

Date: July 11, 2008 **Code:** HR 2008-09
To: CSU Presidents **Reference:** HR 2008-05
From: Gail E. Brooks *Gail Brooks*
Interim Vice Chancellor
Human Resources
Subject: Salary and Payroll Processing – Campus Requirements

Overview

Audience: Managers responsible for salary and/or payroll processing of information into the State Controller's Office (SCO) Personnel Information Management System (PIMS), SCO Payroll Input Process (PIP), or Oracle/PeopleSoft systems.

Action Item: Review and update existing processes or establish new processes for salary and payroll (payment) processing at the campus.

Affected Employee Group(s)/Unit(s): All

Summary

Human Resources conducted webcast training for campus individuals responsible for salary and payroll processing. The training was mandated by the Board of Trustees as a result of an audit by the Bureau of State Audits. Campuses are required to review and update existing processes and/or establish new processes that will improve the accuracy and consistency of coding salary and payroll (payment) transactions.

In support of the Bureau of State Audit's recommendation for the CSU to "improve the consistency of coding of pay transactions in the State Controller's (SCO) payroll system", and to respond to their noted "high rate of coding errors and inconsistencies," Human Resources developed and presented recommended models for processing salary and payroll (payment) transactions during the mandated salary and payroll training workshops held in April 2008. The models were presented to workshop attendees primarily responsible for inputting salary and/or payment information into the legacy system (PIMS), the Oracle/PeopleSoft system, and the SCO's Payroll Input Process (PIP) system.

Considering that the salary and payroll process encompasses the coding and processing of information via transactions keyed into PIMS, Oracle/PeopleSoft (including bolt on functionality), and PIP, it was essential for the HR recommended model to depict the need for information to be appropriately coded for the respective system and validated for accuracy and consistency across systems at various checkpoints before being keyed. As a result, the models were presented to the campuses as a tool in support of the required campus action to review

Distribution:

Chancellor Reed
Executive Vice Chancellor and CFO
Vice Presidents, Academic Affairs
Vice Presidents, Administration
Vice Presidents, Student Administration
Vice Presidents, University Advancement

Associate Vice Presidents/Deans of Faculty
Employee Relations Designees
HR Professionals
University Auditor

and update existing processes (and procedures), and to establish new processes (and procedures) as appropriate, to ensure compliance for the proper coding of payments and salary transactions.

Human Resources remains committed to ensuring that campuses are aware of this requirement and have tools to assist them in satisfying this requirement in a timely manner in consideration of Board of Trustee mandates involving the University Auditor. The enclosed recommended HR models for salary and payroll (payment) processing (noted as Attachments A and B, respectively), are provided to assist in this effort.

Considering the diversity among our campus administrative environments, it is acknowledged that one model will not fit all campus environments. It is expected, however, that all campuses have processes in place based upon their respective environment, with the common goal to improve accuracy and consistency in the coding and processing of salary and payroll (payment) transactions. Campuses are required to review the HR recommended models to assist them in updating and revising existing processes (and procedures) or developing new processes (and procedures) as appropriate in consideration of their campus structures. The procedures/processes must at minimum:

