Top 10 Things Principal Investigators Need to Know about Project Payroll Confirmation

1. *Why are payroll confirmations required?* The Office of Management and Budget's "2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards"* (OMB's Uniform Guidance), specifically, section "200.430 Compensation", outlines required standards for documentation of personnel expenses.

2. *Which projects require review & confirmation?* Projects containing federal funding (direct or pass through) require formal review and confirmation by the Principal Investigator.

3. *Should statements for non-federal projects be reviewed as well?* All of the projects are available for review and RFS encourages all Principal Investigators to review their non-federally funded projects periodically as well to ensure timely identification and timely correction of any errors or omissions.

4. *What are the key elements a PI should be looking for during their review?* As Principal Investigator, the key elements of a review are as follows:
   a. *Verify that all individuals working on the project during the quarter appear on the project statement.*
   b. *Verify there are no individuals who did NOT work on the project appearing on the project statement.*
   c. *Compare the dollars (also depicted as % total pay for the quarter) for each individual listed on the project statement to the work they performed that quarter to assess reasonableness.*

5. *What do the dollar amounts and percentages shown on a project statement actually mean?* The dollar amounts reflected show the amount of compensation charged/cost shared on the project for that quarter. The percentages reflect the portion of the individual's total compensation that charged/cost shared to the project during the quarter.

6. *Can the total compensation for an individual be found in ecrt for the quarter?* Additional information about total compensation is available via a drop down box on the project statement. To access the drop down box click on the scroll icon in the *Action* column of your project statement.

7. *What if the information on the project statement is inaccurate or incomplete (someone is missing)?* If the payroll expenses are inaccurate for any one or all individuals listed on the project statement, or if someone who worked on the project is missing from the statement, **do NOT confirm** the overall project statement. Instead, click the "REVISE PAYROLL" button next to one or all of the names that are incorrect. A box will appear at the bottom of the screen, which will also say "REVISE PAYROLL" click this box to place the project statement on HOLD. Then contact the business staff to discuss and determine what corrections may be required. If someone is missing, choose an existing name that does appear on the statement, so that you will receive the "REVISE PAYROLL" box to place the statement on HOLD. Placing the project statement on hold, by using

the "REVISE PAYROLL" button, demonstrates that the statement has been actively reviewed and actions to resolve any concerns are taking place.

8. ***How is a payroll expense correction processed and then updated on a project statement?*** Payroll corrections can be submitted for correction in SAP by the appropriate business staff, either via a "retroactive payroll adjustment" if done within the earliest retroactive date, <u>OR</u> via a "Z4 journal voucher" if correction goes beyond the date currently set for earliest retroactive adjustments. In either case, the correction is considered a cost transfer (e.g. correcting an error) and as such should be done timely and be well documented. Once the correction "posts" (appears in SAP), it will be loaded onto the project statement shortly thereafter and the statement will be ready for review and completion of the confirmation process.

9. ***Why are reviews and confirmations performed quarterly?*** Completing this review and formal confirmation quarterly demonstrates **strong oversight** and management of sponsored projects. Quarterly reviews also allow for **timely correction** of any errors. Oversight and timely corrections are elements of internal controls, which OMB's Uniform Guidance stresses must be in place. In addition, regular review and timely correction allow the best opportunity for maximum utilization of sponsored project funding to support research goals.

10. ***What are the implications of not completing the review and confirmation process timely and accurately?*** Allowing the project statements to become delinquent and/or knowingly confirming a project statement with incorrect and/or missing information demonstrates a lack of internal control and could result in disallowed costs, audit findings, etc. for sponsored projects, colleges or the university as a whole. To avoid this situation, it is recommended to utilize both the monthly PI reports and the quarterly project payroll statements to routinely review and assess expenses charged to sponsored project(s) and work with business staff as needed to address any questions or concerns timely.