New Hire of and Payment to Academic Staff:
Policy and Procedures

Policy

I. Purpose

To establish the procedures whereby newly hired academic staff members are paid from the Penn Payroll/Personnel System. Academic staff members occupy positions that are considered exempt from (not subject to) the provisions of the Fair Labor Standards Act (FLSA). Academic staff include: standing faculty, clinician-educators, adjunct faculty, visiting faculty, instructors, lecturers, research faculty, research associates, graduate and professional students (e.g. teaching assistants and research assistants), and postdoctoral appointees.

II. Statement of Policy

A. The Provost is responsible for all matters related to academic staff compensation and is the only University official authorized to approve academic staff compensation payments [Handbook for Faculty and Academic Administrators, Section I.C.3.]. The responsibility for determining the amount of annual compensation normally is delegated to the dean or director of the academic unit.

B. Academic base salary for standing faculty (Professor, Associate Professor, Assistant Professor) is paid over the term of their appointment, which depends on the teaching cycle for the program in which they are appointed. Standing faculty holding nine month appointments may elect to be paid their academic base salary in twelve equal monthly payments. [Office of VP of Finance Payroll Policy 2401].

C. Academic base salary for clinician-educators, and other individuals in twelve-month programs, normally is earned and paid over the fiscal year in twelve equal monthly payments [Policy 2401]. Compensation for adjunct faculty is earned and paid over the contractual period for which they are working.
D. For standing faculty, holding nine-month appointments, extra compensation for services performed during summer months is earned and paid monthly at a rate which cannot be greater than one-ninth of the annual academic base salary [Handbook for Faculty and Academic Administrators, Section II.E.5.b. (2)].

D.1. The normal pattern is two-ninths additional salary for two months’ work and one month’s vacation. In some cases, if the granting agency approves and the faculty member takes no vacation, three-ninths salary may be paid. But in no case will payments exceed one-third of the base academic salary.

D.2. For faculty holding administrative appointments, the annual administrative stipend is earned and paid in equal monthly payments over the period of the appointment. [Handbook for Faculty and Academic Administrators, Section II.E.5.a., and Policy 2401] Policy governing extra compensation for academic staff is detailed in The Handbook for Faculty and Academic Administrators [section II.E.5].

D.3. The handbook is updated by the Provost’s Office. See website: http://www.upenn.edu/assoc-provost/handbook/.

E. For associate faculty and academic support staff, salary is earned and paid monthly, consistent with the term of appointment and/or services provided, and generally as follows[Policy 2401]:

E.1. Academic base salary for academic staff involved in research, twelve-month programs, or clinical services normally is earned and paid over the fiscal year in twelve equal monthly payments [Policy 2401].

E.2. Academic base salary for academic staff involved in teaching normally is earned and paid over the academic year, September through May, in nine equal monthly payments [Policy 2401].

F. Graduate and professional students, Instructors, and Lecturers holding academic staff appointments, earn compensation and are paid monthly, consistent with the term of their appointment and/or the services provided. Generally, graduate and professional students, Instructors, and Lecturers are paid over the academic year, September through May, in nine equal monthly payments [Policy 2401].

G. Postdoctoral appointees earn compensation and are paid monthly, consistent with the term of their appointment and/or outside stipend support. Generally, they are paid over the fiscal year in twelve equal monthly payments [Policy 2401].

H. Paid emeritus faculty earn compensation and are paid monthly, in accordance with policy statements nos. B and C, above [Policy 2401].
III. Responsibilities:

A. The Department Chair and the department’s academic search committee are responsible for reviewing the application, conducting interviews, and selection of the preferred candidate for an open position.

B. The Provost’s Office and the Academic Committee have the responsibility for approving the appointment of any faculty member. Faculty members are defined as standing faculty, research faculty, or faculty-clinician-educators who hold the rank of professor, associate professor, or assistant professor. Schools and centers are notified of the acceptance of faculty appointments by receiving a copy of the minutes of the Provost’s Staff Conference (PSC) confirming the faculty appointment.

