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To: Presidents

From: June M. Cooper
Vice Chancellor
Human Resources and Operations

Subject: **PAYROLL ADMINISTRATION - DELEGATION OF AUTHORITY**

An important goal of the California State University (CSU) is to improve the efficiency of payroll administration and provide campus staff maximum payroll processing flexibility within legal constraints. A systemwide Payroll Review Committee was established in September 1993 to review the CSU Personnel Information Management Systems (PIMS) Manual and the State Controller's Office (SCO) Payroll Procedures Manual (PPM), to recommend revision and/or elimination of procedures deemed unnecessarily complicated or no longer required. Phase I of this project consisted of a thorough review of the CSU PIMS Manual, and the Committee is nearing closure on this portion of the project. As a result, the first in a series of recommendations have been proposed for change. In response to these recommendations, the Office of the Chancellor has approved delegation of the payroll processing functions detailed in Attachment A. In some cases, policy requirements will be completely eliminated; in other cases, procedural requirements will be amended. As a result, campuses will be afforded greater payroll processing flexibility. Additional payroll improvements resulting from the Committee's recommendations will be announced as soon as implementation is feasible.

Human Resources and HR-PIMS staff are currently working with the SCO to ensure that the delegation is accomplished smoothly. Corresponding administrative and technical updates (e.g. CSU PIMS Manual updates and SCO Payroll Letters, as appropriate) will be forwarded to the campuses prior to January 1, 1995.

Payroll Review Committee members are to be commended for the work accomplished thus far. The Committee has provided an excellent forum for the campuses, the SCO and the Chancellor's Office to work together to improve payroll processing efficiency. Please contact Theresa Hines by calling (310) 985-2674 if you have any questions or need additional information.

Attachment

Distribution:

Vice Presidents, Administration	w/o attachment
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Attachment A
HR 94-30

- **CAMPUS KEYING OF RED CIRCLE RATE APPOINTMENTS**
Effective January 1, 1995, campuses will be allowed to direct key red circle salaries for employees assigned to a red circle salary rate. In conjunction with the SCO, campus payroll offices will be responsible for monitoring red circle rates in relationship to MSA and GSI eligibility and the effect on probationary status, if applicable.

- **CAMPUS KEYING OF CERTAIN CONFIDENTIAL APPOINTMENTS**
Effective January 1, 1995, campuses will be allowed to direct key confidential appointments that meet certain conditions. Specifically, employees with a plus salary whose "Based-On Salary" is at the maximum (Anniversary Date Item 330 is equal to "MAX") for a given class code and range will be open to campus keying.

Due to a current system audit, decentralized campus keying cannot be immediately accomplished for employees who have a plus salary if Item 330 contains either a date or "NONE" in that field. Consequently, CSU-Audits in the SCO must continue to process confidential appointments of this nature. Note, however, that this system change will be addressed in the future.

- **CAMPUS PROCESSING OF TEMPORARY APPOINTMENTS IN EXCESS OF ONE YEAR**
Effective immediately, campuses are no longer required to forward documents to CSU Audits for processing where the duration of appointment is in excess of one year.

- **CAMPUS KEYING OF STUDENT ASSISTANTS HIRED INTO EMPLOYEE POSITIONS**
Effective January 1, 1995, campuses will be able to process the appointments of student assistants hired into employee positions. Further, the SCO will no longer delete student assistant positions from the database which will allow campuses to view student assistant positions on the State Controller's Position Number (PSN) screens.

- **SETTLEMENT CALCULATIONS FOR AY, 10/12 AND 11/12 EMPLOYEES**
Current PIMS Manual instructions require that the settlement pay calculation be provided in the "Remarks" section in line "G" of the Personnel/Payroll Transaction (PPT) document for academic year, 10/12 and 11/12 settlements. Effective immediately, this requirement is eliminated, and CSU Audits will not reject documents solely on this basis. It should be noted, however, that in cases where the SCO believes that the settlement pay amount may be incorrect, CSU Audits may request a copy of the calculation for verification purposes.

- **PAYMENT OF LUMP SUM VACATION TO NON-REPRESENTED EMPLOYEES UPON SEPARATION**
Effective immediately, upon employee request, non-represented employees are entitled to a lump sum payment upon separation from service, for any unused accumulated vacation. Vacation payments should be computed by projecting the accumulated time on a calendar basis so that the lump sum amount will equal the amount which the employee would have been paid had he/she taken the time off, but not separated from service. This policy change also eliminates prior restrictions on the employee's return to CSU employment. (Non-represented employees include Management Personnel Plan (MPP), Executive Management, Confidential Designated, and other classifications excluded from collective bargaining agreements as identified in the CSU Salary Schedule.)