

Payroll Certification on Federally Sponsored Projects

FDP Update

September 15, 2011

George Mason University Pilot



Where Innovation Is Tradition

George Mason University

- Public University located in Fairfax, VA
- Established in 1972
- Over 32,500 students on 4 campuses
- Sponsored Expenditures FY11: \$92M
- Sponsored Awards FY11: \$129M
- Joined FDP in 2008



Where Innovation Is Tradition

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”



Where Innovation Is Tradition

Effort Reporting: Why Change?

- Effort incurred across multiple activities is difficult to measure
- Effort reports provide limited controls
- Administration is inefficient and costly
- Need for improved process for growing research portfolio (expenditures up 50% from FY07 to FY10)

Payroll Certification: Approval

- Mason received approval from the FDP and the Office of Naval Research (ONR) effective January 1, 2011 to pilot Payroll Certification
- George Mason was the first school to receive approval for Payroll Certification
- There are three other pilot schools (UC Irvine, UC Riverside, Michigan Tech)



Where Innovation Is Tradition

Pilot Proposal Conditions

- All awards transitioned by January 1, 2012
- Update policies/procedures, revise DS-2, deploy training and provide ONR detailed milestone plan for implementation
- Provide feedback to FDP semi-annually
- DCAA review of DS-2 for adequacy
- Meet with ONR quarterly to review implementation
- Review pilot progress regularly but no stated end date

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 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 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

Communication and Outreach

- Research Council
- Senior Administration (Provost, Deans)
- Department Chairs
- Faculty Meetings
- OSP Advisory Group (Senior Unit Administrators)
- Training Sessions (50 attendees March/April 2011)
- Website, Email, Newsletter
- Individual support for PIs and Liaisons monthly

Assessment of Payroll Certification

- Survey completed February 2011 (150 respondents; majority faculty) to benchmark prior effort reporting process
- Through four reporting cycles (January thru April 2011)
 - 69% of reports received within 30 days compared to 33% under prior process in 2010
 - 94% of reports received within 45 days
 - 100% of reports received within 60 days
- Feedback from liaisons and faculty very positive

Next Steps

- Finalize DCAA DS-2 adequacy review; preliminary results show no findings
- Continue to solicit feedback from Mason faculty and administrators involved in the process
- Ongoing training and outreach
- Meet with ONR quarterly
- Update FDP on pilot progress
- Be prepared for questions from auditors

Questions



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