B.1. The Provost’s Office and the Academic Committee also have the responsibility for approving appointments of Lecturers, Instructors, Research Investigators, and Research Associates with appointment terms greater than 3 years. The Provost must approve appointments after the initial three-year period [Handbook for Faculty and Academic Administrators, Section II.B.4].

B.2. The Provost’s Office has the responsibility for reporting all new tenure or tenure-track appointments to the Board of Trustees.

C. The Department Chair or Director has the responsibility for approving the appointment of other academicians, such as post-doctoral appointees, graduate and professional students.

C.1. The Department Chair or Director also has the responsibility for approving the appointments of Lecturers, Instructors and Research Associates if their appointments are for no more than three years. The Provost must approve appointments after the initial three-year period [Handbook for Faculty and Academic Administrators, Section II.B.4].

D. The Office of Affirmative Action and Equal Opportunity Programs is responsible for oversight and coordination of the University’s implementation of the affirmative action program. Each school and center has established an affirmative action compliance officer to perform this function. [Refer to The Handbook for Faculty and Academic Administrators, section I.J.].

E. The Office of Comptroller is responsible for ensuring that salary or wage payments are made to an employee in accordance with existing human resource policies as established by the Provost, for academic staff.

F. The Office for International Programs (OIP) is responsible for assisting foreign nationals in obtaining and completing the paperwork needed to obtain the appropriate visa for their work status at the University of Pennsylvania. Information about visa requirements can be obtained from the OIP.
G. The Department Chair or Director is responsible for monitoring the activities of the faculty member to ensure he/she is meeting the conditions of employment, and notifying the dean of the school or college and the department business manager if any change is made in the status of the faculty member. Refer to the Handbook for Faculty and Academic Administrators for information on faculty promotions, resignations, retirement, and other status changes.

H. The Department Business Administrator is responsible for completing, compiling and routing to the appropriate central departments (Human Resources Records Office and/or the Corporate Tax Department for non-resident aliens) the minimum staff record package in order to process a newly hired academic staff on the Penn Payroll/Personnel System.

H.1. The Department Business Administrator is responsible for ensuring that all of his/her school or center specific hiring requirements have been met.

H.2. The Department Business Administrator is responsible for creating a record for the new employee on the Penn Payroll/Personnel system in accordance with the instructions in the Payroll/Personnel Procedures Manual.

H.3. The Department Business Administrator is responsible for ensuring the new employee accurately completes the required paperwork in accordance with the instructions in the Payroll/Personnel Procedures Manual, Section *How To Create a Database Record*.

H.4. The Department Business Administrator is responsible for knowing who is being hired and their status as visa-bearing or legal resident citizen eligible under U.S. Immigration Law to acquire a paid position at Penn. The department must inform the foreign national that employment is contingent on obtaining and continuing to maintain their valid immigration status.

H.4.1. The Department Business Administrator is responsible for ensuring that all new hires in their department without social security numbers obtain a permanent social security number from the Social Security Administration.

H.4.2. The Department Business Administrator is responsible for requesting a temporary social security number from the Human Resources Records Office for all foreign nationals hired who do not already have a permanent social security number.

H.4.3. The Department Business Administrator is responsible for obtaining a copy of the employee’s social security card and sending a copy to the Human Resources Records Office, to the Corporate Tax Department (for foreign nationals), and to the Registrar’s Office (for students) so the employee’s records can be updated.
H.4.4. The employee’s home department will be responsible for any fines or penalties assessed the University as a result of an employee’s record not having been updated in a timely manner for a correct permanent social security number.

H.4.5. The Department Business Administrator is responsible for updating the system for changes in faculty status (as instructed in the PSC minutes) or compensation.

H.4.6. The Department Business Administrator is responsible for updating the Penn Payroll/Personnel System for changes in employee status or life events (e.g., marital status, home address, home phone number, etc.) for all employees within the department.

H.5. The Department Business Administrator is responsible for maintaining accurate records of accruals and usage of all paid time off and all unpaid time off, for each employee.

I. The School Senior Business Officer is responsible for reviewing action notifications produced by the Penn Payroll/Personnel System to ensure changes made to the system are appropriate and accurate. The School Senior Business Officer is responsible for contacting the Human Resources Office to obtain access to the action notifications for their school or center.

