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

1. *Why do I have to confirm these payroll expenses?* 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 my review & confirmation?* Only those projects containing federal funding (direct or pass through) require formal review and confirmation by the principal investigator.

3. *Should I review the statements for my non-federal projects as well?* Yes, absolutely! All of the projects for which you are the principal investigator are available for your review and we encourage you to review your 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 I should be looking for during my review?* As principal investigator, the key elements of your review are as follows:
    a. *Verify that all individuals working on the project during the quarter appear on the project statement.*
    b. *Verify that no individuals who did NOT work on the project appear 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 s/he performed that quarter to assess reasonableness.*

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

6. *What do I do if I do not know the total compensation (pay) that an individual received during the quarter?* Additional information about total compensation is available via a pop up box on the project statement. To access the pop up box click on the scroll icon in the Action column of your project statement.

7. *What should I do if I believe the information on the project statement is inaccurate or incomplete (someone is missing)?* If you believe that 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, **you should NOT confirm** the overall project statement. Instead, click the "REVISE PAYROLL" button next to one or all of the names you believe to be 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 your 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 you have actively reviewed the information and are working to resolve any concerns rather than confirming information you believe to be inaccurate or incomplete.

8. ***How is a payroll expense correction processed and then updated on my 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 "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 you will be able to complete your review and confirmation process.

9. ***Why do I have to do this review and confirmation on a quarterly basis?*** Completing this review and formal confirmation quarterly demonstrates **strong oversight** and management of your sponsored project and allows for **timely correction** of any errors. Oversight and timely correction are elements of internal control, which OMB's UG stress must be in place. In addition, regular review and timely correction allow you the best opportunity for maximum utilization of your sponsored project funding to support your specific projects 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 potential lack of internal control and could result in disallowed costs, audit findings, etc. for your project, your college or the university as a whole. To avoid this situation, please utilize both your monthly PI reports and the quarterly project payroll statements to routinely review and assess expenses charged to your sponsored project(s) and work with your business staff as needed to address any questions or concerns timely.

Should you have additional questions about the project payroll confirmation process or need assistance, please feel free to contact our office at the following address: ecrt.help@uky.edu.