

## Form 2.1001.1.4 Procedure Template

Once the template is complete, electronically forward to [aroth@mtu.edu](mailto:aroth@mtu.edu).

<b>Procedure:</b>	2.4002.1
<b>Title:</b>	Sponsored Project payroll Certification
<b>Senate Proposal:</b> <i>(Yes or No. Indicates whether or not the policy originated from a University Senate proposal. If yes, the policy requires Senate approval for changes to the policy.)</i>	No
<b>Responsible University Officer:</b> <i>(Title of the University officer (provost, vice president, cfo) responsible for implementing the policy and ensuring necessary procedures and guidelines are developed.)</i>	Vice President for Research
<b>Responsible Office:</b> <i>(Name of University office with responsibility of implementation of the policy.)</i>	Sponsored Programs Office

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## Introduction

Compensation for personal services represents the largest expense charged to sponsored projects. Charges or cost sharing for personal services on all projects for research, training and service must produce an equitable distribution of charges to an employee's activities and be documented in a method acceptable under OMB Circular A-21, Cost Principles for Educational Institutions. Individuals whose payroll is charged to a sponsored project or committed cost share must have worked on the project and be documented in official records of the University. The University's Project Payroll Certification method has been approved by its federal cognizant agency, the Office of Naval Research. This method requires the Principal Investigator (PI) to annually certify that the salary & wages charged to their sponsored project, including committed cost share is accurate and reasonable in relation to the work performed.

## Process

1. The PI will receive a Project Payroll Certification Document (PPCD) for his/her sponsored projects with an anniversary (start) date within the current reporting period.
2. The PI will review the salary & wages charged to the sponsored project and committed cost share (if applicable) to assure the compliance with external entities and internal regulations. The PI should consider the following items during their review:
  - a. All individuals must have worked on the sponsored project
  - b. Salary & wages must be accurate and reasonable in relation to the work performed.

If individuals (including faculty with summer salaries) that had 90% to 100% of their salary & wages charged to the sponsored project were involved in only minimal non-sponsored project activities, like instruction, department committees, and proposal preparation. Please note proposal preparation costs are an unallowable expense on a sponsored project.

3. After completing the review described above, the PI should sign and date the PPCD. 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-Principal Investigators, direct supervisors of the employee, and the accounting/budget analyst specific to the sponsored project (normally for a major project, where the budget analyst is managing that project only). Please note additional signers do not replace the PI signature.
4. Submit the original signed PPCD to Sponsored Programs Accounting (SPA) within the dates indicated on the PPCD, normally within 35 days of distribution.
5. The final PPCD will be distributed to the Principal Investigator by SPA at the time the project is closed. The PI will certify and return to SPA within a specified time period.