The University template allows you to set the background to three different areas of the template. The top, bottom and entire background. So you can see from the below examples what is possible with these options. Scroll down a bit more and you'll see a screenshot of the admin area and where you would add the image URLs for your backgrounds. You simply upload the images to a folder somewhere on your server and then enter a URL in the template parameters area (extensions > template manager > select fusion and click edit) pointing to where you uploaded your images:

Here is screenshot of the template parameters area of where you'll need to enter the background image URLs:

