



**DEPARTMENT OF THE NAVY**

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IN REPLY REFER TO:

ONR BD242/sa11-04  
January 4, 2017

Mr. Michael Laskofski  
Director, Office of Sponsored Programs

Ms. Lisa Kemp  
Associate Vice President and Controller

George Mason University  
4400 University Drive  
Fairfax, VA 22030

Subj: George Mason University Payroll Certification Federal Demonstration  
Partnership (FDP) Pilot

Ref: (a) National Science Foundation Audit Resolution Letter dated 24 Nov 15  
(b) Office of Naval Research Letter to George Mason University (GMU) dated 21 Jan 11  
Approval of GMU Payroll Certification Pilot

Dear Mr. Laskofski and Ms. Kemp:

I am very pleased to acknowledge the success of payroll certification at GMU. The FDP pilot identified five goals GMU successfully demonstrated:

- Replace the certifying “effort” with certifying the reasonableness of salary and wage charged to a federally funded research project
- Improve the internal control environment over direct salaries and wages charge to federally funded research projects
- Reduce institutional overhead costs of salary and wage support systems
- Ensure timely reporting of Financial Status Reports
- Focus certification on direct salaries and wages

Your feedback to the FDP since 2011 documents how the pilot met these goals. The National Science Foundation (NSF) audit of this pilot is fully resolved (reference a). Accordingly, the reporting requirements identified in reference (b) to FDP and ONR are no longer required.

The Office of Management and Budget (OMB) issued changes to grant policy in December 2013. One of the changes eliminates effort certification effective December 26, 2014. This allows payroll certification to continue at GMU without approval from your cognizant Federal agency for indirect costs.

In closing, I appreciate the significant effort invested by GMU during this pilot. Your effort contributed to OMB's decision to eliminate effort reporting. All universities now have the flexibility to adopt payroll certification.

I congratulate GMU on a very successful FDP pilot.

Sincerely,

Deborah K. Rafi  
Director, University Business Affairs