

# Sponsored Project Payroll Certification Procedures

## Background:

Kutztown University receives federal funding and is required to comply with 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (aka Uniform Guidance). Direct charges and committed cost sharing or match for personnel services on federally funded projects for research, educational services or other activities must produce a distribution of charges that are reasonable in relation to work performed, and be documented in a method acceptable under the Uniform Guidance. The method requires the Principal Investigator (PI) to annually certify personnel charges including committed cost sharing.

This procedure applies to all Kutztown University employees who perform research, educational services or other activities covered by a federally funded grant, contract or other agreement.

## Process:

Direct charges for personnel services are based on reasonable budget estimates before activities and services are performed. After the work is performed, the salary charges and committed cost sharing or match salaries are reviewed based on budget estimates. Short term fluctuations need not be considered as long as the distribution of salaries is reasonable over the longer term. If adjustments are needed they must be made such that the final amount charged to the federally funded project is accurate, allowable and properly allocated.

### Quarterly Reconciliation

In support of the annual certification, quarterly (every three months) reviews will occur. The PI will review costs incurred to that point in the award and measure against what was expected to incur, and make adjustments accordingly. PIs will be aware of award specific requirements and take necessary actions when proposing changes in personnel expenses.

The PI will review the personnel charges and committed cost share (if applicable). The PI considers the following items during the review: 1) all individuals must have worked on the sponsored project; and 2) personnel expenses must be accurate and reasonable in relation to the work performed.

### Annual Certification

The PI will receive a Project Payroll Certification form (PPC) for their sponsored project. The PI will review the personnel charges and committed cost share (if applicable). The PI should consider the following items during their review: 1) all individuals must have

worked on the sponsored project; and 2) personnel expenses must be accurate and reasonable in relation to the work performed.

After completing the review described above, the PI must sign and date the PPC. If needed the PI can obtain additional signers to assist in verifying the accuracy of the charges. Individuals permitted to be additional signers are: Co-PIs, direct supervisors of employees listed, and the budget analyst specific to the sponsored project. Please note that additional signers do not replace the PI signature; the PI must sign. The PPC is forwarded to the Office of Grants and Sponsored Projects by a specific due date.

## **Responsibilities:**

### **Principal Investigator (PI) -**

The PI is responsible for quarterly reviews. The PI will review and verify personnel charges incurred to that point in the award and measure against what was expected to incur, and make adjustments accordingly.

The PI is responsible for reviewing charges and committed cost sharing for personal services annually and certifying that all individuals worked on the project, and personnel charges were reasonable in relation to work performed. The PI signs the PPC to certify that the salary and wages have been correctly charged; and returns the annual certification documents to the Office of Grants and Sponsored Projects.

### **Additional Signers -**

Individuals permitted to be additional signers are: Co-PIs, direct supervisors of employees listed, and the budget analyst specific to the sponsored project. These individuals are responsible for reviewing personnel charges and committed cost sharing for which they have direct knowledge at the request of the PI to inform PI certification.

### **Office of Grants and Sponsored Projects –**

The Office notifies the PI of sponsored projects that need to be certified; generates and distributes the annual PPC form; assists the PI to ensure timeliness, accuracy of reporting and compliance; and maintains the PPC for auditing purposes.

### **Grant Accountant –**

The Grant Accountant assists: in helping the PI understand personnel expense activity within the sponsored project; with quarterly reports of personnel charges; and with adjustments to the general ledger when necessary and at the request of the PI.

## Definitions:

*Committed cost sharing* - The portion of project costs paid from sources other than the external sponsoring agency. Committed cost share can be mandatory or voluntary committed.

- *Mandatory cost sharing* is required as a condition of the award by statute, the sponsor's program requirements, or the sponsor's solicitation.
- *Voluntary committed cost sharing* is cost sharing not required by the sponsor as a condition of the proposal submission but was quantified in the proposal, narrative, budget or budget justification.

*Principal Investigator* - The person designated in the proposal and approved by the sponsor who is responsible for the design, conduct, or reporting of research or educational activities; financial oversight; and all other aspects of the sponsored project.

*Project Payroll Certification (PPC)* - The form distributed to the Principal Investigator to certify the personnel expenses charged to a sponsored project are reasonable in relation to the work performed.

*Sponsored project* - Projects for research, educational services or other activities covered by an externally funded grant, contract or other agreement.

*Voluntary uncommitted cost sharing* - Cost sharing that was not required by the sponsoring agency or committed. Voluntary uncommitted cost sharing is not tracked.