

# COMPENSATION & PAYROLL CERTIFICATION

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**Sponsored Projects Administration**  
**UNIVERSITY OF GEORGIA**

**Effective:** 06/01/2020  
**Last Reviewed:** 05/27/2020  
**Owner:** Jill Frazier Tincher  
**Area:** Sponsored Projects Admin  
**Applicability:** UGA System-Wide

## POLICY AND PROCEDURE

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### **PURPOSE:**

The purpose of this policy is to ensure compliance with the standards set forth in the Federal Office of Management and Budget 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200), Federal and State regulations, and sponsor specific requirements. The policy provides guidance which will assist University of Georgia (UGA) personnel charging salaries and wages to sponsored projects based upon records that accurately reflect work performed and certifying payroll.

Failure to comply with UGA policies and procedures may result in audit findings, suspension of sponsored activities, closer monitoring by the sponsor, delays in final payments, and/or other enforcement actions imposed by the sponsor. This policy applies to all Federal and non-Federal sponsored activities, including all externally funded activities.

### **SCOPE:**

Personnel perform varying sponsored and non-sponsored activities including but not limited to: research; instruction; public service and outreach; administration; and other activities. Costs of compensation are allowable and may be directly charged to sponsored projects provided the compensation satisfies specific requirements identified within 2 CFR 200.

### **POLICY:**

Charges to sponsored projects for salaries and wages must be based upon records that accurately reflect the work performed. These records must:

1. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable and properly allocated;
2. Be incorporated into the UGA official records;
3. Reasonably reflect the total activity for which the employee is compensated, not exceeding 100% of compensated activities;
4. Encompass both federally assisted and all other activities compensated by UGA on an integrated basis, but may include the use of subsidiary records;
5. Comply with the established accounting policies and practices;
6. Support the distribution of the employee's salary and wages among specific activities or cost objectives if the employee works on more than one sponsored project;
7. Budget estimates alone do not qualify as support for charges to sponsored projects, but may be used for interim account purposes provided that:
  - a. The system for establishing the estimates produces reasonable approximations of the activity actually performed;

- b. Significant changes in the corresponding work activity are identified and entered into the records in a timely matter. Short-term fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over a longer term;
- c. The system of internal controls includes processes to review after-the-fact interim changes based upon budget estimates. All necessary adjustments must be made such that the final amount charged is accurate, allowable and properly allocated.
- d. Salaries and wages of employees used in meeting cost sharing or matching requirements on sponsored projects must be supported in the same manner as salaries and wages claimed for reimbursement on sponsored projects.

**DEFINITIONS:**

Principal Investigator/Contact Principal Investigator (PI) – A qualified person designated by an applicant institution to direct a sponsored project or program. The PI oversees all scientific and technical aspects of a sponsored project and provides the day-to-day management of the project.

Key Personnel – The PI and other individuals who contribute to the scientific development or execution of the sponsored project in a substantive, measurable way, whether or not they receive salaries or compensation under the project.

Compensation – Personal Services – Compensation for all personal services includes all remuneration, paid currently or accrued for services of employees rendered during the period of performance, including but not necessarily limited to wages and salaries. Compensation may also include fringe benefits.

Institutional Base Salary (IBS) – Annual compensation paid by an Institution of Higher Education (IHE) for an individual's appointment, whether that individual's time is spent on research, instruction, public service and outreach, administration or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE. At UGA, institutional Base Salary (IBS) is commonly referred to as Base Salary/Compensation Rate.

Cost Sharing or Matching – The portion of the total project costs that are not supported by the sponsor.

**PROCEDURE:**

1. PIs must consider each employee, all of their sponsored and non-sponsored activities (research, instruction, public service and outreach, administration and other activities) and estimate the portion of time spent for each activity, including any time, which pertains to cost sharing or matching. Then, PIs must consider the portion of time spent on each sponsored project while ensuring allowability based upon 2 CFR 200, as well as Federal and State regulations, and agency specific requirements.
2. Based upon the above, each employee's payroll should be allocated based upon the above estimates.
3. As commitments change, PIs must consider 1 above and make changes if/when warranted. PLEASE NOTE: Consult with Sponsored Projects Administration since some changes can occur internally, versus other changes may require prior sponsor approval.

4. UGA strongly encourages PIs to review each sponsored project monthly to ensure payroll charges are an accurate reflection of work performed. In doing so, if any changes are identified, these changes should be incorporated immediately.
  - a. PIs and unit administrators can view payroll charges on the Payroll Transaction List tab in the Project Status Report. Payroll charges are visible by sponsored project, person or department.
  - b. PIs and unit administrators can also use the Position Funding Cube to verify amounts and people charged to each project.
  - c. If changes are identified, an express direct retro can be initiated in the OneUSG Connect System to correct these inaccuracies.
5. On the anniversary of each project's Budget Period End Date or Project End Date, PIs must access their Payroll Certification Reports via the UGA Grants Portal. Each Payroll Certification Report shows names, annual payroll, annual cost share, as well as total project payroll and total project cost share for each person on the project. The PI must certify that all personnel's payroll charged to the project is allocable and reasonable for the work performed.

**SOURCES:**

- Office of Management and Budget 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- UGA Sponsored Projects Administration Policies
- UGA Finance & Administration Policies

**Other University Policy or Procedure References:**

- [Financial Review and Analysis](#)
- [Project Status Report](#)
- Position Funding and [Direct Retros](#)



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Sponsored Projects Administration | 706-542-5939 | <http://spa.uga.edu>