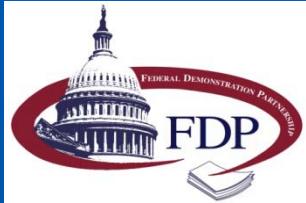


Payroll Certification Demonstration Project

Status Report

University of California, Irvine

Rich Andrews
Controller, University of California, Irvine
January 29, 2012



Background

- **April 2011: The beginning month for Payroll Certifications pilot**
- **August 2011: Implemented the Payroll Certification System**
- **10,400: Number of Effort Reports produced in a year**
- **1,300: Number of Payroll Certifications produced in a year**



Number of Payroll Certifications University of California, Irvine

<u>MONTH</u>	<u>2011</u>	<u>2012</u>
January		72
February		76
March		103
April	81	84
May	97	90
June	201	208
July	145	139
August	266	246
September	130	133
October	25	18
November	56	46
December	89	<u>85</u>
Total		1,300



Number of Payroll Certifications

University of California, Irvine

<u>Month</u>	<u>2011</u>	<u>2012</u>	<u>Effort Reports</u>
January		72	
February		76	2,600
March		103	
April	81	84	
May	97	90	2,600
June	201	208	
July	145	139	
August	266	246	2,600
September	130	133	
October	25	18	
November	56	46	2,600
December	89	<u>85</u>	
Total		1,300	10,400

**UNIVERSITY OF CALIFORNIA, IRVINE
ANNUAL SALARY CERTIFICATION
PAYROLL EXPENSE REPORT**

NSF EXAMPLE

PRINCIPAL INVESTIGATOR:	Hara, Akemi	BUDGET PERIOD:	2/1/2010	1/31/2011
SPONSOR:	National Science Foundation	PROJECT PERIOD:	2/6/2009	1/31/2014
AWARD NUMBER:	ABCDEF			
PROJECT TITLE:				
FUND NUMBER:	11111			
FUND TITLE:		COST SHARING REQUIRED:	NO	
ADMINISTRATIVE DEPARTMENT:	Research Department	(-----Cost sharing description per system-----)		

NAME	ACCT.	PAYRL HOME DEPT	TITLE CODE	JOB TITLE	COST NOTES*	DIRECT PROJECT SALARY	COST SHARED SALARY	PERCENTAGE OF ANNUAL SALARY
Hara, Akemi	44XXXX	440000	1721	PROFESSOR-MED COMP-A	A	\$ 59,834.95	\$ -	28%
Astor, Jane	44XXXX	440000	3252	POSTDOC-EMPLOYEE		32,896.90		73%
Chen, Marta	44XXXX	440000	3394	ASST PROJECT _____-FISCAL YEAR		24,192.83		47%
Earth, Tim	44XXXX	440000	4722	_____ASSISTANT III	4	25,170.00		50%
Gonzales, Julio	44XXXX	440000	3252	POSTDOC-EMPLOYEE		19,048.77		49%
Mahla, George	44XXXX	440000	3392	ASSOC PROJECT _____-FISCAL YEAR	3	58,158.31		96%
Olskaya, Katrina	44XXXX	440000	7275	PROGRAMMER/ANALYST III	3	63,970.06		100%
Zhou, Xin	44XXXX	440000	3390	PROJECT _____-FISCAL YE		80,399.96		75%
TOTAL						\$ 363,671.78	\$ -	
GRAND TOTAL (Direct Salaries and Cost Sharing)							\$ 363,671.78	

*** KEY TO COST NOTES**

A - The salary amount for this Senior Project Personnel met NSF's 2 month salary limit.

B - The NIH Salary CAP applied to this individual. Charges to the project were correct.

1 - The salary amount for this Senior Project Personnel exceeded NSF's 2 month salary limit

2 - Salary charges exceeded NIH Salary Cap requirements. Salary charges need to be adjusted.

3 - Over 90% of this individual's salary was charged to Sponsored Projects. Be sure non-research activities were minimal.

4 - This individual has a Clerical and Administrative Job Title which generally makes the charges unallowable. Be sure that the Federal exemption is documented.

