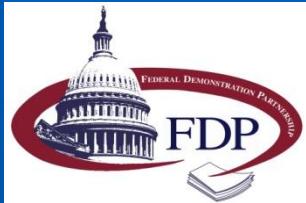


# Payroll Certification Demonstration Project

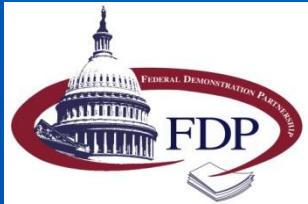
## Current University of California Activities at Irvine and Riverside Campuses

Rich Andrews  
Controller, University of California, Irvine  
August 28, 2012



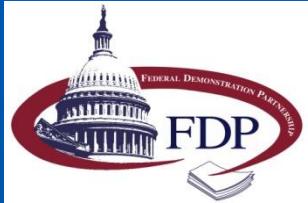
# Topics

- The close out process
- Federal agency feedback
- A-133 audit impact
- Riverside Statistics
- Faculty and staff questionnaire



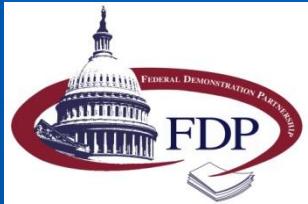
# Close Out Process

- No Change
- Additional assurance regarding charges



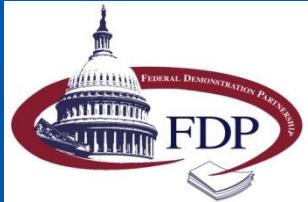
# Federal Agency Feedback

- **UCR: Payroll Certification provided to USDA and EPA for desk reviews. Provided Demonstration agreement. No federal feedback.**
- **UCI: No contact with federal agencies**



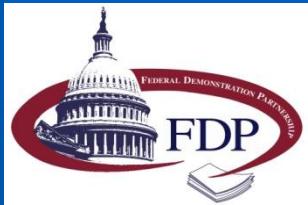
# A-133 Audit Impact

- **None**
- **Auditors have been informed**
- **Unique A-133 audit process**



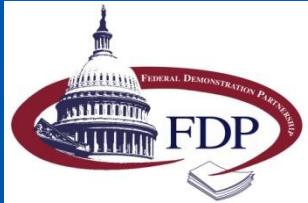
# UC Riverside Statistics

- Payroll Certifications issued from April 2011 to June 2012: 964
- Payroll Certifications completed: 963
- If Effort Reports were used: 6,110



# Payroll Certification Questionnaire

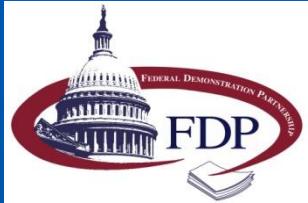
- **UCI and UCR Survey Population: 894**
- **Returned: 219 (24%)**
- **Many did not answers questions**



# Questionnaire

**How would you rate your level of understanding of the Payroll Certification process?**

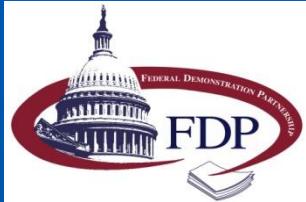
- **High:** 63
- **Medium:** 46
- **Low:** 28



# Questionnaire

**Did you receive any training (in-person, one-on-one, or on-line) or review documentation on the Payroll Certification process?**

