



Procedure 3.5: Indebtedness Procedure  
Volume 3: Office of Business & Finance  
Managing Office: Office of Business & Finance  
Effective Date: July 22, 2014

---

### **I. Purpose**

In recognition of the accountability of the University, as a public education institution, for the proper use, management, and preservation of its resources, the University uses all reasonable methods to collect its receivables, which represent an uncompensated expenditure of these resources. To this end, payroll deductions shall be used as a means of collecting delinquent debts owed by University employees to the institution, whether such debts are employment related or not and whether such debts are incurred during or prior to the period of employment.

### **II. Definition**

1. Debt - Ordinarily and for the purpose of this process, a debt shall be considered delinquent when it is (30) days or more past due.

### **III. Guidelines**

1. If the employee wishes to contest the validity or amount of the debt, he or she may do so before the payroll deduction is made taking the matter up with the supervisor in the division in which the charge originates.
2. As a general rule, the University shall limit the amount of the monthly deduction to ten percent (10%) of the employee's disposable earnings, which shall be understood to be the amount of his or her regular earnings less all deductions required by state and federal law or University policy by reason of the employment relationship.
3. Under unusual or exigent circumstances, however, a payroll deduction may be made in any amount and at any time after the debt becomes due and may be made from a payment other than earnings, such as payment for unused leave at the time of termination, provided prior approval of the Vice President for Business & Finance, or his designees, is obtained for a deduction in such circumstances.