Overview and Background

- Salary Certification is a component of the internal controls over compensation
  - Controls are required under 2 CFR 200: Uniform Guidance (UG)
  - 2 CFR 200.430(i): Compensation – Personal Services
- This process focuses on the after-the-fact certification of salaries by position
  - For all individuals conducting activities supported by sponsored projects, as well as Federal Capacity Funds.

Ongoing Monitoring

- Salary Certification complements, but does not replace, routine monitoring of accounts
  - Documented ongoing monitoring
  - Followed by mandatory documented year-end verification
- 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.”
  - Salary transfers must be submitted timely when it is recognized that effort component changes more than ± 10%.

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Ongoing Monitoring

- Costing allocations change when:
  - New projects begin
  - Projects are ending
  - A material, or sustained, change occurs in activity
- Prospective changes are updated in Workday
- Pre-award accounts, along with future-dated costing allocation changes in Workday, can reduce the need for salary transfers

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Considerations: Faculty

Faculty and/or Principal Investigators:

- Summer salary - Is available only for project work performed during the summer (5/16 – 8/15) and should be requested prior to work being performed
  - Nine-month faculty do not receive paid vacation
- Institutional roles (e.g. chair or DGS duties) or indirect activities (e.g. proposal preparation) are not direct grant costs
- Effort Commitments
  - Are commitments being met?
    - Reduction of PI effort by 25% or more (i.e. from 50% to 37.5%) typically requires sponsor approval.
  - Is a person overcommitted?

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Considerations: Salary Cap

National Institutes of Health (NIH) salary cap

- Affects anyone paid all or in part on NIH funds who exceeds the following rates
  - CY2017: $140,250 (9 months) or $187,000 (12 months)
  - CY2018: $142,200 (9 months) or $189,600 (12 months)
  - May also be a limitation on other Department of Health and Human Services (DHHS) awards (e.g. CDC, FDA, HRSA, ACF)
    - Special rules for DHHS contracts
- 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 committed / 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.

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Considerations: Graduate Students

- Only the stipend portion of payments to graduate assistants is reflected
- Per Policy 3.13, tuition must follow same distribution

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Frequently Raised Concerns

- Certified salaries must reasonably reflect actual effort on project
  - Excluding voluntary uncommitted cost shared salary charged to university resources
- Certifiers must have first hand knowledge of work performed
  - Or suitable means of verification
- Individuals should know the project on which they are working
  - And from what funds they are paid

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Frequently Raised Concerns (continued)

- 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
- Breaks in certification dilute integrity of the system of internal controls

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Cornell Process

- Salary Certification after-the-fact.
  - Only for positions charged to sponsored activities, federal appropriations, or cost share accounts/subaccounts.
- Only Cornell-compensated activities are included.
  - Some types of supplemental compensation, primarily for allowances or reimbursements through payroll, may be excluded.

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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 SALARY TRANSFER APPROVAL DEADLINE.
- Year-End Salary Transfers (YEST e-Docs) must be fully approved in units by Monday, July 16, 2018 at 5:00 p.m. in order for the changes to be reflected in the final reports.
- All transfers are subject to Policy 3.20, Cost Transfers on Sponsored Projects.

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Timeline

- Preliminary reports were distributed on May 11th.
  - Preliminary reports do NOT include Academic Summer Salary. Summer salary reports will only be included with the final report distribution.
- Final reports will be distributed around July 26th which will include year-end salary transfers.
- Main reports will contain fiscal year salaries.
- Faculty summer salary (July 1, 2017 – June 30, 2018) will be shown on a separate report.
- Reports should be reviewed when they are received.

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FINAL Salary Certification Report, 2018

Organization: Organization X (0000)

Name: Doe,Jane E
Employee ID: 1234567
Position Number: 00123456
Job Profile Name: Research Associate Sr

Fiscal Year Distribution*

Account	Account Name	SubAcct	SubAcct Name	SubFund	Function	Object	OSP #	PI Name	Cost Share OSP	FY18 Salary $	FY18 Salary %
1857366	Increasing Temp Agid Corn Yields	----	----	APYDL	4300	5300	0	N/A	0	400.00	0%
1863333	DEPT SALARY RES	----	----	GNDEPT	4150	5300	0	N/A	0	25,653.00	31%
1861555	CALS RESEARCH SALARY SUPPORT	----	----	GNAPPR	4150	5300	0	N/A	0	12,658.00	15%
1861478	SIMMONS NITROGEN CONTRIBUTION	----	----	APYDL	4300	5300	0	N/A	0	1,658.00	2%
1861478	SIMMONS NITROGEN CONTRIBUTION	3115	CS SubAcct Cntr0258	APYDL	4300	5300	0	N/A	0	2,950.00	4%
1868850	BENEFITED FTE DEPRIVE FUNCTION	----	----	CSPEGZV	8300	5300	75230	Wolfe,Naomi	0	12,658.00	15%
1868750	CORN CROPPING SYSTEMS VARIES	----	----	CGFEDL	4300	5300	52968	Bale,Christian	0	25,653.00	31%
									Fiscal Year Distribution Total:	81,342.00	100%

