

Payroll Certification on Federally Sponsored Projects

Office of Sponsored Programs

Why Monitor Effort/Salary?

- Salary and wages account for approximately 60% of all sponsored expenditures
- Certification of salary and wages on federal awards is required by the federal government
- Key area of focus by auditors to verify what was proposed was actually done

Effort Reporting: Why Change?

- Effort incurred across multiple activities is difficult to measure
- Effort reports provide limited controls
- Administration is inefficient and costly

Federal Demonstration Partnership

- Federal Demonstration Partnership (FDP) began in 1986 and is a cooperative initiative among 10 federal agencies and 119 research institutions
- George Mason University became an FDP member in 2008
- FDP is focused on reducing the administrative burdens associated with research

Payroll Certification: What is it?

- Payroll Certification is an alternative to Effort Reporting that uses a project based methodology and utilizes the concept that “charges are reasonable in relation to work performed”

Payroll Certification: Benefits

- Concept is straightforward and easy to understand by faculty and administrators
- Certification timeframe is consistent with project period and annual technical reporting
- Smaller group of certifiers allows for more effective outreach and training
- More time to focus on key internal controls
- Reduced administrative burden

Payroll Certification: Approval

- GMU received approval from the FDP and the Office of Naval Research (ONR) effective January 1, 2011 to pilot Payroll Certification
- GMU is the first school to receive approval for Payroll Certification
- All awards transitioned by January 1, 2012

Payroll Certification vs. Effort Reporting

Description	Effort Reporting	Payroll Certification
System Focus	Individuals	Project (Grant or Contract)
Timeframe for Distribution	Consistent points in time	End of Project Budget Year
Certification Frequency	Three Times per Year	Annually
Types of Funding	All Sponsored Funds	Federal Funds
Annual # of Reports	2700	700
Approvers	Individuals charged to projects	Principal Investigator
System Rationale	Effort reasonable based on overall institutional effort	Salary and wage amounts reasonable based on work performed
Committed Cost Sharing	Shown as percentage of overall institutional effort	Shown as amount reasonable based on work performed

Payroll Certification Report Sample

SPONSORED PROJECT PAYROLL EXPENSE REPORT

Grant Code: 201
 Project Title: NIH/
 Principal Investigator: ,
 Project Start Date: 06/01/20 Project End Date: 11/30/20
 Reporting Start Date: 12/01/20 Reporting End Date: 01/31/20

Name	Job Title	Fund	Pct	Amount
,	FAC FT 12-month Research	201	3%	2,721.71
,	FAC FT 12-month Research	201	5%	5,931.86
,	FAC FT 12 month Instructional	201	4%	13,414.87
,	FAC FT 12 month Instructional	201	4%	2,861.21
,	FAC FT 12-month Research	201	14%	9,125.26
,	FAC FT 12 month Instructional	201	2%	4,632.02
,	Classified PT Exempt	201	22%	13,520.00
,	FAC FT 12-month Research	201	5%	5,244.72
Total				\$57,451.65

I certify that salaries and wages associated with this project are reasonable in relation to work performed.

Principal Investigator Signature _____ Date _____

Additional signatures:

Certification responsibility: _____

Signature _____ Printed name _____ Date _____

Certification responsibility: _____

Signature _____ Printed name _____ Date _____



Payroll Certification Process

- OSP generates reports 60 days after the last day of the month for the anniversary date or project end date, whichever is sooner
- Reports will be distributed to payroll certification liaison
- Payroll certification liaison works with PIs to obtain approval

Payroll Certification Process (Cont.)

- Payroll certification liaison returns reports to OSP within 45 days of distribution
- Reports not received within 45 days sent to Dean for follow-up and completion within 2 weeks
- Any reports not certified within 60 days will result in salary charges moved to a non-sponsored source of funding

Monitoring Effort/Salary

- Include some level of PI effort on all projects
- Request sponsor approval if PI is absent for more than 3 months or 25% reduction in PI time
- Avoid charging faculty 100% to sponsored funds if they have other responsibilities
- Process funding change forms in a timely manner

Monitoring Effort/Salary (Cont.)

- Include complete explanations and necessary approval signatures
- Track committed cost share with activity code
- Complete payroll certifications timely
- Avoid funding adjustments after project period previously certified
- Review project expenses regularly and process timely corrections if needed

Questions?

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