

**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
UNIVERSITY STUDENT UNION**

FISCAL POLICY

SUBJECT: Human Resources Management System Policy

POLICY: The University Student Union (USU) will process payroll on a bi-weekly basis in accordance with rules and regulations established by California State, federal, and local governments; California State University guidelines; and USU policy.

The USU utilizes an internet-based Human Resources Management System (HRMS) which incorporates recruitment and applicant tracking; time and attendance; and payroll functions:

This policy incorporates the procedures that apply to the HRMS. The HRMS policy has been established to ensure the following:

1. Accountability and separation of duties are maintained by those responsible for performing human resources & payroll-related functions.
2. Documentation exists to substantiate all hours worked and amounts paid.
3. Total hours worked and approved absences have been properly recorded and verified.
4. Total hours are properly reconciled between the timekeeping and payroll systems prior to transmission of the pay file to the payroll processor.
5. The pre-check register is reviewed to ensure funds released have been earned and properly authorized by a supervisor prior to transmission of the pay file to the payroll processor.
6. Ensure there are sufficient funds in the payroll checking account prior to the pay date.

Recommended by the Finance Committee on February 15, 2013

Approved by the University Student Union, Board of Directors on February 19, 2013

HRMS Procedures

SEPARATION OF DUTIES:

- I. Changes to Employee-related and Salary-related Information
 - A. All changes to employee-related and salary-related information are input into the HRMS by authorized individuals in the human resources (HR) department. The Personnel Action Form (PAF) is the primary source document for any changes. Some typical examples of employee-related and salary-related information are listed below:
 - New employee hires
 - Separations from employment
 - Salary changes, position changes, or changes in the employee's assigned department
 - Benefits Accruals and employer paid benefits
 - Personal tax allowances & FICA exemptions
 - Voluntary and involuntary payroll deductions
 - Changes to employee personal information
 - B. Those responsible for payroll functions are allowed to view but not input or edit employee-related and salary-related information in the HRMS. HR personnel are not authorized to export data from the time keeping system to the payroll system and they are not allowed to process or transmit payroll. The security administrator ensures that HR and payroll duties are separated by assigning the appropriate security rights in the HRMS.
- II. Biometric Hand Reader Time Clock Enrollment
 - A. HR is solely responsible for enrolling employees into the biometric hand reader time clock. The information entered into the time clock is the employee's CSUN identification number and an electronic template of the employee's hand which allows the employee to punch in and out.
 - B. Once the employee has been enrolled in the time clock, HR then enters new employee information into the HRMS.
 - C. The Accountant I – Payroll will verify information entered by Human Resources into the HRMS.
- III. Payroll Check Administration
 - A. The Cashier will administer the release of paychecks to employees. The Associate Director, Finance & Business Services/designee will sign for payroll checks received from the payroll processor and deliver the paychecks directly to the cashier. The Accountant I - Payroll is not authorized to sign for or receive payroll checks from the payroll processor.
 - B. The Cashier will ensure that the following steps are completed in the administration of payroll checks:
 - Store payroll checks in a secure area in the Cashier's office.
 - Create an employee roster for employee payroll check pick-up.