UNIVERSITY OF CALIFORNIA, IRVINE
ANNUAL SALARY CERTIFICATION
CERTIFICATION REPORT

NSF EXAMPLE

PRINCIPAL INVESTIGATOR: Hara, Akemi
SPONSOR: National Science Foundation
AWARD NUMBER: ABCDEF
PROJECT TITLE:

FUND NUMBER: 11111
FUND TITLE:
ADMINISTRATIVE DEPARTMENT: Research Department
BUDGET PERIOD: 2/1/2010 1/31/2011
PROJECT PERIOD: 2/6/2009 1/31/2014

I have reviewed the attached Annual Payroll Certification Report with project salary expenses totaling \$363,671.78 and I have determined that all salary and wage expenses have been correctly charged because:

- All salary and wage charges are reasonable in relation to work performed
- Proposal preparation activities were not charged to the project
- Senior project personnel who received salary payments from NSF projects met the NSF cumulative salary restriction (See note A on Payroll Expense Report)
- Individuals, who had over 90% of their salaries charged to sponsored projects, were involved in minimal non-sponsored project activities, like instruction, department committees, etc. (See note 3 on Payroll Expense Report)
- Individuals performing "Clerical and Administrative" activities met the federal exception criteria, and exceptions are documented (See note 4 on Payroll Expense Report)

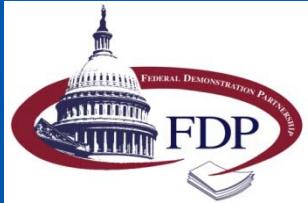
I understand that this is a final certification for this budget period and that no future adjustments (no reductions or no additions) can be made.

Signature _____
Akemi Hara
Name Printed _____
Principal Investigator
Title _____
Date _____

Optional Additional Signers
Certification Responsibility: _____

Signature _____
Name Printed _____
Title _____
Date _____
Certification Responsibility: _____

Signature _____
Name Printed _____
Title _____
Date _____



Certification Rationale

OMB Circular A-21, J.10.c.(1)(e) Plan Confirmation

“At least annually a statement will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges, and to residual, F&A cost or other categories are reasonable in relation to work performed.”

UNIVERSITY OF CALIFORNIA, IRVINE
ANNUAL SALARY CERTIFICATION
CERTIFICATION REPORT

NSF EXAMPLE

PRINCIPAL INVESTIGATOR: Hara, Akemi
SPONSOR: National Science Foundation
AWARD NUMBER: ABCDEF
PROJECT TITLE:

FUND NUMBER: 11111
FUND TITLE:
ADMINISTRATIVE DEPARTMENT: Research Department
BUDGET PERIOD: 2/1/2010 1/31/2011
PROJECT PERIOD: 2/6/2009 1/31/2014

I have reviewed the attached Annual Payroll Certification Report with project salary expenses totaling \$363,671.78 and I have determined that all salary and wage expenses have been correctly charged because:

- All salary and wage charges are reasonable in relation to work performed
- Proposal preparation activities were not charged to the project
- Senior project personnel who received salary payments from NSF projects met the NSF cumulative salary restriction (See note A on Payroll Expense Report)
- Individuals, who had over 90% of their salaries charged to sponsored projects, were involved in minimal non-sponsored project activities, like instruction, department committees, etc. (See note 3 on Payroll Expense Report)
- Individuals performing "Clerical and Administrative" activities met the federal exception criteria, and exceptions are documented (See note 4 on Payroll Expense Report)

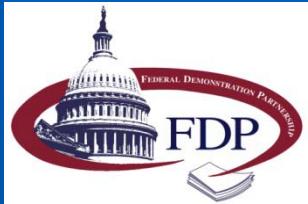
I understand that this is a final certification for this budget period and that no future adjustments (no reductions or no additions) can be made.

