**Slippery Rock University**

**Federally Sponsored Project Payroll Certification Procedures**

**Background:**

As a recipient of federal grant funds, Slippery Rock University (SRU) is required to comply with 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Direct charges and committed cost sharing or match for personnel services on federally funded projects for research, educational services, or other activities subject to the Uniform Guidance requirements must produce a distribution of charges that are reasonably accurate in relation to work performed, and be documented in a method acceptable under Uniform Guidance. This method requires the Principal Investigator (PI) to annually certify personnel charges including committed cost sharing.

This standard applies to all Slippery Rock University faculty and professional staff members who perform research, educational services, or other activities covered by a federally funded grant, contract, or other agreement subject to the Uniform Guidance requirements. Payroll certification does not need to be completed for clerical staff who utilize weekly time sheets, undergraduate or graduate student workers or graduate assistants.

**Process:**

Payroll certifications are for one year periods which correspond to the budget years of sponsored projects.

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 3 months) detailed reviews will occur. This review is on top of the monthly reconciliation performed on total expenditures. The PI will review personnel 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 University policies and take necessary actions when proposing changes in personnel expenses.

The PI will review the personnel charges and committed cost share (as 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.

*Annual Certification*

The PI will receive a Federally Sponsored Project Payroll Certification Form from the Grant Accountant annually. Timing to correspond with the budget year of the sponsored project. The PI will review the personnel charges and committed cost share (as 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 salary reviews and determining that all charges were appropriate as described above, the PI must sign and date the certification form. If useful, 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. However, the additional signers cannot replace the PI signature. The PI must always sign. The certification form is to be submitted to the Grant Accountant by a specific due date provided by the Grant Accountant in order for timely completion of financial status reports.

**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, measure against what was expected to incur, and make adjustments accordingly.

The PI is responsible for reviewing charges and committed cost sharing for personnel services annually and certifying that all individuals worked on the project, and personnel charges were reasonably accurate in relation to work performed. The PI signs the certification form to certify that the salaries have been correctly charged and returns the annual certification documents to the Grant Accountant.

*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.

*Grant Accountant*

The Grant Accountant notifies the PI of federally sponsored projects that need to be certified; generates and distributes the annual certification form, assists the PI to ensure timeliness, accuracy of reporting and compliance; and maintains the certification form for audit purposes.

The Grant Accountant also 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.

*Federally Sponsored Project Payroll Certification Form (Certification Form)* – The form distributed to the PI to certify the personnel expenses charged to a sponsored project are reasonably accurate 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.

*For further information, contact Grants Accounting at (724) 738-2233 or the Office of Grants, Research, and Sponsored Programs at (724)-738-4831.*