- Ready payroll checks for distribution to employees by the designated time and dates indicated in the payroll schedule.
 - Request identification from employees not personally recognized by the Cashier before releasing the paycheck to the employee.
 - Ensure that employees sign and date the employee roster evidencing receipt of their paycheck.
 - Contact those employees via email and by telephone who have not claimed their paychecks and mail any unclaimed paychecks to the employee's address currently on file after a reasonable amount of time has elapsed.
- C. After a period of ninety (90) days, the Cashier will attempt to contact those employees whose paychecks are on the outstanding check list. These employees have received their payroll checks but have not yet cashed them. The cashier will inform the employee to either cash the paycheck or request a void and reissue if the check has been lost. The Accounting Supervisor/designee will place a stop payment on any lost and uncashed checks that will be reissued.
- D. After a period of being outstanding for a period of six (6) months, any uncashed payroll checks will be transferred from the outstanding check list to the stale dated check list and recorded in chartfield string 211150 Uncashed Payroll Checks.
- E. After one year, any uncashed payroll check on the stale dated check list will be escheated to the state of California. This process will be performed by the Accounting Supervisor/designee.
- IV. Payroll Checking Account Funding
- A. The Accounting Supervisor/designee is responsible for ensuring that there are sufficient funds in the payroll checking account to cover all direct deposits and payroll checks at least one business day prior to pay day.
- V. Payroll Checking/Bank Account Reconciliation
- A. An authorized individual in the business services department will perform the bank reconciliation for the payroll bank account. Under no circumstances will the Accountant I - Payroll perform the bank reconciliation for the payroll bank account.
- VI. Creation of the Payroll Journal Entry
- A. The Accounting Supervisor/designee outputs the payroll file from the payroll system and reviews it for accuracy and then uploads the payroll file into the accounting system.
- B. The Accounting Supervisor/designee creates the payroll journal entry in the accounting system then reconciles the journal entry totals with the payroll system totals. Upon reconciling, the payroll journal entry is posted to the general ledger.

HRMS PROCESSING:

- VII. Payroll Period Definition
- A. The USU's payroll period is two weeks in length composed of two separate seven (7) day weeks. The first day of each payroll week is a Sunday and the last day of each payroll week is a Saturday.

B. The computation of overtime worked is based on the seven day work week.

VIII. Reporting of Absences and Paid Time Off

A. Time paid for absences and paid time off for Regular Employees must be electronically submitted to the employee's supervisor for electronic approval via the timekeeping system. If the absence request is approved, the hours will populate on the employee's time card. Requests for paid time off (with the exception of sick time) must be submitted prior to taking the scheduled absence. Absence requests for sick time must be submitted immediately upon return to work. If the employee is unavailable to submit an absence request, the supervisor will enter the absence directly on the employee's time card.

B. Absence requests are not required for paid holidays; holiday hours are pre-populated on Regular Employees' time cards.

IX. HRMS Processing - Timekeeping

A. Employees in the student assistant and hourly categories record time worked by punching in and out using a biometric hand reader time clock. Punches are uploaded via the internet to the timekeeping system on a regular basis throughout the workday.

B. Supervisors are responsible for correcting all time card errors; approving or denying absence requests; and electronically verifying their direct reports' time cards prior to the specified deadline.

X. HRMS Processing - Payroll

A. Payroll processing begins once all timecards have been verified in the timekeeping system and all PAFs have been received from HR.

- All PAFs must be signed by the employee's supervisor and the Executive Director/designee. Completed PAFs are first submitted to HR which inputs the changes into the payroll system. HR then provides a copy of the PAF to the Accountant I - Payroll who verifies the accuracy of the information entered into the HRMS. The completed PAFs are due to payroll by the period end date in order for the PAF to be processed for the current payroll period. PAFs not submitted by the required deadline will be processed in the following payroll period.

B. The Accountant I – Payroll imports the total hours file from the timekeeping system into the payroll system. After required payroll adjustments (i.e. retroactive pay; department changes; correction of hours) have been made, the total hours from the timekeeping system are reconciled to the total hours in the payroll system. Once the total hours have been reconciled, the supervisor approves the reconciliation by signing the reconciliation worksheet.

C. The Accountant I - Payroll runs a pre-check register and a pay edit report for management review. The pay edit report shows all the changes (for example, salary changes) made in the payroll system during that particular two week pay period. The

supervisor reviews both the pre-check register and pay edit report for any errors or unauthorized transactions. Errors are corrected and the pre-check register is run again. The supervisor makes a final review of the pre-check register and approves it by signing the last page of the register. Upon approval of the pre-check register, the Accountant I - Payroll electronically transmits the pay file via the internet to the payroll processor. The file must be transmitted by 12:00 p.m. at least two business days prior to the pay date in order to allow sufficient time for direct deposits to be posted to employees' bank accounts and for physical payroll checks to be delivered to the USU.

- D. Once payroll has been processed, employees may access their current pay and benefit accrual information by logging into the HRMS system.