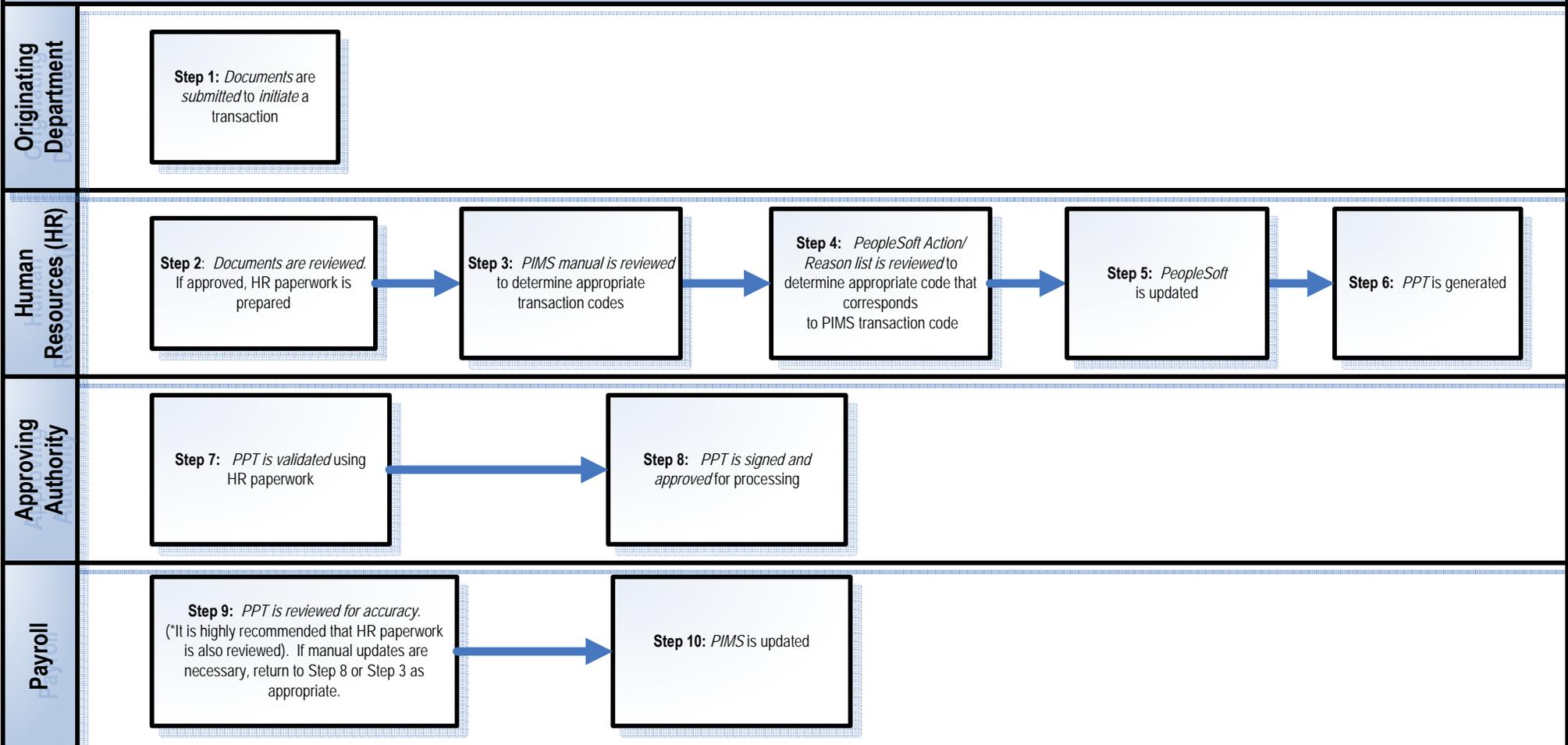
1. Identify the steps in the process;
2. Indicate the audit checkpoints and corrective action requirements if checkpoint(s) are not approved across affected departments;
3. Identify the "approving authority" which will include position title(s) across affected departments who are responsible for approving documentation submitted at a given checkpoint in the process, including the final checkpoint before the transaction and/or payment request is keyed;
4. Obtain presidential approval of the campus process;
5. Be reviewed and updated by the campus on a routine basis (at least annually) to reflect current requirements, ensure compliance and optimize efficiencies.

It is important to note that in response to the Board of Trustee mandate pertinent to internal audit directives, the University Auditor will conduct audits as part of their annual work plan on the completeness and accuracy of payroll transactions in the state payroll system for CSU employees in the latter part of 2008. Please note that it will be an expectation that campuses have documented processes and procedures for salary and payment processing available for review.

Questions regarding this new requirement may be directed to Human Resources Administration at (562) 951-4411. This HR memorandum is also available on Human Resources Administration's Web site at: <http://www.calstate.edu/HRAdm/memo.shtml>. Thank you.