*Include miscellaneous/ "summer" Salary that is not PAID in your units.
Note: Material changes in effort (i.e., 10%) must be reported in ATS and reflected on this report including the ATS Doc Number. The Office of Sponsored Programs (OSP) should be notified of changes to key personnel on sponsored agreements to determine if a grantor must be notified.

As a requirement of holding an active Federal and other sponsored agreement, we must confirm that the accounting of our salaries is correct. We need to ensure that the distribution of salary by account, award or institutional function is reasonable and accurate on an annualized basis. For graduate assistants, this document represents only the stipend portion of the appointment. Other components of assistantships 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, initialed corrections where appropriate, and confirmed that the salary distribution represented on this document accurately reflects the work performed. Project leaders or faculty may sign on behalf of their group.

Signed: _____ Date: _____

**Suitable Means of Verification: The process through which one receives assurance that effort was provided as stated so that a salary certification report may be approved by an individual not having first-hand knowledge. Refer to University Policy 5.11.

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Dropbox Distribution

- 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 these files. *Email is not considered to be secure for this purpose.*

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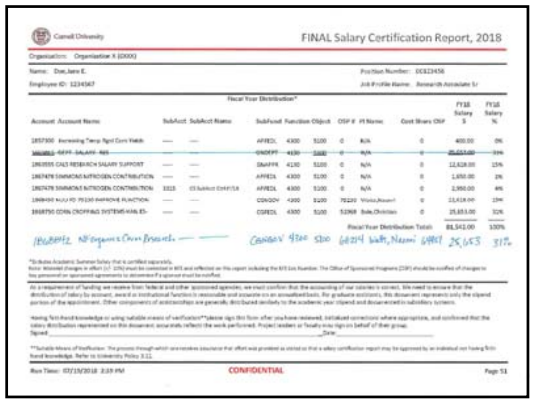
Certification Process

- 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, the % of salary distribution must be updated.
  - If a new account needs to be added, please populate each column.
  - Salary percentage must always total 100% and total dollars must not change.
  - Write the ST doc number on the report that corresponds to the change.
    - Note: Cost transfers require additional supporting documentation to substantiate the transfer
  - Please contact Beth Peet with the Employee ID and Position Number if you believe a report is missing from your org's file.

Kuali | Financials
FROM
HIDE DETAILS
TO
HIDE DETAILS

Cornell University
FINAL Salary Certification Report, 2018
CONFIDENTIAL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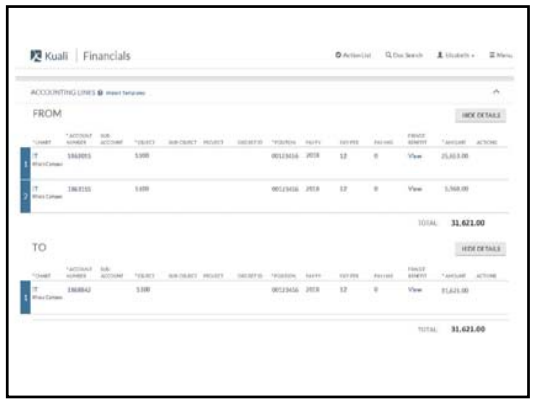
FINAL Salary Certification Report, 2018
CONFIDENTIAL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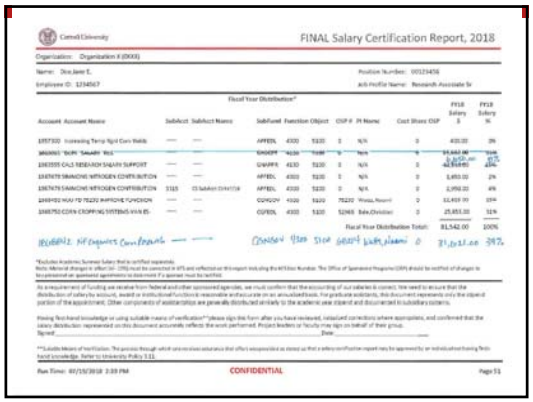
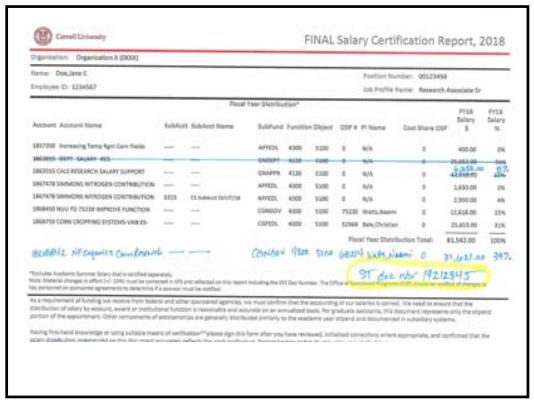
TO
HIDE DETAILS
TOTAL 31,621.00