OVERTIME

XI. Overtime Process and Approval

- A. As necessary, employees may be required to work overtime. The USU will attempt to distribute overtime evenly and accommodate individual schedules. Non-exempt employees will be paid one and one-half (1.5) times their regular straight time rate of pay for all hours worked over 40 hours in a workweek, eight (8) hours in a workday, or for the first eight (8) hours on the seventh consecutive day of work in a workweek. Non-exempt employees will be paid two (2) times their regular straight time rate of pay for all hours worked in excess of 12 in a workday or in excess of eight (8) on the seventh consecutive day of work in a workweek. The USU's workweek is defined as Sunday through Saturday. For purposes of determining which hours constitute overtime, only actual hours worked in a given workday or workweek will be counted. Exempt employees are not entitled to overtime pay.
- B. Overtime must be authorized by an employee's supervisor. An employee, who works overtime without the authorization of his/her supervisor, may be subject to disciplinary action.

TERMINATION OF EMPLOYMENT

XI. Voluntary Terminations

- A. Employees are requested to provide a letter of resignation to their supervisor indicating the reason for termination and the employees last day of work.
- B. Supervisors shall submit to HR, the letter of resignation and a completed Personnel Action Form (PAF). HR will submit the completed PAF and letter of resignation, along with the following information to payroll:
- Vacation hours owed to the employee
 - Outstanding amounts owed to the Union
- C. As required by law, employees who provide a minimum of 72 hours notice of separation shall be provided final pay on the last day worked. In cases of employee "no shows" a check will be mailed to the employee's address of record.

XII. Involuntary Terminations

- A. HR will work collaboratively with department managers in executing involuntary terminations of employment.
- B. Supervisors will complete a PAF form indicating the involuntary termination and provide the PAF to payroll along with the following information in order to compute the employee's final pay:
 - Vacation hours owed to the employee
 - Outstanding amounts owed to the Union
- C. Employees who are involuntarily terminated must receive their final paycheck at the time of separation from employment.

XIII. How to Handle Employees with Payroll Inactivity

- A. On at least a quarterly basis, the Accountant I - Payroll will generate a last paid report which identifies those employees who have an active status in the payroll system, but have not had any payroll activity within the last ninety (90) days. The purpose of this report is to identify employees with an active status but in reality have terminated their employment with the USU.
- B. The Accountant I - Payroll will review the list to identify those employees with no payroll activity.
- C. The Accountant I - Payroll will contact the supervisors of the employees on the report so that the supervisor can determine if the employee is actually terminated; on a leave of absence; or has a lapse in employment.
- D. If the employee has in fact terminated, the department manager will submit a PAF to HR indicating the employee's terminated status.
- E. HR will input the employees terminated status into the HRMS.

MISCELLANEOUS

XIV. Vacation Advances

- A. Upon request of an employee and approval of the Executive Director/designee, an employee may receive one (1) hour of accrued vacation time in cash payment for every one (1) hour of accrued vacation time taken during the same pay period assuming that the employee has enough accrued time available to fulfill the request.
- B. Upon request of an employee and approval of the Executive Director/designee, an employee may elect to take accrued vacation time in the form of cash payment. Approval will be considered assuming that the employee has enough accrued time available to fulfill the request.

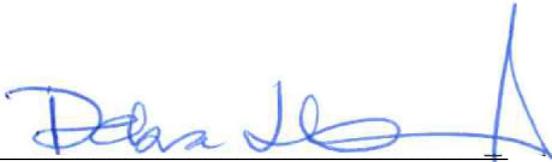
C. As a guideline, employees should maintain three (3) days of vacation accrual remaining after a vacation advance has been processed unless an exception is approved by the Executive Director/designee.

XV. Non-Resident Aliens

B. HR will inform payroll of any new hires who are Non-Resident Aliens (not U.S. Citizens or Permanent Resident Aliens) in order to complete a web-based tax analysis.

Information to be provided to payroll by HR will include:

- Employee's name and address
- Social security number or tax identification number
- Rate of pay
- Workers compensation classification code
- Full or part-time work status (40 hours/week = full time; less than 40/hours/week = part-time).



Debra L. Hammond, Executive Director

Date: March 24, 2014