Signature _____
Akemi Hara
Name Printed _____
Principal Investigator
Title _____
Date _____

Optional Additional Signers
Certification Responsibility: _____

Signature _____
Name Printed _____
Title _____
Date _____
Certification Responsibility: _____

Signature _____
Name Printed _____
Title _____
Date _____



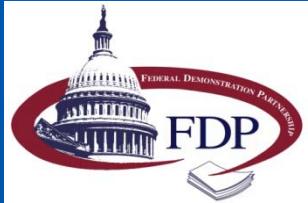
Current Status

- **January 31st is the 60-day due date for projects with a November budget year end date**
- **Currently 4 outstanding**



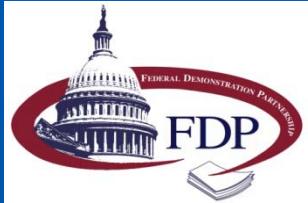
Lessons Learned

- Reluctance to certify unless all issues are resolved
 - Funding issues
 - Cost sharing
- Cost Notes have been effective
 - NSF Salary Cap
 - NIH Salary Cap



Lessons Learned

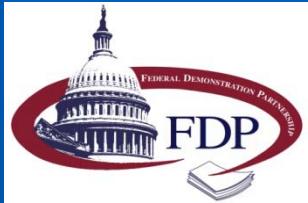
- **Cost Note 3: 90% - 100% Federal funding**
- **Staffing impacts**
- **Sometimes email certification isn't possible**
- **Conflicts with proposal submissions**
- **Large impact – More risk**
- **More work than anticipated**
- **Substantial monitoring required**



Payroll Certifications



Questions?

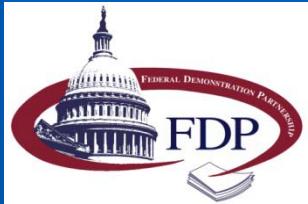


Payroll Certification Demonstration Project

Status Report

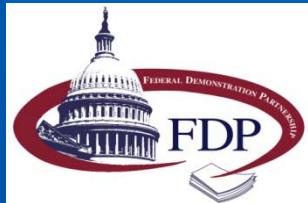
University of California, Riverside

Bobbi McCracken
Controller, University of California, Riverside
January 29, 2012



Background

- April 2011: The beginning month for Payroll Certifications pilot
- July 2011: Implemented the Payroll Certification System
- 4,700: Number of Effort Reports produced in an average year
- 750: Number of Payroll Certifications produced per year



Number of Payroll Certifications University of California, Riverside

<u>MONTH</u>	<u>2011</u>	<u>2012</u>
January		60
February		29
March		47
April	36	35
May	38	43
June	133	123
July	87	103
August	172	173
September	94	86
October	12	21
November	22	15
December	<u>37</u>	<u>35</u>
Total	631	770



Welcome, Pauline

Welcome Non-Payroll Projections Payroll Projections Shared Funds: Non-CG Annual Cert: Fund 22270

Annual Payroll Certification Salary Expense Report - Budget Period End Date 09/30/2012 - Due Date 11/05/2012 - Chemical/Environ. Engineering (D01005)

PI: Akua Asa-Awuku

Project Title: BNUOE: Development of a Novel Organic-Water
T.

Budget Period: 10/01/2011 - 09/30/2012

Sponsor: NATIONAL SCIENCE FOUNDATION

Fund Number: 22270

Project Period: 10/01/2010 - 09/30/2013

Award Number: CBET-1032388

Fund Title: PDP CBET1032388 ASA-AWUKU 9/13

Cost Sharing Required: No

Comment: The PI, Akua Asa-Awuku certified to fund 22270 on 10/15/2012 07:58:46AM.

Review Comments (1)

Supporting Docs

View PDF

Payroll Overview Report

	Employee Name	Edit	Job Title	Cost Notes	Direct Project Salary	Direct Project Salary Adjust	Cost Shared Salary	Total Project Related Salary	Percent DPS/Total	Comments
--	---------------	------	-----------	------------	-----------------------	------------------------------	--------------------	------------------------------	-------------------	----------

CE-CERT (7 rows)

