SECTION 18 – PAYROLL

Policy Sequence 18-000
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Introduction

The Foundation’s Payroll Department processes time cards and salaried effort & absence reports, produces paychecks, transmits electronic deposit information, withholds payroll taxes and withholding orders, deposits taxes to the appropriate government agencies, prepares quarterly tax returns, maintains Form W-4 files, and produces the annual Form W-2 wage statements.

Up-to-date information on current procedures and samples of many of the Foundation’s forms are available on the Foundation’s website at www.foundation.csulb.edu.

Payroll Schedule  
Policy # 18-000.1

The Foundation follows a bi-weekly pay schedule for all employees except salaried University employees. The bi-weekly pay period begins on Saturday and ends on Friday. Paychecks are issued one week after the end of the pay period. Time cards are typically due on the last day of the pay period but paydays and time card due dates may change due to holidays. Salaried University employees who receive additional employment through the Foundation are paid on a monthly schedule. The monthly pay period begins on the first day of the month and ends on the last day of the month. Monthly paychecks are issued on the 7th of the following month, unless the 7th falls on a weekend or holiday in which case, paychecks are issued on the prior business day. Payroll schedules are published annually usually in December. Please refer to a current payroll schedule for exact time card due dates and paydays. The current payroll schedules are located on the Foundation’s website at www.foundation.csulb.edu. You may call the Foundation Administrative Office at 562-985-5537 to obtain a copy.

Timely Compensation of Employees  
Policy # 18-001.1

No employee is allowed to perform services for any Foundation project without timely compensation for their services. Project Directors shall never allow any employee to work unless sufficient funding is available and allowable in the project from which the employee’s services are paid. Employees are not allowed to waive their right to full compensation or agree to delayed compensation.

Volunteer Work  
Policy # 18-002.1

Periodically, projects may receive services from volunteers. Volunteers are individuals who provide services without promise or contemplation of any form of compensation or remuneration. Employees may not serve as volunteers.

In order to adequately protect volunteers during the performance of duties for the Foundation, projects shall complete a Volunteer Form for each period in which a volunteer performs services. Based on the number of hours worked by a volunteer, projects may be charged a proportionate amount of workers’ compensation insurance. Any illness or injury suffered by a volunteer during the performance of their services shall be reported immediately to the Foundation Human Resources Department at 562-985-7635.

Non-Exempt Employees  
Policy # 18-010.1

Time cards shall be submitted for employees who are paid hourly and who are not exempt from overtime laws as determined by the Foundation Human Resources Department. Time cards are legal documents that record the employee’s hours and authorize the payroll expense to a particular project account.
The time card is a 2-part NCR form. The time card forms are available from the Foundation Administrative Office at (562) 985-5537. The form may also be downloaded from the Foundation’s web site at www.foundation.csulb.edu. If the department uses downloaded time card forms, submit the original and one copy of the completed form to the Foundation Payroll Department. Downloaded time card forms should be the current version dated December, 2008.

**Overtime**

Overtime compensation is paid to all non-exempt employees in accordance with the prevailing federal and state laws and shall be paid in additional wages rather than any form of compensatory time off. The Foundation recognizes a workweek as beginning on Saturday and ending on Friday. Approval for overtime pay must be secured in advance (in writing) from the employee’s supervisor. Overtime pay is based on actual hours worked for the purpose of overtime calculations. Non-exempt employees will be paid time-and-one-half the regular rate of pay for all hours worked beyond eight (8) in a single workday and two (2) times the regular rate of pay for all hours worked beyond twelve (12) in a single workday. Also, non-exempt employees will be paid time-and-one-half for all hours worked beyond forty (40) straight-time hours in a workweek. On the seventh consecutive day worked in a single workweek a non-exempt employee must be paid time-and-one-half the regular rate of pay for the first eight (8) hours worked and two times the regular rate of pay for all hours worked beyond eight (8).

