



FEDERAL DEMONSTRATION PARTNERSHIP

THE NATIONAL ACADEMIES
Advisers to the Nation on Science, Engineering, and Medicine

FDP PAYROLL CERTIFICATION PILOT UPDATE

JANUARY 2015



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PAYROLL CERTIFICATION PILOT UPDATE

PILOT GOALS

- Improve oversight over direct salary/wage charges to federal awards by simplifying the salary certification process for federal awards
- Enable universities to focus resources toward the efficient and effective oversight of federal awards.

The goals aligned with the FDP Mission and focus of Phase V, which is to improve the productivity of research without compromising its stewardship through pilots that enable the PI to spend more time on research.



ACHIEVEMENTS AT PILOT INSTITUTIONS

- Improved PI oversight of direct salary/wage charges to federal awards because the review is aligned with the award annual financial reporting and budget cycles.
- Enhanced efficiency by certifying all direct salary/wages charged to an award instead of certifying individual employee charges.
 - Significant reduction in certification volume
 - Significant improvement in timely certifications
 - Simplified process reduces administrative burden for PIs, departments and central offices



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AUDIT UPDATE

- UC Irvine:
 - Report issued December 2014
 - DHHS IG did not express an opinion regarding the payroll certification process
- UC Riverside: DHHS IG draft report pending
- George Mason: NSF IG draft report pending
- Michigan Tech: NSF IG draft report pending



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UC PILOT

- DHHS approved an extension of the pilot at UC Irvine and UC Riverside through December 2015.
- The extension allows time for the DHHS IG audit recommendations to be resolved between the UC and the appropriate DHHS Action Official.



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CONCLUSION

The lack of an audit opinion on the payroll certification process at UC Irvine does not invalidate the goals achieved by all the pilot institutions or limit the possibility of institutions adopting the payroll certification process in the future.



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NEXT STEPS

- Impact on other institutions adopting the pilot concept is unknown until we see the remaining three audit reports
- UC Irvine and Riverside Pilots – DHHS approval extended through December 2015
- George Mason University Pilot – ONR approval remains in effect
- Michigan Technological University Pilot – ONR approval remains in effect