J. The Clinical Practices of the University of Pennsylvania Benefits Office is responsible for monitoring withholding amounts based on the total compensation for individuals with appointments to the CPUP system and the Penn Payroll/Personnel System to ensure that maximum amounts will not be exceeded for withholding for social security and retirement contributions.

J.1. The CPUP Payroll Office is also responsible for calculating the taxable amount for insurance coverage over the tax free limit prescribed by the Internal Revenue Code.

K. The Human Resources Records Office is responsible for reviewing the paperwork the department submits for new employees, who are United States citizens, to ensure it is complete and accurate and that it has properly been input into the Penn Payroll/Personnel System (the Corporate Tax Department reviews the paperwork of non-U.S. citizens). The Human Resources Records Office is responsible for notifying the Payroll Department to activate the employee record by sending the Payroll Department the employee’s signed W-4.

K.1. The Human Resources Records Office is responsible for creating monthly reports of temporary social security numbers by date of issuance, and distributing such reports to Department Business Administrators in order for the Departmental Business Administrator to ensure that a permanent social security number will be obtained from the employee and the Penn Payroll/Personnel System updated to reflect the correct social security number.
K.2. The Human Resources Records Office is responsible for performing a key change with the permanent social security number provided by the Department Business Administrator in the employee’s home department.

L. The University’s Corporate Tax Department is responsible for verifying that foreign nationals have completed the required paperwork, ensuring compliance with federal tax laws, and for maintaining and updating a database with foreign national information for preparation of annual reports of earnings to the Federal government.

L.1. The Corporate Tax Department is responsible for forwarding non-resident alien’s paperwork to the Payroll Department.

M. The Payroll Department is responsible for activating and maintaining the database used to pay employees, and timely preparation of paychecks and required reports.

N. The Penn Benefits Center is responsible for informing new employees of their benefit options and notifying the Payroll Department of withholding amounts.

O. The employee is responsible for fulfilling the obligations to the University of Pennsylvania to maintain their employment status.

O.1. Foreign nationals are responsible for maintaining a valid immigration status (with continual authorization for employment) throughout the duration of their appointment at the University. Foreign nationals must notify the Department Business Administrator of any changes in their visa status.

O.2. Foreign nationals are responsible for completing a new Form 8233 annually, if applicable.

O.3. Foreign nationals are responsible for obtaining a permanent social security number and submitting a copy of their social security card to the Department Business Administrator.

IV. Procedures:

A. For faculty (those with the title of Professor, Associate Professor, Assistant Professor), the Department Chair or their delegated representative notifies the Provost’s Office that there is a position to be filled and the department wishes to proceed with filling the position. Normally a search committee is established within the department to perform the review process and recommend a candidate to the chairperson. The school or center also may have a review performed by the unit’s personnel committee. For other academic positions as defined in III, C above (e.g. graduate students, postdoctoral fellows, lecturers, and researchers) the procedure is the same, except that the Provost’s Office does not need to get involved.
Applications are received by the department and reviewed by the chair or search committee. Finalists for the position are selected and candidates invited to campus for interviews.

A.1. **Before an offer is made, the affirmative action paperwork must be completed** by the chair, search committee, or department hiring officer and sent to the Affirmative Action Compliance Officer for approval. The Dean or Director must also sign off on the faculty affirmative action form. (See your unit’s Affirmative Action Compliance Officer for additional guidance.)

A.2. Once the Affirmative Action Compliance Officer has approved the candidate’s affirmative action form and notified the department, the selection is presented to the Dean or Director for approval. After approval by the Dean or Director, an offer letter for the candidate is prepared and sent to the Provost’s Office and the candidate. Each school or center may develop a standardized offer letter to be sent to candidates.

B. The **Provost’s Office** conducts an independent review of the candidate’s credentials and references. The Provost’s Staff Conference (PSC) reviews the results of the review and makes recommendations. Schools and centers receive copies of the PSC minutes confirming the faculty appointment. The PSC minutes serve as notification to the department that a faculty staff appointment has been approved by the Provost’s Office and Staff Conference.

