

**OBSERVATIONS REGARDING STATEMENTS MADE ABOUT PAYROLL
CERTIFICATIONS**

PLEASE NOTE: The federal government requires all costs charged to federally sponsored agreements be reasonable, allowable, and allocable. When a federal award is used to pay salaries, the federal government requires a confirmation that salaries paid directly benefited the award goals and objectives. Principal Investigators agree to comply with the award terms and conditions; on federal awards, this includes the confirmation of salaries. At UCR we confirm salary costs via the annual payroll certification system. The following statements may raise questions about the PI's, departments', and/or University's ability to comply with our administrative responsibilities. Costs may be disallowed and fines and/or penalties may be assessed. There is no central pool of funding to cover disallowances. If the payroll certification process is not approved, UCR will be required to confirm salaries via some other mechanism.

“It is not the responsibility of the PI to certify the dollar amounts charged to a particular project.”

(OBSERVATION: The federal government requires a confirmation costs (including compensation for personal services) are reasonable, allowable, and allocable to federally sponsored agreements. By accepting the terms and condition of the award, the PI is responsible for providing this confirmation in accordance with the institution's process; at UCR we confirm salary costs via the annual payroll certification system. As the lead investigator on the award, the PI should be in a best position to determine reasonableness of the salary expenditures. One way to determine reasonableness is to compare the proposal budget (available via eCAF) to the award budget (available via PAMIS) to actual salary expenditures (available via PIWRS monthly reports and annual salary certifications) in consideration of the work performed. In order to determine reasonableness, the PI may need to rely on additional information provided from their department financial manager, Co-PIs, and others.)

“None of these things makes any sense to me.” (OBSERVATION: Please take the time to review the training materials available via the Learning Management System (LMS), discussed the process with your department financial manager and/or Organizational CFAO, and send questions to piwrsfeedback@ucr.edu)

“I didn't understand the information, but I certified anyway.” (OBSERVATION: Before certifying, it is important that to understand the payroll certification process. Please take the time to review the training materials available via the Learning Management System (LMS), discussed the process with your department financial manager and/or Organizational CFAO, and send questions to piwrsfeedback@ucr.edu)

“I do not have access to monthly financial reports.” (OBSERVATION: Financial information is available to all PIs via the PIWRS Monthly Reports as well as Inception of Date reports. E-mails are distributed each month when the reports are available. The reports contain drill-down functionality into payroll and other expenditure details. Many departments create supplemental reports to complement these monthly reports. If you are not receiving monthly financial reports, please contact your department financial manager, Organizational CFAO and/or piwrsfeedback@ucr.edu)

“I did not receive any training on the payroll certification process.” (OBSERVATION: a 14-minute overview of the payroll certification process is available via the Learning Management System (LMS). In March 2012, the EVC requested that all PIs review the training materials. All departments have at least one PIWRS Coordinator that either attended in-person or online training; this individual should be able to answer questions and/or obtain answers to questions about the process. Your department financial manager should communicate your unit’s process for assisting PIs with questions on the process. In addition, your organizational CFAO should also be able to assist you with questions. Within the PIWRS system, there are links to support site materials and a link to e-mail questions (piwrsfeedback@ucr.edu))

“No one is available to assist me with my questions on payroll certification.” (OBSERVATION: a 14-minute overview of the payroll certification process is available via the Learning Management System (LMS). All departments have at least one PIWRS Coordinator that either attended in-person or online training; this individual should be able to answer questions and/or obtain answers to questions about the process. In addition, your department financial manager should communicate your unit’s process for assisting PIs with questions on the process. Your organizational CFAO should also be able to assist you with questions. Within the PIWRS system, there are links to support site materials and a link to e-mail questions (piwrsfeedback@ucr.edu).

“I worked on proposals while being paid on a federal sponsored project.” (OBSERVATION: this statement, whether salaries are confirmed via payroll certification, effort reports or any other mechanism, will result in an audit disallowance. Federal funds cannot be used to pay for individuals to work on proposals; an alternate unrestricted funding source must be identified. If the individual is unsure of the funding source(s) used to pay their salary, additional clarification should be requested from the PI and/or department financial manager.)

“I just pay people where I have money.” (OBSERVATION: If the PI cannot provide the auditor with confirmation that costs are reasonable and appropriate charges to the sponsored agreement, there will be audit disallowances. PIs agree to comply with the award terms and conditions. PIs have fiduciary responsibilities to their sponsors and the University. As the lead investigator on the award, the PI should be in a position to determine reasonableness of costs charged to their awards. In order to determine reasonableness, the PI may need additional information from their department financial manager and others.)