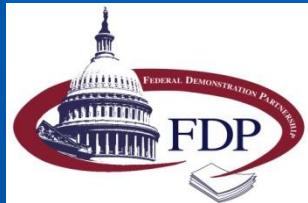
- Yes: 90
- No: 46



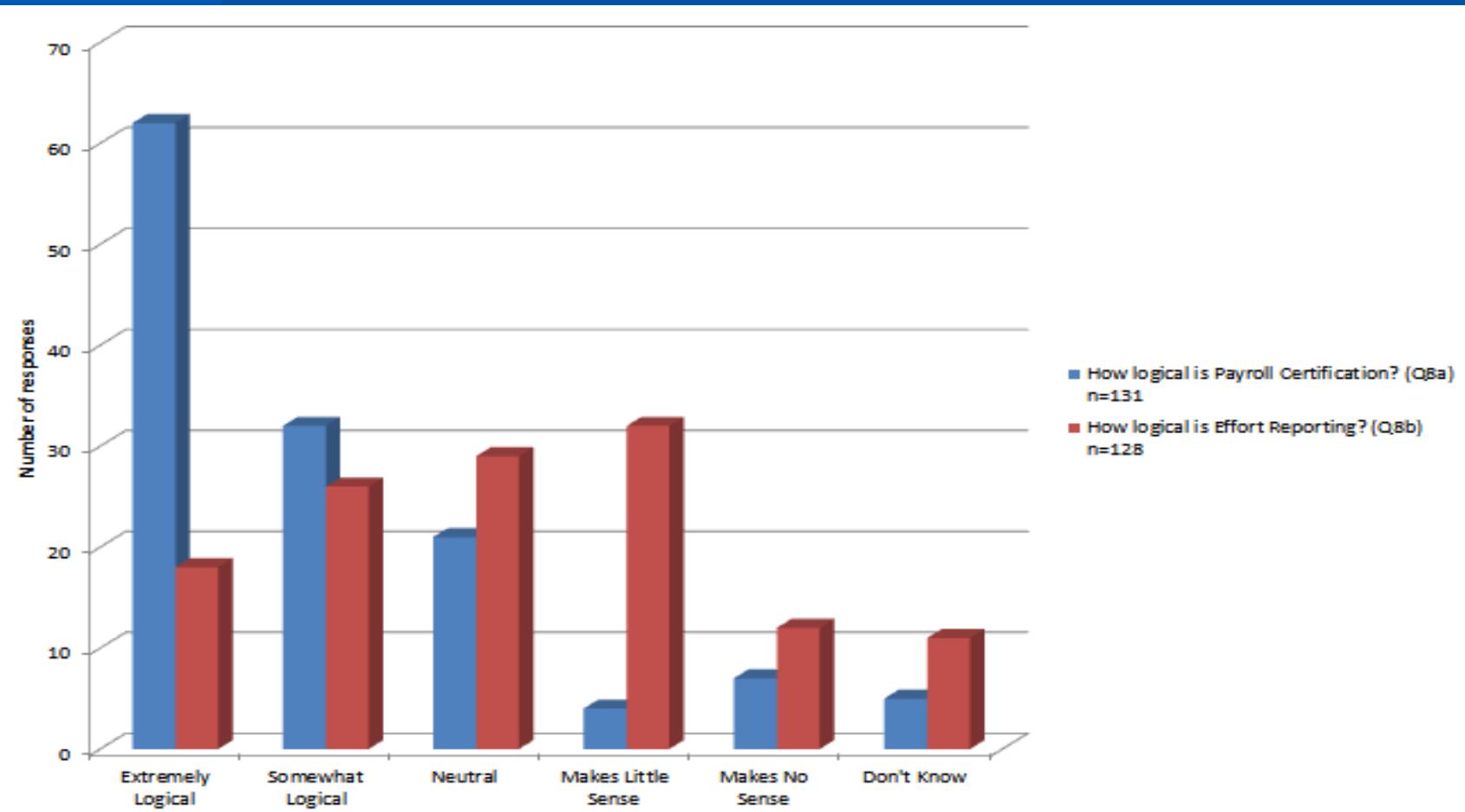
# Questionnaire

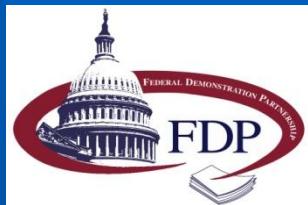
**How would you rate your level of understanding of the Payroll Certification process?**