C. After receipt of the accepted offer letter from the candidate (and approval in the PSC minutes and reported to the Board of Trustees for faculty), the Department Business Administrator enters the employee information into the Penn Payroll/Personnel System and accumulates the minimum documentation to forward to central departments. The Department Business Administrator enters the employee information into the Penn Payroll/Personnel System in accordance with instructions provided in the Payroll/Personnel Procedures Manual.

C.1. **The Department Business Administrator meets with the new employee to complete the required forms** (see C.4. for U.S. citizen forms and C.5. for non-U.S. citizen forms) in order to generate the “Minimum Record” in the on-line Penn Payroll/Personnel System. The Minimum Record is typically the Offer Letter, I-9 and W-4.

C.1.1. The Department Business Administrator must ensure that the W-4 form reflects the correct address of the employee. The permanent address or domicile address should be entered rather than the home department.

C.2. **The Department Business Administrator enters the new employee into the on-line Penn Payroll/Personnel System** in accordance with the instructions provided in the Payroll/Personnel
Procedures Manual. If any required fields have been omitted, the system will prompt for the missing fields.

C.3. The employee must have one or more active appointments (jobs). The Begin and End dates on the appointment must include the pay date.

C.3.1. The employee must have one or more active payroll distributions on the 004 screen in order to be paid. The Start and Stop dates are required fields on the Distribution Line, and must be within the appointment period. If the Distribution Start and Stop dates do not include the payroll period end date, the employee will not be paid in a timely manner. When entering distribution information, keep only current fiscal year information on the 004 Distribution Screen.

C.4. **For U.S. citizens, the minimum documentation** that the Department Business Administrator must collect from the new academic staff hire to support an appointment is:

- accepted offer letter,
- completed W-4;, and
- completed (and signed by the Department Business Administrator) I-9 form.

C.4.1. Once the Department Business Administrator has entered the U.S. citizen employee information into the Penn Payroll/Personnel System, the Department Business Administrator forwards a copy of the minimum documentation to the Human Resources Records Office.

C.4.2. If an error has occurred in entering the employee’s social security number and the employee’s record has been saved, the Department Business Administrator must contact the Human Resources Records Office to correct the social security number for the employee. **In no event should the Department Business Administrator establish a new record for the employee with an erroneous social security number.**

C.5. **For non-U.S. citizens, the minimum documentation** that the Department Business Administrator must collect from the new academic staff hire, to support an appointment is:

- copy of the social security card or receipt for the application for a social security number (effective January 1, 2001, no treaty benefits will be applied unless the non-resident alien has submitted a valid social security number or individual taxpayer identification number),
- copy of I-94 and visa information from the passport,
• copy of I-20 or IAP-66,
• Form W-8BEN (for educational fellowships),
• Foreign National Information Form (FNIF), and
• Graduate Student and Post Doctoral Appointment Information Form, as applicable.

The required forms may be obtained from the Corporate Tax Office.

C.5.1. The Department Business Administrator should refer to the Office of International Programs’ Guidelines for Hiring International Scholars: Faculty, Researchers, Staff and Students.

C.5.2. If the non-U.S. citizen does not have the appropriate visa for his/her position, the Department Business Administrator must send the individual to the Office of International Programs to complete the visa application.

C.5.3. If the non-U.S. citizen does not have a social security number, the Department Business Administrator must send the individual to the Social Security Administration Office at 3901 Market Street to apply for a permanent social security number.

C.5.4. Once the Department Business Administrator has entered the non-U.S. citizen employee information into the Penn Payroll/Personnel System, the Department Business Administrator sends the non-U.S. citizen new hire, with a copy of the minimum documentation, to the Corporate Tax Department.

C.5.5. **A new hire cannot be entered into the Penn Payroll/Personnel System without a social security number.** If the non-U.S. citizen does not have a social security number, the Department Business Administrator must call the Human Resources Records Office to obtain a temporary University identification number.