Cornell University
FINAL Salary Certification Report, 2018
Organization: Organization X (0000)
Name: Doe,Jane E.
Employee ID: 1234567
Position Number: 00123456
Job Profile Name: Research Associate Sr
Fiscal Year Distribution*
Account Account Name SubAcct SubAcct Name SubFund Function Object CSP # PI Name Cost Share CSP FY18 Salary $ FY18 Salary %
Fiscal Year Distribution Total: 81,542.00 100%
*Excludes Academic Summer Salary that is certified separately.
CONFIDENTIAL
Page 51


Cornell University
FINAL Salary Certification Report, 2018
Organization: Organization X (0000)
Name: Doe,Jane E.
Employee ID: 1234567
Position Number: 00123456
Job Profile Name: Research Associate Sr
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Account Account Name SubAcct SubAcct Name SubFund Function Object CSP # PI Name Cost Share CSP FY18 Salary $ FY18 Salary %
Fiscal Year Distribution Total: 81,542.00 100%
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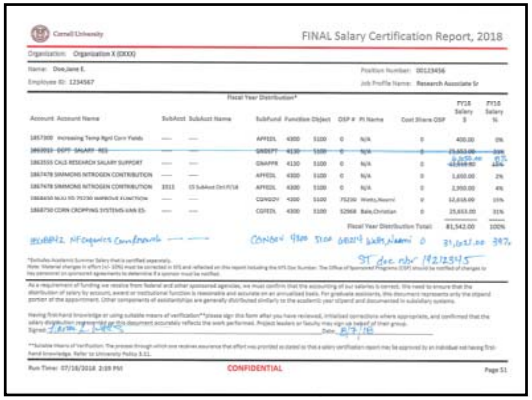

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FINAL Salary Certification Report, 2018

Organization: Organization X (OXXX)

Name: Doe,Jane E. Position Number: 00123456

Employee ID: 1234567 Job Profile Name: Research Associate Sr

Fiscal Year Distribution*

Account	Account Name	SubAcct	SubAcct Name	SubFund	Function	Object	OSP #	PI Name	Cost Share OSP	FY18 Salary $	FY18 Salary %
1857300	Increasing Temp Rgnl Corn Yields	----	----	AFFEDL	4300	5100	0	N/A	0	400.00	0%
~~1863910~~	~~DEPT SALARY REC~~	----	----	~~GNDEPT~~	~~4130~~	~~5100~~	0	N/A	0	~~75,653.00~~	~~99%~~
1863555	CALS RESEARCH SALARY SUPPORT	----	----	GNAFPR	4130	5100	0	N/A	0	2,000.00	3%
1867478	SIMMONS NITROGEN CONTRIBUTION	----	----	AFFEDL	4300	5100	0	N/A	0	1,650.00	2%
1867478	SIMMONS NITROGEN CONTRIBUTION	3311	CE SubAcct Dist FY18	AFFEDL	4300	5100	0	N/A	0	2,950.00	4%
1868650	NLSI RS 75230 IMPROVE FUNCTION	----	----	CGNS2V	4300	5100	75230	Weitz,Naomi	0	12,616.00	15%
1868750	CORN CROPPING SYSTEMS IANR ES-	----	----	COFEDL	4300	5100	52968	Bale,Christian	0	25,653.00	31%
									Fiscal Year Distribution Total:	81,542.00	100%

1857300 NFOrganics Contribute ---- ---- CGNS64 4300 5100 68214 Weitz,Naomi 0 31,053.00 38%

ST doc nbr 19212345

*Excludes Academic Summer Salary that is certified separately.
Note: Material changes in effort (+/- 10%) must be corrected in SFS and reflected on this report including the SFS Doc Number. The Office of Sponsored Programs (OSP) should be notified of changes to key personnel on sponsored agreements to determine if a sponsor must be notified.