**Payroll Time Card Instructions**

**Pay Period**

Refer to the Foundation's payroll schedule for a list of pay periods, time card due dates and pay dates. If you need a current schedule, visit the Foundation’s web site at www.foundation.csulb.edu to download the schedule or call the Foundation Administrative Office at 562-985-5537 to obtain one. The two-week pay period starts on Saturday and ends at midnight on Friday. In addition to listing the pay period beginning and ending dates, please indicate the individual dates worked under "WEEK 1" and "WEEK 2". The pay period indicated on the form shall be the period in which the work was actually performed.

**Project Number and Line Item Number**

The Project Number and Line Item Number shall be the same as the Project Number and Line Item Number approved and allowed by the Project Director. The Project Number is the grant, project, or Foundation program to be charged. This number is 8 digits in length. The Line Item Number is a 6-digit number representing the expense classification (such as undergraduate assistant, clerical, research staff). The final two digits of the Line Item Number are reserved for the Project Director’s use as sub-classifications. The Foundation Grants and Contracts Department Internal Managers verify by means of a pre-posting management report that the line-item number entered on the time card is appropriate for the Project Number indicated.

**Daily Hours**

Hours worked shall be indicated for each day in the two-week calendar provided. Separate time cards may be used for hours worked on multiple projects. For eligible employees, use the appropriate line to indicate for each day the number of Vacation or OPA (Other Paid Absence) hours used or overtime worked (do not include these hours with the regular hours worked on the lines above). Eligible Foundation Employees may only use available accrued Vacation and OPA hours. Any insufficient Vacation hours will be charged to OPA hours and any insufficient OPA hours will be charged to available Vacation hours (except Group 3 Employees). If the Employee does not want OPA hours charged to Vacation, or Vacation
hours charged to OPA, the Employee must provide written notification to the Foundation Payroll Supervisor by the time card due date. Hours for holidays, bereavement and time spent at jury duty are entered on the same lines as regular hours and charged to the appropriate project account. An “H”, “B” or a “J” may be placed next to those hours to indicate holiday, bereavement or jury duty time. Enter the total of regular, overtime, Vacation, and OPA hours for each line in the Totals column. Enter the daily total of all hours charged in the Total Daily Hours row provided.

Signatures

All time cards shall have the employee's and Supervisor’s / Project Director’s original signatures. All signatures shall be originals – no stamped or photocopied signatures are allowed. The Employee’s Supervisor, if other than the Project Director, shall sign the Supervisor’s signature line to certify the hours the Employee worked during the pay period. The Project Director or Authorized Administrator (Department Chair, Administrative Services Manager, Dean, or Division Vice-President) shall sign on the Project Director’s line to approve the time card and the expense to the project account. Under no circumstances shall a time card be given back to the Employee after it has been signed by the Supervisor or Project Director. No payroll checks will be processed or issued without fully completed and approved time cards.

University Employees shall have their time cards approved by their college dean or an equivalent head of the Employee’s campus unit in addition to the Project Director’s approval. A college may require additional authorized signatures. Employees who work on multiple projects under different Project Directors shall follow the approval policy for each project. Time cards for project directors, supervisors and higher level individuals may not be approved by a subordinate. For example, if a time card is submitted for a Project Director, the time card must be approved by the individual the Project Director reports to (i.e., Department Chair, Dean, Vice President, etc.).

Delivery to Foundation

Time cards must be delivered to the Foundation office by 5:00 p.m. on the time card due date listed on the Payroll Schedule (typically the pay period ending date) for the pay period when the work is performed. All time cards shall be time-stamped using the time-stamp machine at the Foundation office. Place the time-stamp on the face of the original copy and place in the secured payroll timecard box.

If you need additional assistance, call the Payroll Supervisor at 562-985-8487 or the Foundation Payroll Technician at 562-985-8486.

Exempt Employees

Salaried exempt employees are established on the payroll system by submitting an Employment Status Form to the Foundation Human Resources Department authorizing ongoing salary payments for a given period of time. All salaried exempt employees shall submit a Salaried Employee Effort & Absence Report each pay period regardless of whether or not vacation or OPA was used. Salaried Employee Effort & Absence Reports are due on the same day as the time cards. The Project Director, Manager or Supervisor of the exempt employee must approve the report. The original copy of the Effort Report shall be submitted along with the time cards directly to the Foundation’s Payroll Department.

