Salary Confirmation on Sponsored Projects: 2016
Division of Financial Affairs
Overview and Background

• We review and certify salaries associated with sponsored awards and other federal funding.
• A component of the controls required under 2 CFR 200.430 (Uniform Guidance).
• This year’s certification differs from those in recent years in that we will focus only on an after-the-fact certification of salaries.
  – Salary plan, i.e. budget estimates, are contained in Longview during budget process, then Workday.
  – Each Workday costing allocation update is modifying the estimate.
Frequently Raised Concerns

- Certification must reasonably represent actual effort on project
  - Excluding voluntary uncommitted cost shared effort charged to university resources

- Breaks in certification dilute integrity of the system

- All of a person’s compensated activities on a position, including; teaching, committee memberships, administrative duties, etc. cannot exceed 100% and must be factored into the overall allocation of time.

- Individuals must know the project on which they are working and from what funds they are paid.
More concerns

Faculty and/or Principal Investigators:
• Summer salary - Only for project work during the summer
  – Nine-month faculty do not receive paid vacation
• Institutional roles, proposal preparation, are not grant costs
• Commitments
  – Are commitments being met?
    • Reduction of PI effort by 25% or more (i.e. from 50% to 37.5%) requires sponsor approval.
  – Is a person overcommitted?

Graduate students
– Only the stipend portion of payments to graduate assistants are reflected
  – Per Policy 3.13, tuition must follow same distribution
Ongoing Monitoring

- Salary process should be addressed by documented ongoing monitoring, followed by documented year-end verification.
- A Salary Transfer must be submitted in a timely manner when it is recognized that effort component changes more than ± 10%.
- Per UG: “Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term.”
- Pre-award accounts can reduce the need for salary transfers
- Prospective changes are done in Workday.
- Units may need to coordinate with other units when:
  - Distributions cross unit lines and involve multiple supervisors
  - Individuals have multiple positions (will generate multiple certifications)
Special Situations

NIH salary cap

- Affects anyone paid all or in part on NIH funds who exceeds the following rates
  - CY2015: $137,475 (9 months) or $183,300 (12 months)
  - CY2016: $138,825 (9 months) or $185,100 (12 months)
- This creates a cost sharing requirement that must be recorded in a cost share subaccount. This is in addition to any other cost sharing requirements (voluntary or mandatory)
- An issue for both academic year and summer payments. If summer pay is at a reduced rate then units should have documentation stating that pay during the summer months is at a reduced rate.

NSF 2 month limit

- Now described as a funding limitation where rebudgeting is permitted as long as it is not a change in scope.
Cornell Process

• Salary Confirmation after-the-fact.
  – Only for those individuals charged to sponsored activities, federal appropriations, or cost share accounts/subaccounts.

• Only Cornell-compensated activities are included.
  – Some types of supplemental compensation for incidental work, or other types of reimbursements through payroll, may be excluded

• Hourly students are now included in certification process.
Timeline

• Units should be reviewing salary distribution throughout the year and making prospective changes in Workday.

• Salary Transfers (ST e-Docs) must be fully approved by June 30th.
  – Note: NO CHANGES TO STATE APPROPRIATIONS MAY BE MADE AFTER THE JUNE 30TH ST APPROVAL DEADLINE.

• Year-End Salary Transfers (YEST e-Docs) must be submitted by Friday, July 15, 2016 and approved by units by Monday, July 18, 2016 for any changes in FY16 actuals that need to be reflected in the final reports.

• All transfers are subject to Policy 3.20, Cost Transfers on Sponsored Projects.
Timeline

• Preliminary reports were distributed to dropboxes on May 9th.
• DFA will be distributing the final reports via the dropbox around July 29th which will include year-end salary transfers that were approved by July 18th.
• Main report will contain fiscal year effort.
• Faculty summer salary (July 1, 2015 – June 30, 2016) will be shown on a separate report.
• Reports should be reviewed as soon as they are distributed to your drop box.
Fiscal Year Distribution

<table>
<thead>
<tr>
<th>Account Account Name</th>
<th>SubAcct</th>
<th>SubAcct Name</th>
<th>SubFund</th>
<th>Function Object</th>
<th>OSP</th>
<th>PI Name</th>
<th>Cost Share OSP</th>
<th>FY16 Salary $</th>
<th>FY16 Salary %</th>
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<tbody>
<tr>
<td>Increasing Temp Rgnl Corn Yields</td>
<td></td>
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<td>APFEDL</td>
<td>4300</td>
<td>5100</td>
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<td></td>
<td>GNDEPT</td>
<td>4130</td>
<td>5100</td>
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<td>0</td>
<td>25,653.00</td>
<td>31%</td>
</tr>
<tr>
<td>CALS RESEARCH SALARY SUPPORT</td>
<td></td>
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<td>GNAPPR</td>
<td>4130</td>
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<td>0 N/A</td>
<td>0</td>
<td>12,618.00</td>
<td>15%</td>
</tr>
<tr>
<td>SIMMONS NITROGEN CONTRIBUTION</td>
<td></td>
<td></td>
<td>APFEDL</td>
<td>4300</td>
<td>5100</td>
<td>0 N/A</td>
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<tr>
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<tr>
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<td>52968 Bale,Christian</td>
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</tbody>
</table>

Fiscal Year Distribution Total: 81,542.00 100%

As a requirement of funding we receive from federal and other sponsored agencies, we must confirm that the accounting of our salaries is correct and appropriate. We need to ensure that the distribution of salary by account, award or institutional function for the 2016 fiscal year is as reasonable as possible on an annualized basis. For graduate assistants, this report represents only the stipend portion of the appointment. Other components are generally distributed similarly to the academic year stipend and documented in subsidiary systems.