1	ASA-AWUKU, AKUA ASABEA	View	ASTRES ___-AY...	1	\$5,873.33		\$5,873.33	5.17%	
2	GIORDANO, MICHAEL R	View	GRAD STDT R...	2	\$1,817.55		\$1,817.55	5.54%	
3	LIGHTENBERG VI, WILLIAM MA	View	ASSISTANT I	11	\$3,047.03		\$3,047.03	45.02%	
4	LIU, GARY T	View	ASSISTANT I	11	\$674.00		\$674.00	100%	
5	ROOHANI, ALI FAHM	View	ASSISTANT I	11	\$289.00		\$289.00	100%	
6	SHORT, DANIEL ZACHARY	View	GRAD STDT R...	1	\$1,877.68		\$1,877.68	7.7%	
7	TANG, XIAOCHEN	View	GRAD STDT R...	1	\$25,503.60		\$25,503.60	100%	

Totals

\$38,862.19

\$38,862.19

~ Grand Totals for all Departments (1 row)

Totals

\$38,862.19

\$38,862.19



Principal Investigator: Akua Asa-Awuku
Project Title: BRIGE: Development of a Novel Organic-Water Thermodynamic Measurement and Modeling Technique for Health and Climate Applications
Sponsor: NATIONAL SCIENCE FOUNDATION
Award Number: CBET-1032388
Fund: 22270
Fund Title: FDP CBET1032388 ASA-AWUKU 9/13
Budget Period: 10/01/2011 - 09/30/2012
Project Period: 10/01/2010 - 09/30/2013

I have reviewed the attached Annual Payroll Certification Report with project salary expenses totaling \$38,862.19 and have determined that all salary and wage expenses have been correctly charged because:

- All salary and wage charges are reasonable in relation to work performed
- Proposal preparation activities were not charged to the project
- Senior project personnel who received salary payments from NSF projects are restricted to no more than 2 months of cumulative salary charged across all NSF projects per year. For Payroll Certification purposes, senior project personnel are defined anyone listed as the PI or Co-PI on the fund being certified.
- Individuals with over 90% of their salaries charged to sponsored projects should only be involved in minimal non-sponsored project activities, like instruction, department committees, etc. The 90% is calculated based on an employee's total salary payments charged to ALL contract and grant funds for the reporting period divided by total salary for the reporting period.
- Individuals performing Clerical and Administrative activities on a federal contract or grant must meet the federal exception criteria, and the exceptions must be documented for audit purposes. The cost note will appear for individuals paid using clerical and administrative title codes.

Certified By: Akua Asa-Awuku

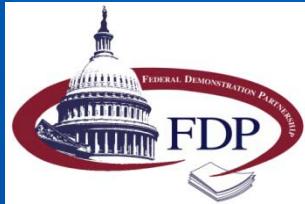
Certified On: 10/15/2012





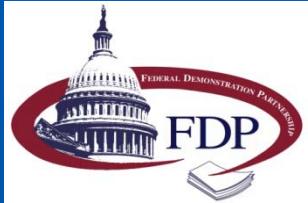
Monthly Process

- Certifications are issued on a monthly cycle based on budget year end date.
- After monthly ledgers close, the PI's department analysts have 7 days to review, annotate pending corrections and add cost sharing information before the reports are released to the PIs for certification.
- PIs have 21 days to certify electronically. PIs received 2 automated reminders + original request in this period
- If not certified within 30 days, then department Chair informed. Majority of the certifications are certified well before this point.
- If not certified by the 45th day, notification provided to the College/School Chief Financial and Administrative Officer for resolution



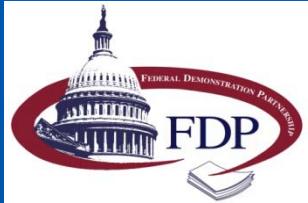
Lessons Learned

- Support from all levels of the organization critical
- Large impact, more risk, more meaningful
- Automated reminders key, but still requires monitoring
- Change is good; opportunity to identify potential audit concerns through cost notes
- A few issues:
 - This is a pilot, so did not identify all possible scenarios
 - Retroactive changes to dates problematic
 - PIs leave
 - Cost note logic can be enhanced



Current Status

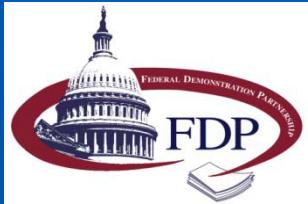
- Majority of PIs have been through certification process at least one time
- 100% of payroll certifications completed for all periods due; very few manual escalations
- Generally positive feedback from campus community



Payroll Certifications

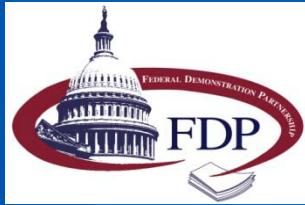


Questions?