University Exempt Employees Working for the Foundation (Faculty Overload)

University exempt employees who are also working for the Foundation must submit to the Foundation Human Resources Department the form titled CSULB Authorization for Additional
Employment by Exempt Employees as authorization to work. A Foundation Additional Employment Report must be submitted for each monthly pay period that the employee worked. The Report must be approved by the Project Director or Authorized Administrator and forwarded to Foundation Payroll.

**Direct Deposit**

Policy # 18-040.1

The Foundation has the capability of depositing employee paychecks through the banking industry's electronic transfer system. Direct deposit options are available: 1) deposit of net pay to one designated bank account and/or 2) deposit of a fixed dollar amount to a second bank account.

Direct deposit is initiated by submitting an authorization form and the proper bank account information to the Payroll Department. There is a waiting period of one payroll cycle to allow a pre-notification process by the receiving financial institution. The pre-notification process is required whenever changes are made to account information. During this waiting period the employee will receive a paycheck rather than a direct deposit. Direct deposit notices are mailed one day prior to payday. Visit the Foundation’s web site at [www.foundation.csulb.edu](http://www.foundation.csulb.edu) to download the form.

**Payroll Activity and Project Reporting**

Policy # 18-060.1

Payroll activity appears in numerous line items of the monthly project reports issued by the Foundation central office. The following is a description of payroll transactions by line-item type:

**Gross Wage Expense:**

The employee is classified under a line-item on the Employee Status Form. This line-item number shall also be indicated on the employee's time card in addition to the project account number. Wage expense can appear under any number of line-items such as Undergraduate Assistant, Project Director, Clerical, Faculty Associate, etc.

**Employer Taxes - Social Security, Medicare, Workers’ Compensation:**

The employer portion of FICA (Social Security and Medicare) taxes and Workers' Compensation contribution are expenses reported together as one amount under the line item titled "Employer Taxes". These amounts are calculated as a percentage of taxable wages and are subject to change.

**Pooled Benefits Expense:**

The Foundation administers an expense pool to fund benefits earned by certain classes of employees which are not readily allocable to specific projects. There are two benefit pool rates currently in effect depending upon whether or not the employee receives vacation and Other Paid Absence (OPA) benefits.

The pooled benefit expense rate for benefitted employees includes the cost of vacation and OPA accruals, administrative expenses incurred by the Section 125 employee benefit plan (commonly known as a "cafeteria plan"), retiree medical benefit expenses, and state unemployment insurance premiums. The pooled benefits rate for non-benefitted employees only covers the cost of state unemployment insurance premiums. The pooled benefits expense is calculated as a percentage of all gross wages paid excluding vacation and OPA wages.
The Pooled Benefits Expense rate is subject to review annually to ensure that the rate charged to projects covers the actual pool expense for the previous fiscal year. The goal in calculating the pool benefit rate is to keep the balance in the pool as close to zero as possible. The Pooled Benefits Expense rates are subject to approval by the U.S. Department of Health and Human Services.

**Health Insurance:**

The health insurance line-item amount consists of the following components charged at actual cost: employer provided health insurance; vision insurance; long-term disability insurance; dental care, life insurance, and accidental death or dismemberment. Call the Employee Benefits Coordinator at 562-985-7635 for more information on health insurance and related eligibility requirements.

**Pension:**

Eligible employees receive an employer paid pension benefit which is charged to the project at the rate of 10% of gross pay. Call the Employee Benefits Coordinator at 562-985-7635 for more information on pension and related eligibility requirements.

**When an Employee Works on More than One Project Simultaneously**  
*Policy # 18-100.1*

When an employee works on more than one project, all of the employer paid expenses described above are divided among the projects in proportion to the number of total hours worked on each project. For example, an employee who works 20 hours on Project A and 60 hours on Project B will have all the benefits divided as follows: 25% to Project A and 75% to Project B.
Appendix A

Time Card
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Appendix B

Salaried Employee Absence Report
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Appendix C

Social Security and Medicare Exemption Form
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Appendix D

Direct Deposit Authorization
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