Having first-hand knowledge or using suitable means of verification: please sign this form after you have reviewed, initialized modifications where appropriate, and approved the salary distribution that is represented on this document. Project leaders or faculty may sign on behalf of their group. Material changes in effort (+/- 10%) during the ensuing year must be corrected in KFS and Workday as appropriate. Material changes in key personnel on sponsored awards should also be reported to OSP to determine if a sponsor must be notified.

Signed: ___________________________ Date: ___________________________
A few reminders about the Cornell Dropbox

• Dropbox files have a maximum expiration date of 21 days. Be sure to download your files and save to a secure location on your server as soon as you receive notice of the upload.

• Because Plan Confirmation reports include salary information, only use Cornell Dropbox to share any of these files. Email is not considered to be secure for this purpose.
Certification Process

• Print reports single-sided using landscape orientation.

• Make any necessary data changes BEFORE the reports are signed because the certifying signature attests that all information correctly represents the employee’s activity during the preceding fiscal year.
  – For distribution changes not reflected on final report, both the % of effort and salary distribution must be updated.
  – If a new account needs to be added, please populate each column.
  – Effort must always total 100% and total dollars must not change.
  – Include a copy of the Final ST with the signed effort reports showing the change was made.

• Note: Cost transfers require additional supporting documentation to substantiate the transfer.
  – Please contact Beth Peet if a manual report needs to be created.
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<td>RESEARCH SALARY SUPPORT</td>
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**Signed:** Naomi Watts

**Date:** August 8, 2016
Salary Expense Transfer

**Document Overview**

- **Description:** Correct salary distribution
- **Explanation:** To correctly reflect the activities of employee

**Financial Document Detail**

- **Total Amount:** $31,621.00

**Ledger Balance Importing**

- **Fiscal Year:** 2016
- **Emp ID:** 1234567
- **Name:** Doe, Jane E.

**Accounting Lines**

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<tr>
<th>From</th>
<th>To</th>
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</thead>
<tbody>
<tr>
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<td><img src="chart2.png" alt="Chart" /></td>
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<td><strong>Account Number</strong></td>
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<tr>
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<td>1863555</td>
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<tr>
<td><strong>Sub-Account</strong></td>
<td><strong>Sub-Account</strong></td>
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<tr>
<td>5100</td>
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</tr>
</tbody>
</table>

**Financial Data**

- **Pay FY:** 2016
- **Pay Per:** 04
- **Pay Hrs:** 0
- **Fringe Benefit:** 0
- **Amount:** $25,653.00

**Actions:**
- View
- Copies
- Delete

**Total:** $31,621.00
Error Certification Tab on ST e-doc

<table>
<thead>
<tr>
<th>Error Certification</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe in detail the expenditures that are being transferred:</td>
<td></td>
</tr>
<tr>
<td>How did this expenditure benefit the project?:</td>
<td></td>
</tr>
<tr>
<td>How the error occurred?:</td>
<td></td>
</tr>
<tr>
<td>Why is the error correction late?:</td>
<td></td>
</tr>
</tbody>
</table>
Certification Process

- Extraneous comments or marks should not be included on the report that will returned.
  - This is an official record and all notations made on the report are subject to review by DFA, agencies, and auditors.
  - If notes make it easier to discuss distribution with PIs, consider making an additional copy for your discussion and have the PI sign a clean report if no post-report changes need to be made.
Certification Process

• Before returning the reports, review:
  – Confirm that each page is signed and dated in the designated field at the bottom of the report.
  – Confirm that each page is arranged in sequential order according to the page number at the bottom right of the report. All pages in the file you received need to be returned.
  – Confirm that any necessary backup documentation follows directly behind the report that it supports.
Group Certification

• If your org chooses the group certification method rather than certifying reports individually, use the Group Certification Form as a cover page when you return the reports.

• All reports for the org that is being certified need to be returned with the group certification cover page. Reports must follow the group certification cover page sequentially.