Audits, Reviews & Surveys

- UC Internal Audit Review @ 9 months
- UC system wide survey
- UC Internal Audit Review @ 18 months
- Future HHS and NSF audits

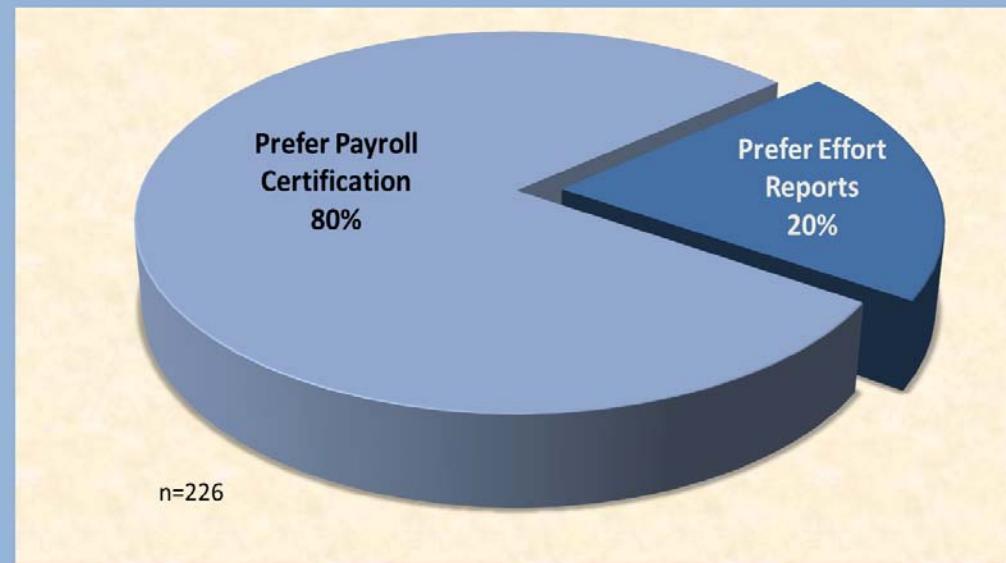


Payroll Certification Survey

UC Riverside and Irvine

Overall
user
preference

Question 14: Payroll Certifications are generated on a project-by-project basis. Effort Reports are generated on an employee-basis.
What is your preference?



