

DIVISION OF MENTAL HEALTH AND HOSPITALS

ADMINISTRATIVE BULLETIN 7:07

DATE: October 28, 1982

SUBJECT: Set Off Individual Liability Program (SOIL)

I. PURPOSE

To ensure that the SOIL Program is being utilized in the most effective and consistent manner in all DMH&H Institutions and Central Office.

II. AUTHORIZATION

N.J.S.A. 54A:1-1

PL 1981 Chapter 239

III. IMPLEMENTATION

To be accomplished by institutional personnel office supplying information to the Financial Information Systems Unit within the Comptroller's Office concerning former employees with overdrawn sick leave, vacation and/or administrative leave. This program in essence, provides State agencies in concert with the Division of Taxation with a means to collect such overpayments from terminated State employees. The debts owed to the State will be offset in whole or part, against income tax refunds and/or homestead rebates payable to individuals that have been matched by the SOIL System.

IV. PROCEDURES

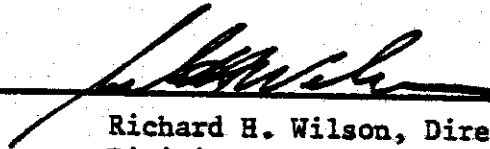
- A. A report of separation or transfer (CS-22), is prepared for each employee who leaves State service. When the CS-22 has an overdraft of sick leave, vacation and/or administrative leave, a letter is sent to the employee from the institutional personnel office requesting reimbursement for the amount of the overdraft. The letter should clearly specify the amount, who in the personnel office should receive the payment and a due date. All checks or money orders should be made payable to the Treasurer, State of New Jersey. A carbon copy of the letter should be sent to the payroll office.
- B. If payment has not been received by the due date, a second request should be sent with a 30 day due date.
- C. If payment is received in response to the first or second letter, the payroll office should be informed and prepare a Transmittal of Salary refund (Form 112A) see attached copy. In addition, a check stub must be prepared showing the applicable tax and deductions as well as the net amount.
- D. The original and three (3) copies of Form 112A with checks and stub and four (4) copies of the check stub, should be forwarded to Centralized Payroll.

- E. In the event that the former employee is not able to pay in full a satisfactory repayment agreement may be reached. If the employee adheres to the agreement, a referral to the Comptroller's Office will not be necessary.

This will complete the process if full payment is received. Once full payment is received, there is no need to refer the matter to the Comptroller's Office. If payment is not received after the due date in the second request has expired, referral to the Comptroller's Office should be made as follows:

- F. All pertinent information for each former employee should be typed on Form SOIL FO-1 (see attached). When this is completed, the institution is no longer involved in the process. Collections from the SOIL System will be refunded to the appropriate salary account by the Bureau of Accounts in the Comptroller's Office. Once a refund has been made, no further repayment agreements with the former employee should be entered into.
- G. If an employee sends a check (for full or partial payment), to the institution any time after the expiration date in the second request, follow procedures C and D with an additional copy to Allen Twer's Office with a cover memo as notification for them to adjust their records.

Attached is the outline of Set Off Liability Program prepared by Allen Twer, Administrator, Financial Management Services. This will give additional information on the program.


Richard H. Wilson, Director
Division of Mental Health
and Hospitals

Attachments
PR/LM/kat