Sign-On Supplement Procedure

Section Department AO:

To process a sign-on supplement for a future employee who is not setup in the Payroll system, the Department AO will need to complete a Check Request and a Payment Correction Request (PCR).

The amount stated in the new employee’s offer letter is the goal amount. Determine whether the goal amount is before taxes or after taxes.

To complete the Check Request:
- If the amount stated in the offer letter is before taxes, you will need to subtract FICA @ 7.65% and FWT @ 25% to determine the amount to enter on the check request. For example, if the amount agreed upon is $10,000 the check request would have the amount of $6,735.00. This is the $10,000 less $3,265 (FICA @ 7.65% and FWT @ 25%).
- If amount stated in the offer letter is to be after taxes (or grossed up), use the following formula to determine the grossed up amount to be entered on the check request:
  - $\frac{\text{Gross up amount}}{100\% - (25\% + 7.65\%)}$  
  - E.g. Gross up $1,000: $\frac{1000}{67.35\%} = 1484.78$
- ON THE CHECK REQUEST ONLY - use the Dept of Finance’s account 14130 and cost center 108-004-3002.

To complete the Payment Correction Request (PCR):
- Complete the PCR with the usual required information.
  - Use the cost center number the new employee’s salary is to be charged to
  - Enter in the goal amount (either the before or after tax amount)

The original Check Request, PCR, and a copy the offer letter must be sent together to Section Admin AO for signature approval.

Section Admin AO:
After Section approval, the packet is then sent to VUMC Finance at Crystal Terrace (can be dropped off at MCN Payroll window). Once received by VUMC Finance, the entire packet will be delivered to Cecilia Moore for her approval on behalf of the School of Medicine. Once approved, VUMC Finance will forward the packet to VUMC Disbursements for check processing.

VUMC Disbursements:
After the check is processed, VUMC Disbursements will send a copy of the Demand Check to HR processing and disburse the original check as requested by the department.

As soon as HR enters the designee into the Payroll system, the PCR (with copies) will be forwarded to HR management and processed on the first paycheck the employee receives.