- **High:** 63
- **Medium:** 46
- **Low:** 28

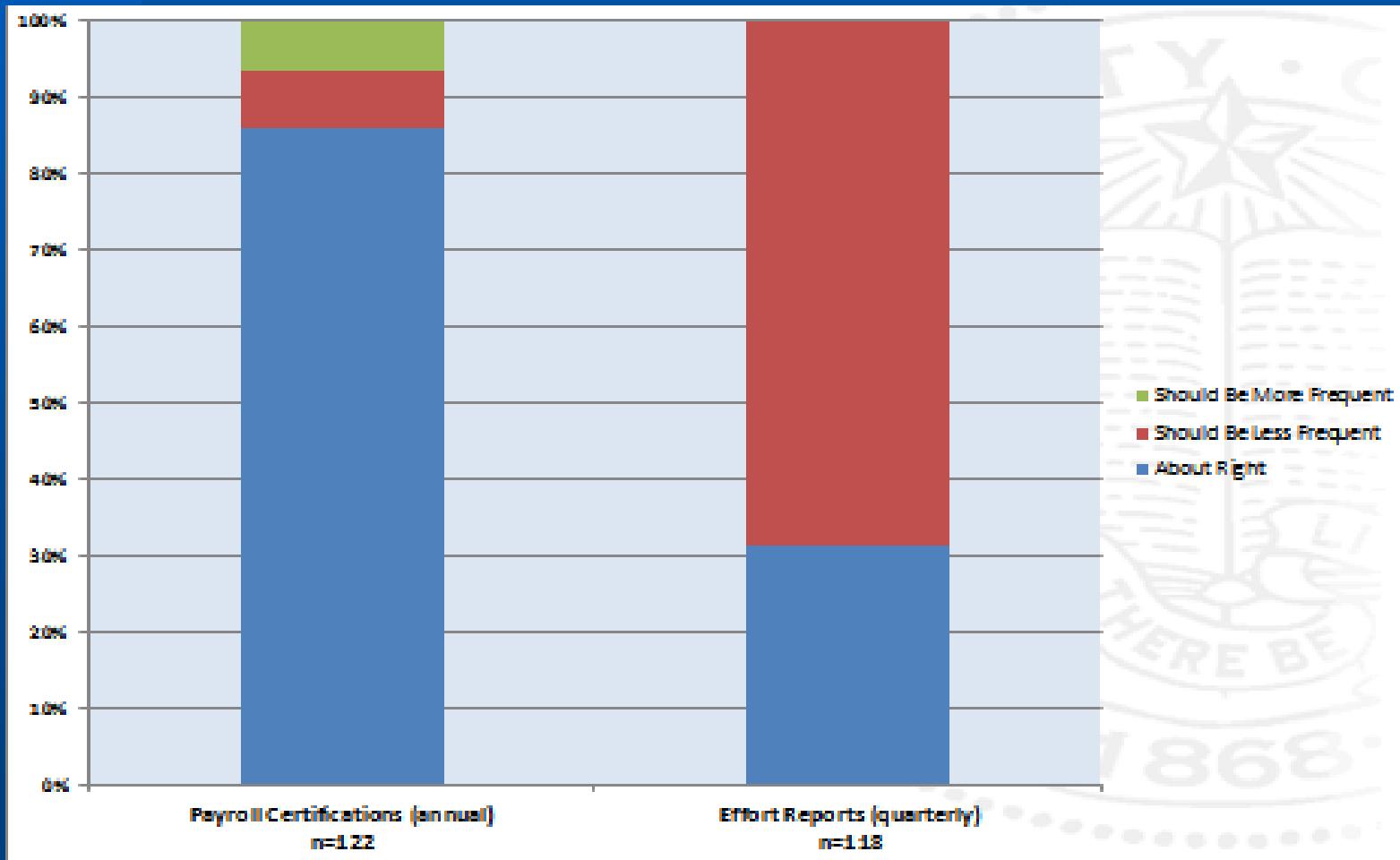


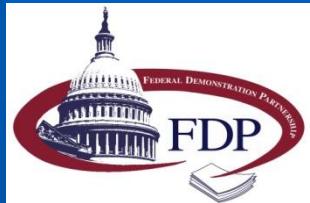
# How logical is the Methodology?



