



Procedure Number: AC037

Date: April 10, 2012

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Lih Wu, Chief Financial Officer

Title: Processing payroll for university units

Statement:

The University Corporation (TUC) processes payroll for a small number of university departments. These departments have two options for covering the cost of payroll and services:

- Option 1: Utilize University Department funds;
- Option 2: Utilize funds held by the Foundation.

This procedure documents the steps required to process payroll under both options.

Procedure:

Option one – Utilize University Department Funds

1. Department contacts TUC about hiring and paying employees through TUC.
2. TUC forwards Payroll Services Agreement (*Attachment 1*) to the department.
3. Department completes and signs the Payroll Services Agreement, completes a university MOU (*Attachment 2*), and submits both forms to TUC.
4. TUC signs the MOU and forwards it to university Office of Financial Services.
5. Office of Financial Services assigns MOU number and distributes MOU copies to the department and TUC.
6. TUC provides MOU copies to TUC Accounts Receivable and TUC Human Resources.
7. Department submits timesheets to TUC and TUC processes payroll. TUC Payroll provides information to TUC Accounts Receivable.
8. TUC Accounts Receivable bills university for the cost of payroll and services, referencing the assigned MOU number.
9. University processes TUC invoice, issues check to TUC, and draws down the university account holding department funds.

Option two – Utilize funds held at University Foundation

1. Department contacts TUC about hiring and paying employees through TUC. TUC provides to the department: a TUC Payroll Services Agreement (*Attachment 1*); a TUC Agency Fund Request (*Attachment 3*); a Foundation Labor Authorization Form (*Attachment 4*); and a Foundation Check Request Form (*Attachment 5*).
2. Department completes and returns to TUC the Payroll Services Agreement and the Agency Fund Request.
3. TUC places the completed Payroll Services Agreement in the Agency Fund control file.
4. TUC forwards the completed Agency Fund Request to the University Office of Financial Services for approval. The approved Agency Fund Request is returned to TUC and placed in the Agency Fund control file.
5. TUC Accounting department opens a new agency fund on PeopleSoft.
6. Department completes the Foundation Check Request and the Foundation Labor Authorization Form and submits to the CSUN Foundation for review and approval.
7. Foundation forwards the approved Foundation Labor Authorization Form to TUC along with a check issued to TUC for payroll and related service fee as noted in the Payroll Services Agreement.
8. TUC deposits check into the department's TUC agency fund.
9. TUC commences with processing payroll and charges payroll and payroll services to the department's agency fund each month.
10. TUC personnel monitor the agency fund balance and notify the designated department contact person when funds need to be replenished.
11. At the end of the payroll service agreement, TUC returns any unused funds to the Foundation, if the department needs no further payroll processing.
12. If the department wishes to continue the payroll services agreement for another period, the procedure will repeat, beginning with step number 6.

Attachments

Attachment 1 – TUC Payroll Services Agreement

Attachment 2 – University Memorandum of Understanding (MOU)

Attachment 3 – TUC Agency Fund Request

Attachment 4 – CSUN Foundation Labor Authorization Form

Attachment 5 – CSUN Foundation Check Request