C.5.6. **The Department Business Administrator is responsible for ensuring that the non-U.S. citizen new hire has obtained a valid social security number.** Within sixty days of hire for a foreign national, the Department Business Administrator must forward copies of the social security card to the Corporate Tax Department, the Human Resources Records Office, and when applicable, the Registrar’s Office with a memo requesting that they update the employee’s record. The department is responsible for payment of any fines assessed by the federal government for incorrect social security numbers.

C.5.6.1. In the event that the Department Business Administrator becomes aware of an error in an
employee’s social security number entered in the Penn Payroll/Personnel System, the Department Business Administrator must notify the Human Resources Records Office in writing to correct the social security number for the employee.

C.5.6.2. **In no event should the Department Business Administrator attempt to correct an employee record for an erroneous social security number by creating a new record.** The Department Business Administrator is to contact Human Resources Records Office who will then correct the employee payroll record. The Department Business Administrator is also responsible for notifying the Human Resources Record Office, the Corporate Tax Department, and when applicable, the Registrar’s Office when employees obtain their permanent social security number.

C.5.6.3. The department is responsible for payment of any fines or penalties assessed against the University for erroneous social security numbers.

D. The Department Business Administrator must also send the required paperwork for non-U.S. citizens to the Corporate Tax Department. If treaty benefits apply, the individual should go to the Corporate Tax Department to complete Form 8233.

D.1. The Corporate Tax Department reviews data for the employee in the Penn Payroll/Personnel System to ensure that the appropriate job class and earnings type codes have been input.

D.2. The Corporate Tax Department reviews the minimum documentation for completeness and accuracy with the new hire and enters the employee data in their database for reporting to the federal government.

D.3. **The Corporate Tax Department forwards the originals of all minimum documentation to the Payroll Department.**

D.3.1. Upon receipt of the W-4 from the Corporate Tax Department, the Payroll Department activates the non-U.S. citizen new hire’s payroll record and then forwards the minimum documents to the Human Resources Records Office.

E. The **Human Resources Records Office reviews the employee paperwork** of U. S. citizens for completeness and accuracy with the data input by the Department Business Administrators into the Penn Payroll/Personnel System.

E.1. An employee file is prepared and the paperwork filed.
E.2. For U.S. citizens, the W-4 is sent to the Payroll Department in order that Payroll may activate the new employee’s payroll record.

E.3. Each month, the Human Resources Records Office produces a report of employees with temporary social security numbers, by date of issuance, and contacts the Department Business Administrators to obtain the correct permanent social security number for each employee.

F. The Payroll Department activates the individual’s record after receiving the W-4 from the Human Resources Records Office or Corporate Tax Department. A new hire becomes an employee of the University when the minimum record requirement is met and the minimum record flag is turned to “OK” by the Payroll Department.

F.1. The monthly pay cycle runs from the first of the month through the last day of the month. Monthly employees are paid based on the ratio of the number of days worked in the month as calculated by the payroll system based on the start date input into the database by the Department Business Administrator.

F.2. Academic staff employees receive a predetermined salary amount and are paid automatically. No further action is required once the employee has been activated on the Penn Payroll/Personnel system for the employee to be paid, provided the end dates are extended through the end of the fiscal year.

G. The Department Business Administrator is responsible for ensuring that new hire data is properly input into the Penn Payroll/Personnel System and that the minimum documentation has been submitted to Records and the Corporate Tax Department on a timely basis in order for the Payroll Department to activate the new hire by the payroll deadline and to have issuance of a paycheck in the current month. Payroll deadline schedules are on the Payroll website: http://www.finance.upenn.edu/comptroller/accounting/closingsch/payroll/.

G.1. New hires whose paperwork has not been submitted by the payroll deadline will receive a consolidated payment during the next payroll processing period. If the new hire date is after the Payroll Department’s cutoff, or if the paperwork is received after the cutoff date, the new hire will be paid as part of the next regular monthly payroll cycle. The Department Business Administrator is responsible for updating the payroll system for late pay information.

