

**Initiative to Reduce Administrative Burdens
Payroll Certification Committee (PAYCERT)
Notes from January 2004 Meeting**

Federal Agency Participants:

Jean Augustine, DHHS Office of Audit Resolution and Cost Policy (ARCP)
Bob Klein, DHHS Division of Cost Allocation – Higher Education Specialist (DCA)
Joe Ellis, NIH Office of Policy for Extramural Research Administration (OPERA)

Opening Comments from Jean Augustine:

- ARCP is responsible for reviewing time and effort systems for DHHS schools.
- They work with OMB and other DHHS units on the subject of effort reporting.
- The office is currently understaffed, therefore resources to dedicate to PAYCERT are very limited. ARCP expects to hire new staff by the spring
- ARCP would prefer that PAYCERT identify effort reporting “problems” in A-21 and A-133.

Comments from University representatives at the session:

- PAYCERT would like to partner with the federal granting agencies to adopt a more streamlined approach to payroll certification, and then present it to OMB.
- PAYCERT needs a designated federal co-chair to work with the committee on a pro-active basis.
Jean Augustine was invited to be a co-chair.
- Schools feel vulnerable in current environment and we are looking for guidance from the granting agencies
Is there something better we could develop?
Can we factor in scientific productivity?
Payroll certification process has an inherent “grayness”.

DHHS OIG Review of A-133 Workpapers:

- Jean expects the OIG to review the audit firms workpapers and to issue a report in Spring 2004.
OIG is questioning whether the A-133 Compliance Supplement guidance for payroll distribution is adequate?
Does A-133 provide sufficient coverage on payroll distribution?
Are the CPA firms adequately auditing this area? Can the fed’s rely on the audit reports?
- OIG does not perceive the Northwestern University case to be an isolated issue (is this similar to the Stanford issue in the early 90’s).

White Papers:

- Jean and Bob Klein are willing to review PAYCERT whitepaper (April 2003) and the FDP III Demonstration project proposal. This data will be forwarded to them subsequent to the meeting.

Subsequent Meetings:

- With the expected addition of staff resources, Jean will be available in March/April to discuss next steps and comment on White Papers.
- Bob remarked that Phil Simard, National Director of DCA, would also be available to participate and comment on these issues.

Dartmouth University – Compensation Business Practice:

- Nancy Wray, Office of Sponsored Projects
- Described their revised faculty payroll certification process
Reviewed by ARCP and DCA prior to implementation
Labor distribution report is reconciled monthly to the Dartmouth financial statement.
At least annually, the PI will review and verify the salary costs charged to his/her sponsored accounts.
At least annually, the faculty member will review their total salary distribution and verify that it is reasonable in relation to the work performed

Submitted by PAYCERT co-chairs, Joe Gindhart – Washington University (jgindhart@wustl.edu) and Maureen Joyce – Northeastern University (m.joyce@neu.edu).