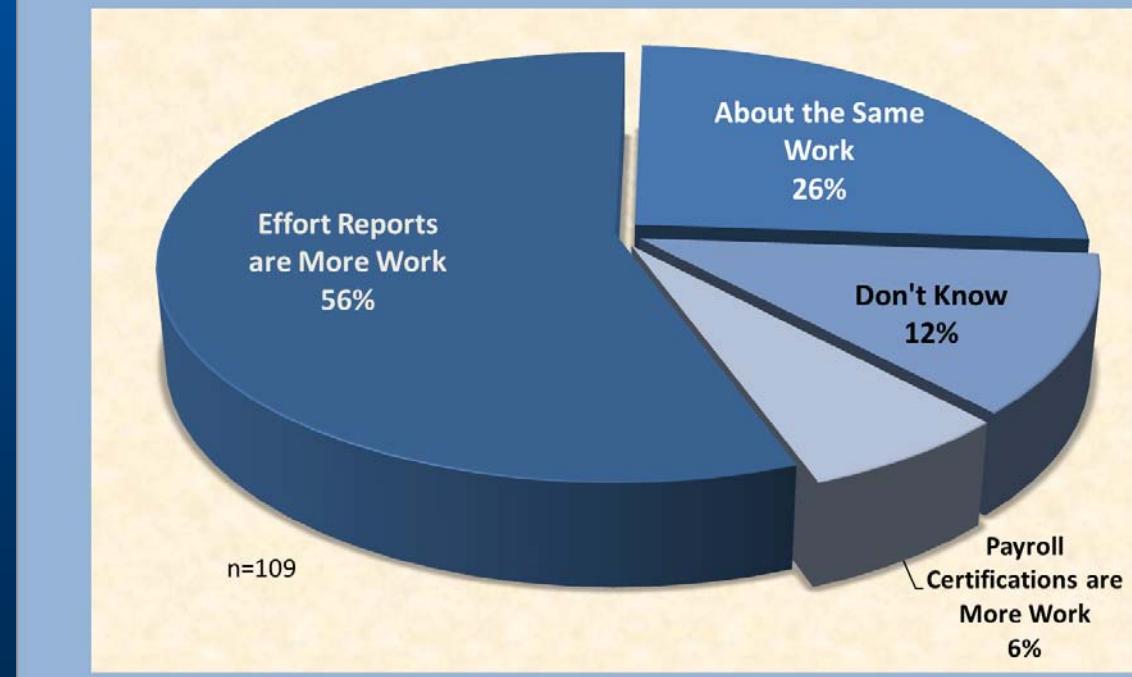


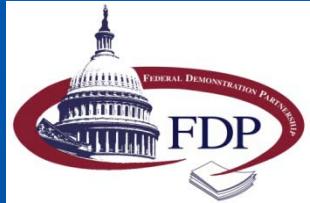
Payroll Certification Survey

UC Riverside and Irvine

Support
staff
responses
about the
amount of
work
required

Question 17: Comparing the total processing time required (amount of work) for Payroll Certifications and Effort Reports over a twelve months period:





Payroll Certification Survey

UC Riverside and Irvine

Preferences
of Principal
Investigators

Question 16: Which system do PIs prefer to use to confirm salaries charged to federal funds?



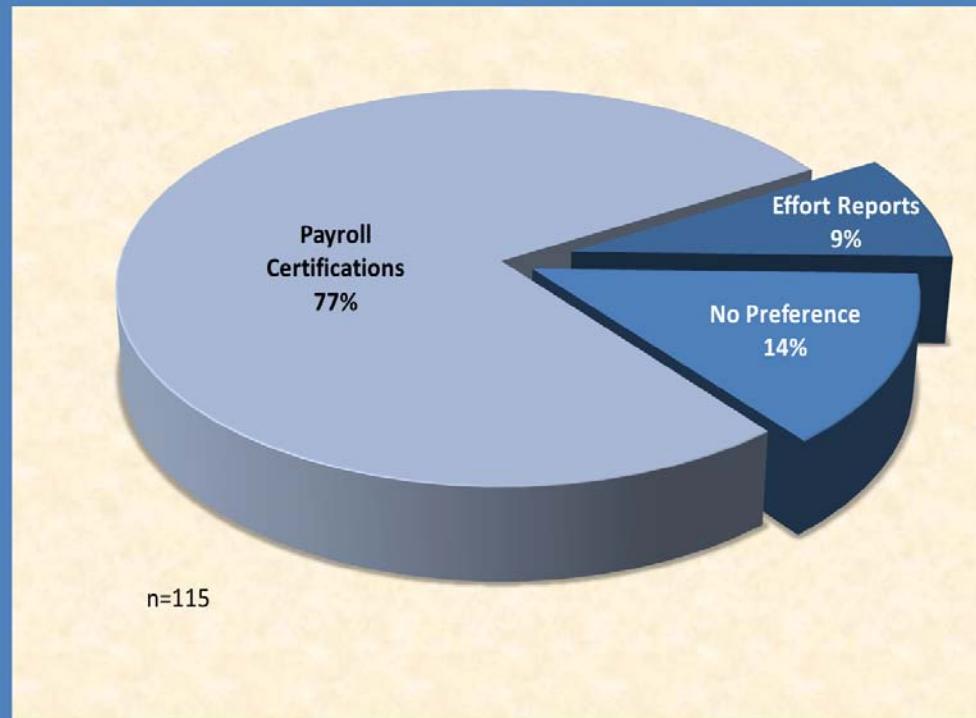


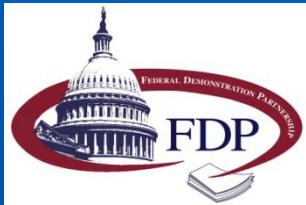
Payroll Certification Survey

UC Riverside and Irvine

Preferences
of support
staff

Question 18: Which system do support staff prefer?