G.2. The Department Business Administrator is responsible for reviewing payroll charges to the department’s accounts to ensure that personnel are paid correctly for work performed and that the distribution reflects their activities. The Department Business Administrator is also responsible for ensuring that employee paychecks and advices (for employees authorizing direct deposit of their net pay into their bank account) are secure and distributed only to authorized individuals. If checks are not picked up in a timely manner (within one month of issuance), the Department Business
Administrator is responsible for their safe return to the Payroll Department.

G.3. **Late pay, pay reductions, and reviewing pay transactions** for monthly employees are performed in accordance with the procedures detailed in the Payroll/Personnel Procedures Manual.

G.4. Payroll adjustments for **overpayments** are initiated by the Department Business Administrator in accordance with the Overpayments Procedure and the Overpayment Policy No. 2410.

G.4.1. The Department Business Administrator must send a memo or email to the Payroll Department stating: the name, social security number, approximate gross amount and time period involving the employee in question. The Department Business Administrator is to instruct the employee not to spend the money and ensure that the money is returned in one lump sum immediately. The employee should write a check to “Trustees of the University of Pennsylvania” for the stated amount. The Department Business Administrator must send the check to the Payroll Department. Payroll processes the payroll correction and sends the repayment check to the Cashiers Office for deposit into the appropriate account.

G.5. Payroll adjustments for **additional pay** are initiated by the Department Business Administrator in accordance with the Additional Pay Procedure and the Earned Compensation Policy No. 2404.

The forms may be obtained at: [http://www.finance.upenn.edu/comptroller/Forms](http://www.finance.upenn.edu/comptroller/Forms).

G.5.1. The Department Business Administrator is responsible for ensuring that the form is properly completed with all required signatures and submitted to the Payroll Department in time to effect the current pay cycle, in accordance with the deadline schedule on the Payroll Department web site: [http://www.finance.upenn.edu/comptroller/accounting/closingsch/payroll/](http://www.finance.upenn.edu/comptroller/accounting/closingsch/payroll/)

G.6. **Retroactive pay adjustments** are initiated by the Department Business Administrator in accordance with the procedures detailed in the Payroll/Personnel Procedures Manual, and the Retroactive Pay Policy No. 2409.

Retroactive payments are typically calculated as the difference between the prior salary and the new salary and for individuals with more than one funding source during the period, the adjustment amount should be prorated between the funding sources. The earnings type RET [RET = retroactive pay] should be used for classifying these payments. The Department Business Administrator should verify that the amount paid in the prior period plus the adjustment amount being processed in the current period equal the employees new pay rate.
G.7. The Department Business Administrator is responsible for maintaining records of unpaid time off for all employees.

H. The **Senior Business Officer** of Schools or Centers will review at least monthly the Action Notification Report to ensure that only authorized transactions have been entered into the Penn Payroll/Personnel System. The minimum criteria to select transactions for review are as follows:

1. New hires,
2. Changes to salary amounts,
3. Paid leaves, and
4. Job reclassifications and promotions.

Other criteria may be selected for review, as the Senior Business Officer deems appropriate.

I. The processing of employee benefit elections is performed jointly by the Human Resources Benefits Office and the University’s designated outside vendors.

I.1. Weekly, the University provides an electronic file of new hires to the outside vendor. The outside vendor is responsible for contacting the eligible employee and sending the booklet with the benefit options. After the new eligible employee selects his/her benefit options, the outside vendor records the new employee elections (excluding retirement plan elections), sends a confirmation of elections to the employee, and provides the University with a file documenting the elections. The file is used to determine the amounts withheld from the employee’s paycheck for the elections made.

I.2. The eligible employee notifies Penn Benefits Center of their selection for retirement plan options. The eligible employee may also meet with a Benefits Specialist or designated outside vendor to review the retirement options available and document the elected withholding amount.

I.3. The Penn Benefits Center updates the Penn Payroll/Personnel System for deduction codes and amounts elected by the employee so proper deductions from the employee’s gross pay will be made.

V. **Related References:**


D. Handbook for Faculty and Academic Administrators.
E. Clinical Practices of University of Pennsylvania policies and procedures, obtained from Clinical Practices of the University of Pennsylvania Benefits Office.

F. OIP

G. Comptroller’s Guide to Graduate Student and Post-Doctoral Appointments