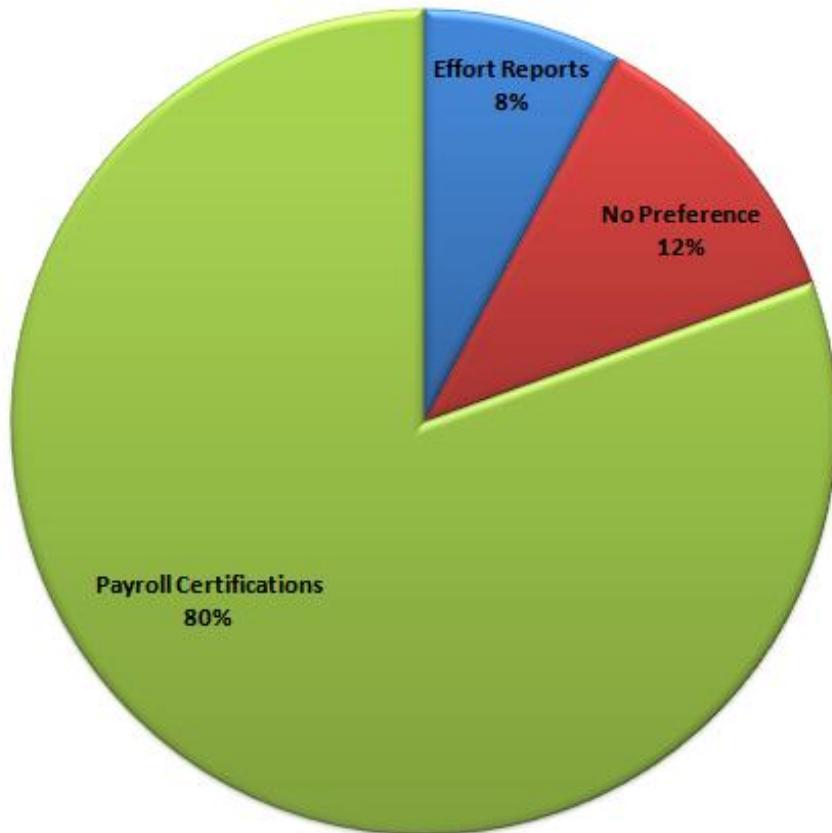


# Frequency of Reporting





# Which system do you prefer?



n=77

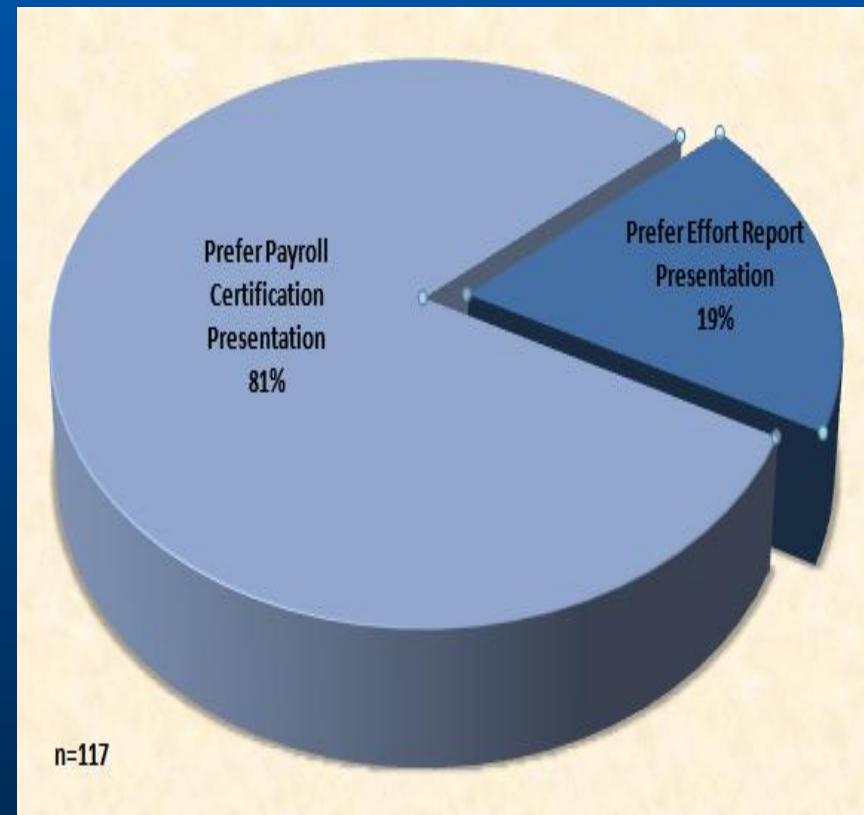


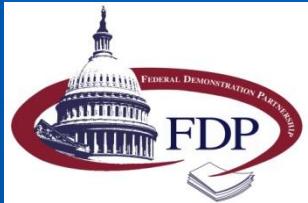
# Questionnaire

Payroll Certifications are generated on a project-by-project basis.

