of the letter, statement, and this MAPP. A copy of the signed/acknowledged letter will be furnished to the Assistant Vice President for Human Resources for the employee's personnel file.
5. Thirty days after the second notification by Student Financial Services, if the delinquent debt has not been paid in full, disciplinary action will be initiated as follows:

- a. Student Financial Services will notify the employee's college/division administrator to contact the Assistant Vice President for Human Resources to arrange the suspension of the employee without pay for a period of not less than three or more than 10 working days. The supervisor or administrator will determine at the time of discussion with the Assistant Vice President for Human Resources whether non-payment by the end of the suspension period will result in termination.
- b. At the end of the suspension period, if the delinquent debt has not been paid the employee may be terminated for misconduct; i.e. failure to comply with the Employee Financial Responsibility MAPP.

Prior to taking action, this recommendation must be referred to the Assistant Vice President for Human Resources for non-probationary staff employees or to the Senior Vice President for Academic Affairs and Provost for faculty; these parties may intervene and negotiate a settlement and must approve any termination action.

- c. 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.
  - d. At any point during the process, the supervisor, dean, or vice president or designee may wish to confer with the Associate Vice President for Finance, the Assistant Vice President for Human Resources, the Vice President for Administration and Finance, and/or the Senior Vice President for Academic Affairs and Provost regarding options for resolution.
  - e. At any point in the process, the employee may appeal any item(s) of indebtedness through the appeal process outlined in Addendum B.
6. Employees who have entered into payment agreements with the university are provided with copies of the terms and conditions of the agreement related to timeliness and default. Should an employee default under the terms of the agreement the second time (either by tardiness of 15 additional days for one late payment or by tardiness of 15 days for a second payment), Student Financial Services will notify the employee that the balance is due and payable within 10 calendar days.

If the balance is not paid in full within that time period, Student Financial Services will notify the employee's college/division administrator to contact the Assistant Vice President for Human Resources to suspend the employee. Notification regarding faculty default will be sent to the Senior Vice President for Academic Affairs and Provost. If the debt is not paid in full by the end of the suspension period, the employee may be terminated.

**VI. REVIEW AND RESPONSIBILITY**

Responsible Party: Associate Vice President for Finance

Review: Every three years, on or before July 1

**VII. APPROVAL**

Randy J. Harris  
Vice President for Administration and Finance

Arthur K. Smith  
President

Date of President's Approval: 12/09/99

**VIII. REFERENCES**

- Index Terms: Bad checks  
Checks  
Debts  
Delinquent debt  
Employee financial responsibility  
Financial responsibility  
Master check list  
Outstanding debt  
Returned checks

**Addendum A**

**Notification of Delinquent University Debt**

**TO:** \_\_\_\_\_  
College/Division Administrator

College/Division: \_\_\_\_\_

**FROM:** \_\_\_\_\_ Human Resources Department

\_\_\_\_\_ Student Financial Services

**DATE:** \_\_\_\_\_

**REGARDING:** Applicant or Employee \_\_\_\_\_

Social Security Number of Applicant/Employee: \_\_\_\_\_

**The account of the person whose name appears above indicates:**

- Delinquent debt to the university. A copy of the account is attached.
- Defaulted payment agreement. Copies of payment agreement and account are attached.
- A returned check; number: \_\_\_\_\_ date: \_\_\_\_\_ amount: \_\_\_\_\_

**COPY TO:** \_\_\_\_\_ Employee/Applicant

**Your university account reveals the financial obligations(s) indicated above and on the attached report.**

**If you are applying for employment, you are hereby notified that you are not cleared to start work until the delinquent debt is cleared.**

**If you are a current employee, you may not obtain a parking decal or promotion or other employment enhancements until the delinquent debt is cleared.**

**Please contact Student Financial Services to clear your account.**

**Date:** \_\_\_\_\_

Copy (for employment applicants): Assistant Vice President, Human Resources

**Addendum B****Appeal Process for Employees Related to Financial Responsibility**

This appeal process is available to any person who has university delinquent debt or a returned check as outlined in this document--regardless of whether the person is staff or faculty, full-time or part-time, temporary or permanent, or whether holding student status.

1. An employee may receive a copy of his/her account at any time from Student Financial Services.
2. An employee who believes that any item(s) on his/her statement of delinquent indebtedness to the university is incorrect for any reason shall contact the manager of the area responsible for the charge. The names of these managers may be obtained from Student Financial Services.
3. If the employee is not satisfied with the manager's explanation, he/she may appeal in writing to the Associate Vice President for Finance. Within 10 days of receipt of the appeal letter, the director of finance and accounting will consult with the Bursar and/or the manager of any other involved area. The issue before the group will be limited to the delinquent debt itself--its existence, the amount, the source(s), and the institutional policies related to the charges.

If student and/or academic policies are involved, individuals with responsibilities in those areas may be consulted, also.

4. Within 15 working days of receipt of the appeal letter, the Associate Vice President for Finance will inform the employee of the decision.
5. The decision of the Associate Vice President for Finance will be final.