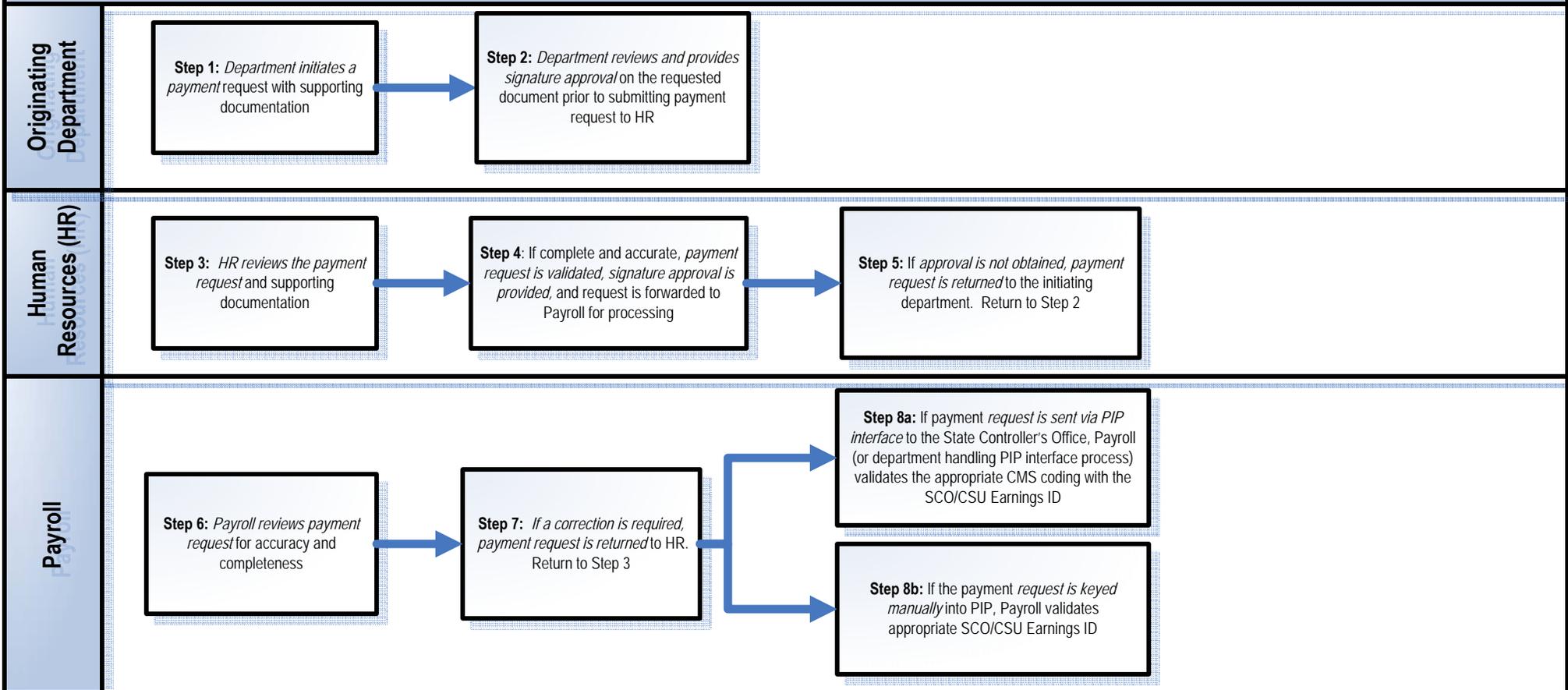
GEB/dth

Attachment



Steps:

1. A department initiates a transaction with supporting documentation.
2. HR reviews the documents. If approved, HR paperwork is prepared.
3. HR paperwork is reviewed and PIMS manual is reviewed to determine the appropriate transaction code.
4. PeopleSoft Action/Reason list is reviewed to determine appropriate code that corresponds to the PIMS transaction code.
5. Transaction is keyed into PeopleSoft.
6. Personnel Payroll Transaction (PPT) is generated by PeopleSoft.
7. Approving authority reviews HR paperwork and validates PPT.
8. PPT is signed and approved for processing.
9. PPT is given to Payroll for review. It is highly recommended that payroll reviews the HR paperwork supporting the transaction. Items keyed into PIMS that are not captured on the PPT via PeopleSoft require additional (manual) entries to be approved. In this instance, return to Step 8. If any other updates need to be made, return to Step 3.



Steps:

1. A department initiates a payment request with supporting documentation.
2. The department reviews and provides signature approval on the request document prior to submitting the payment request to Human Resources.
3. Human Resources reviews the payment request and supporting documentation.
4. If complete and accurate, the payment request is validated, signature approval is provided, and the request is forwarded to Payroll for processing.
5. If approval is not obtained, the payment request is returned to the initiating department.
6. Payroll reviews the payment request for accuracy and completeness.
7. If a correction is required, the payment request is returned to Human Resources.
- 8a. If the payment request is sent via PIP interface to the State Controller's Office, Payroll (or department handling PIP interface process) validates the appropriate CMS coding with the SCO/CSU Earnings ID.
- 8b. If the payment request is keyed manually into PIP, Payroll validates the appropriate SCO/CSU Earnings ID.