• If you are certifying for more than one org, a group certification page needs to be completed for each org that you are group certifying.
CORNELL UNIVERSITY
ANNUAL CERTIFICATION OF EFFORT
GROUP CERTIFICATION FORM
FISCAL YEAR 2016

As a requirement of funding we receive from federal and other sponsored agencies, we must confirm that the accounting of our salaries is correct and appropriate. We need to ensure that the distribution of salary by account, award or institutional function for the 2016 fiscal year is as reasonable as possible on an annualized basis. For graduate assistants, this report represents only the stipend portion of the appointment. Other components are generally distributed similarly to the academic year stipend and documented in subsidiary systems.

Using the suitable means of verification described below (please check one of the following):

___ Signed sub certification provided by PIs and retained by department
___ Documented PI interviews near certification time (conducted from ___ to ___)
___ Documented individual staff interviews near certification time (conducted from ___ to ___)
___ Project effort recording system maintained by unit
___ Other: ___________________________________________________________________

I hereby certify that for ALL charges to employees’ positions based in department, the attached Plan Confirmation Report for the period 07/01/15-6/30/16 is accurate and reasonably reflects position activity. Material changes in effort (+/- 10%) during the ensuing year must be reported to payroll as a retroactive adjustment by submitting a Salary Expense Transfer (ST) eDoc in KFS. Material changes on sponsored awards should also be reported to the Office of Sponsored Programs, to determine if the sponsor should be notified.

<table>
<thead>
<tr>
<th>Org/Dept Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Person Certifying</td>
<td></td>
</tr>
<tr>
<td>Title of Person Certifying</td>
<td></td>
</tr>
<tr>
<td>Signature of Person Certifying</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td></td>
</tr>
</tbody>
</table>

Please sign this letter and return with Plan Confirmation Reports by September 2, 2016 to:

Sponsored Financial Services
Division of Financial Affairs
341 Pine Tree Road
Group Certification

- Be sure to check one “suitable means of verification”. You are responsible for keeping all supporting documentation of your verification on file in your unit for six full fiscal years.

Using the suitable means of verification described below (please check one of the following):

___ Signed sub certification provided by PIs and retained by department
___ Documented PI interviews near certification time (conducted from ______ to ______)
___ Documented individual staff interviews near certification time (conducted from _____ to ____)
___ Project effort recording system maintained by unit
___ Other: ___________________________

- The organization name should match the organization name in the header of your org’s reports.
Certification Process

• Reports must be filed with SFS/QA in DFA.
  – Reports with original signatures should be submitted to SFS/QA via campus mail or dropped off at our office by September 2nd, 2016.
  – When a PI is out-of-town or it is otherwise impractical to obtain an original signature, an electronic signature or scanned document of sufficient quality is acceptable.

• Copies of the originals along with any back-up of the verification process should be retained in the unit.
Certification Process

• The completed reports are scanned on receipt. Please help us with this process by observing the following:
  – Return all certified pages in order based on the page number at the bottom right side of the report.
  • Supporting documentation should follow directly behind the report it supports.
  – If the report is printed double-sided, be sure that the report on the flip side is sequential.
  – If you send a non-sequential file to a PI it is important that the PI print it single sided.
Certification Process

• Signed final certifications, along with STs processed for FY16 activity requiring a change on the report, must be received at 341 Pine Tree Road (attn: Beth Peet, SFA/QA) no later than Friday, September 2, 2016.

• DFA will notify appropriate officers (e.g. unit heads, college business officer) when certifications are delinquent.
Breaks in Certification

- An ST moving sponsored effort after a report has been certified, without the certification reflecting the change, results in a nullification of the original attestation or a “break in certification.”
  - This includes any ST that transfers certified effort from one OSP number to another.
  - Even if the new OSP number is a continuation award, it is still a break in certification.
  - Linked projects and associated projects under an umbrella are considered separate projects. When salary is moved between their accounts after certification, it is considered a break in certification.
Breaks in Certification

- Breaks in certification are an area of high audit scrutiny and require additional documentation.
  - The original certified report needs to be modified to reflect the salary transfer and be recertified with signature and date.
  - A letter of explanation needs to be provided with the updated report to document why the earlier certification is incorrect and why the report was not corrected prior to certifying effort.
  - The recertified report, a copy of the ST, and the letter of explanation must be sent to SFS/QA as soon as possible after the ST is submitted.
STs that do not affect sponsored effort...

• An updated report reflecting the change on the ST and a copy of the ST still need to be sent to SFS/QA.
FAQ: Why did I receive this report?

• The report is sent to the org for which the position is assigned in Workday.

• The receiving unit is responsible for coordinating the certification for all accounting lines on that position. *This may require coordination with other administrators.*

• Please contact us immediately if you believe a report has been assigned to your org in error, so that we may determine who should certify the report.
References

• Annual Certification Process
  – https://www.dfa.cornell.edu/capitalassets/cost/effort

• Policy 3.11, Effort Planning and Confirmation
  – https://www.dfa.cornell.edu/tools-library/policies/effort-planning-and-confirmation

• Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
  – http://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200_1430
Assistance/Questions

Sponsored Financial Services, Quality Assurance

• Beth Peet, eap2@cornell.edu, 255-3351
• Janet Strait, jis45@cornell.edu, 255-1482
Questions?