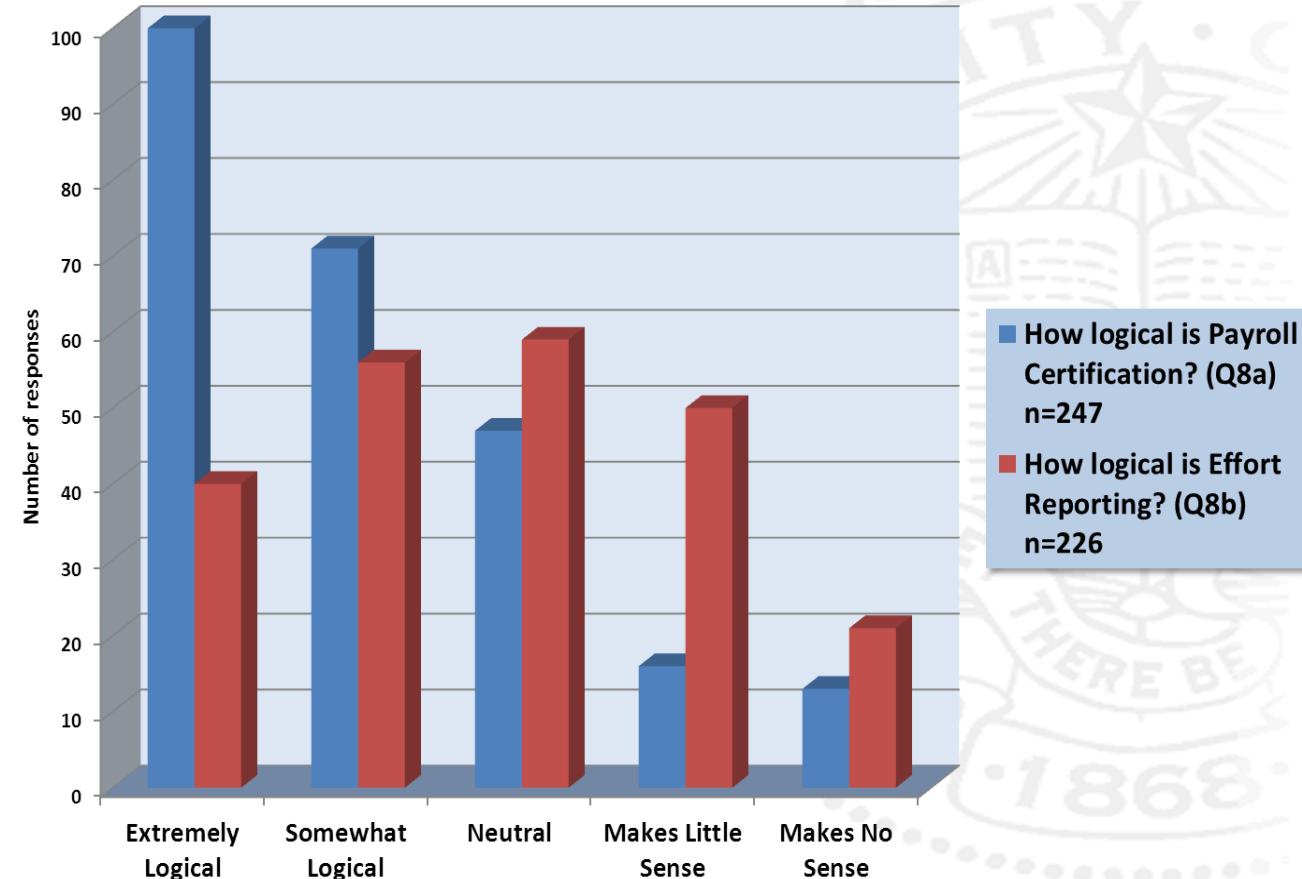


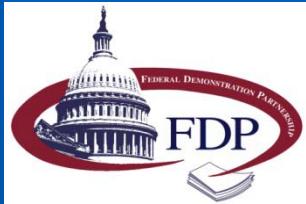


Payroll Certification Survey

UC Riverside and Irvine

Question 8: How logical is the Methodology?