Effort Reports are generated on an employee basis.

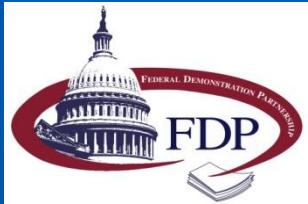
What is your preference?





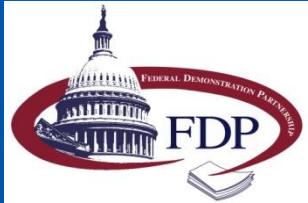
# Strengths of Payroll Certifications

- The Payroll Certification process is a more straightforward approach to certifying salaries charged to federal awards.
- Simple and understandable.
- Once a year, makes more sense, and less time intensive.



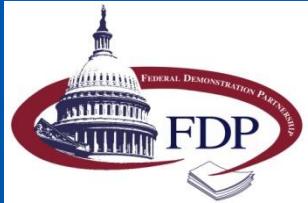
# Strengths of Payroll Certifications

- Recognizes the way research is actually conducted, and a PI can accurately judge whether an amount paid for salaries was reasonable over the course of a year.
- Online system allows for error checking and special notice flagging.



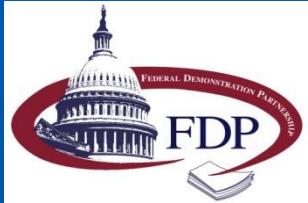
# Weakness of Payroll Certifications

- Should report more frequently.
- Does not show other federal funding sources of personnel.
- “Percentage of Annual Salary” column causes confusing for PIs signing the report.



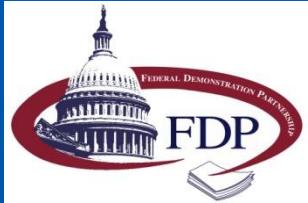
# Weakness of Payroll Certifications

- No changes are allowed after the report is completed.
- Greater risk to UC if Payroll Certification are not returned.
- It is difficult to step away from the concept of effort reporting.



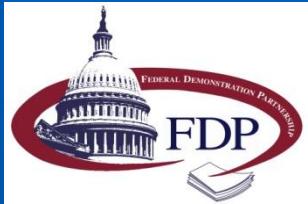
# Strengths of Effort Reporting

- **Complete accounting for all activities per individual.**
- **Simple, logical, consistent pattern of reporting.** More reliable and intelligent as we ask the only person who really knows their effort (the employee) to confirm that they have actually worked as they are paid.



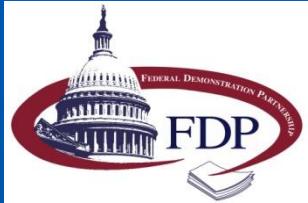
# Strengths of Effort Reporting

- **Reporting quarterly.**
- **Less confusing.**
- **Simple and to the point.**



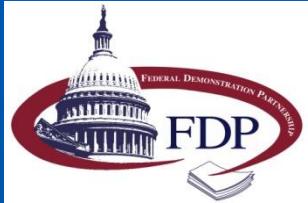
# Weakness of Effort Reporting

- Determining effort percentages is confusing. The system is trying to measure effort which is hard to quantify.
- Still difficult to determine when an individual has tasks on multiple awards.
- A little more time intensive, always option to revise.
- Cumbersome, too frequent.



# Weakness of Effort Reporting

- **Redundant, doesn't make much sense, not efficient.**
- **Requires more work and reporting is not accurate.**
- **Effort outlined by employee and percentage----so vague; There is no salary cost associated with the percentages on Effort Reporting; Highly burdensome for Principal Investigators and support staff.**



# Payroll Certifications



Questions?