
Chapter: Human Resources

Modification No. 003

Subject: **Employee Indebtedness**

- 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. Montgomery College may 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 Board of Trustees authorizes the president to establish any procedures necessary to implement this policy.

Effective Date: October 28, 1991.

Modification Date(s): May 16, 2016; October 13, 2025.

Last Review Date: October 13, 2025.

Chapter: Personnel

Modification No. 004Subject: **Employee Indebtedness**

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- I. The Office of Human Resources and Strategic Talent Management (HRSTM) is responsible for processing pay and monitoring pay accuracy. Supervisors are responsible for monitoring employee attendance and absences, and ensuring accurate timekeeping records and use of paid time off allowances. Departments will collaborate with HRSTM if an overpayment is discovered.
 - II. Employees should promptly report any known overpayments to their supervisor; failure to do so may result in disciplinary action up to and including termination.
 - III. The Vice President /Chief Human Resources Officer (or designee) will notify an employee, in writing, of any overdue employee indebtedness to the College.
 - IV. The written notice will include, at a 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.
 - V. Repayment may be made in full or by establishing a payment plan that has been approved by the Vice President/Chief Human Resources Officer (or designee).
 - VI. The employee may dispute the debt, in writing 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 /Chief Human Resources Officer (or designee) has reviewed the matter and conducted additional research as needed. The employee will be notified within 30-days, in writing, of the final determination.
 - VII. If the debt remains unpaid after thirty (30) working days' notice of the final determination, and no arrangements for repayment have been made the debt will be sent to Maryland State Collections.
 - VIII. In cases where significant extenuating circumstances exist, the Senior Vice President for Administrative and Fiscal Services/Chief Operating Officer, upon recommendation of and in consultation with the Chief Human Resources Officer, may approve an extension of the repayment timeline or forgiveness of the debt
 - IX. A separating employee who fails to fulfill a debt to the College will be ineligible for rehire.
 - X. 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.

Administrative Approval: October 28, 1991; August 23, 2004; May 18, 2016; October 14, 2025.