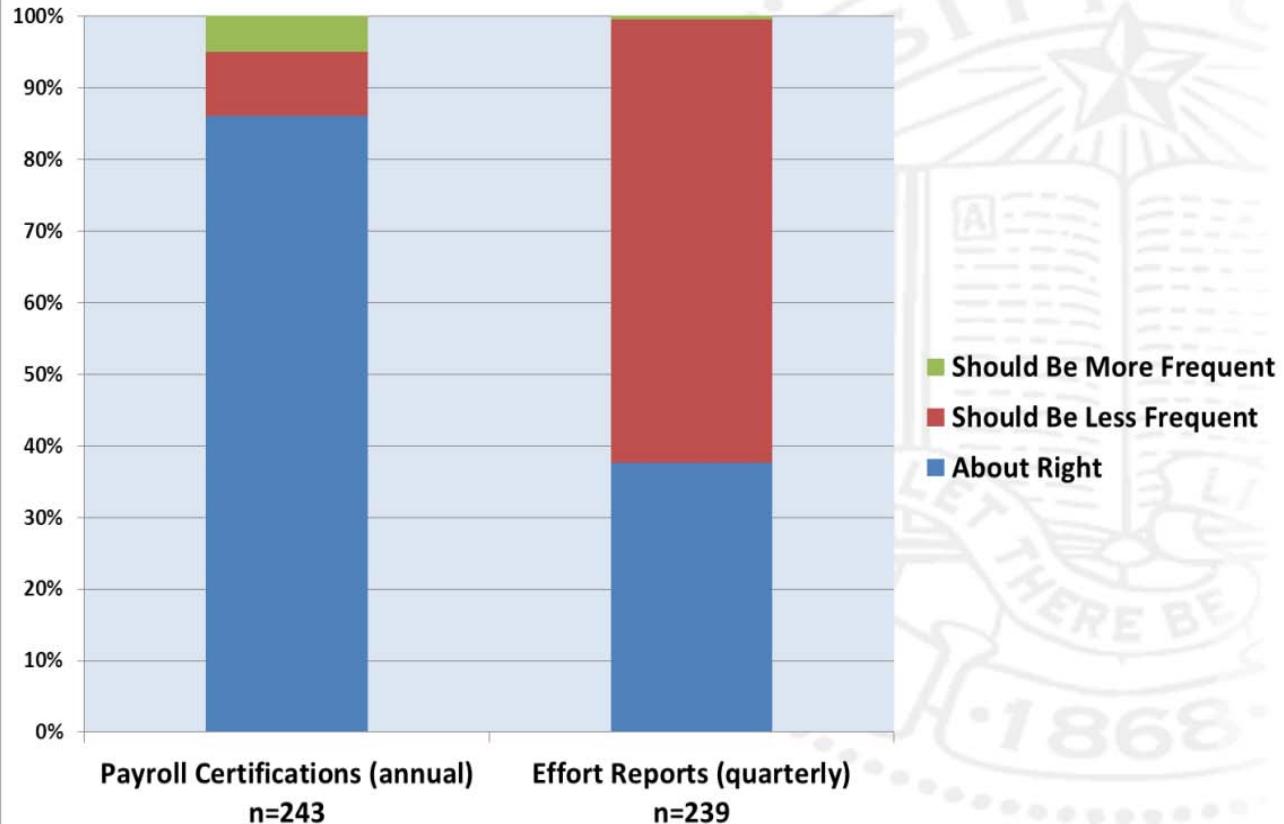


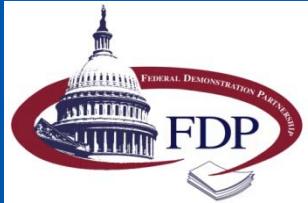


Payroll Certification Survey

UC Riverside and Irvine

What is your opinion regarding the frequency of reporting?





Payroll Certifications



Final
Questions?