As a requirement of funding we receive from federal and other sponsored agencies, we must confirm that the accounting of our salaries is correct. We need to ensure that the distribution of salary by account, award or institutional function is reasonable and accurate on an annualized basis. For graduate assistants, this document represents only the stipend portion of the appointment. Other components of assistantships 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, initialed corrections where appropriate, and confirmed that the salary distribution represented on this document accurately reflects the work performed. Project leaders or faculty may sign on behalf of their group.

Signed: J. B. Doe Jr., M.D. Date: 8/7/18

**Suitable Means of Verification. The process through which one receives assurance that effort was provided as stated so that a salary certification report may be approved by an individual not having first-hand knowledge. Refer to University Policy 3.11.

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Certification Process

- Signing the report
  - Can be signed by anyone either having first-hand knowledge that the account distribution represented on the report is reasonable in relation to the work that was performed.
  - Can be signed by someone using “suitable means of verification” from someone else having first-hand knowledge.

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Certification Process

- Suitable means of verification as defined in Policy 3.11:
  - The process through which one receives assurance that effort was provided as stated so that an effort certification may be approved by an individual not having firsthand knowledge. Suitable means of verification requires the documented review by an individual, such as the PI, project manager, supervisor, or an employee who has first-hand knowledge that the work was performed.

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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.

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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.
- Use the Group Certification Form ONLY FOR THE PURPOSE OF GROUP CERTIFICATION.
- 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.

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ONLY USE THIS FORM FOR GROUP SALARY CERTIFICATION

GROUP SALARY CERTIFICATION FORM
CORNELL UNIVERSITY
ANNUAL CERTIFICATION OF SALARY
FISCAL YEAR 2018

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 according actual activity. We need to ensure that the distribution of salary by account, award or institutional function for the 2018 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 (**check one of the following**):

_____ *Signed salt certification provided by PIs and returned by department*
_____ *Documented PI interviews most certification time (conducted from _____ to _____)*
_____ *Documented individual staff interviews most certification time (conducted from _____ to _____)*
_____ *Project effort recording system maintained by unit*
_____ *Other Salary Certification System*
_____ *Other*

I hereby certify that for ALL charges to employees' positions based in the organization reflected below, the attached Salary Certification Report(s) for the period 07/01/17-6/30/18 is accurate and reasonably reflects position activity. Material changes in effort (+/- 10%) during the ensuing year must be adjusted prospectively in Workday or retroactively in KFS via a Salary Expense Transfer (JSec. Material changes on sponsored awards should also be reported to the Office of Sponsored Programs to determine if the sponsor should be notified.

Organization	
Name of Person Certifying	
Title of Person Certifying	
Group Certifying Signature	
Date	

Please complete this form and return **with** Salary Certification Reports by 8/31/18 to:

Beth Post
Sponsored Financial Services
Division of Financial Affairs
341 Pine Tree Road

Cornell University

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.
  - DFA may perform after-the-fact reviews to validate the use of suitable means

Using the suitable means of verification described below (**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*
___ *CALS Salary Certification System*
___ *Other: _____*

- The organization name for the group certification must match the organization name in the header of the org's reports.

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Organization: Organization X (0000)

Org/Dept Name	Organization X (0000)
Name of Person Certifying	
Title of Person Certifying	

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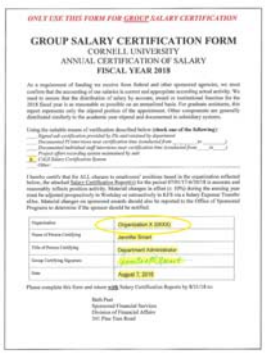

ONLY USE THIS FORM FOR GROUP SALARY CERTIFICATION

GROUP SALARY CERTIFICATION FORM
CORNELL UNIVERSITY
ANNUAL CERTIFICATION OF SALARY
FISCAL YEAR 2018

Organization	Organization X (0000)
Name of Person Certifying	Jennifer Smart
Title of Person Certifying	Department Administrator
Group Certifying Signature	Jennifer M. Smart
Date	August 7, 2018

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Certification Process

The completed reports are scanned on receipt by DFA. Please assist 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.

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Certification Process

Checklist prior to returning the reports:

- ❑ Confirm that each page is signed and dated in the designated field at the bottom of the report if reports are certified individually.
- ❑ 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, including group certified reports.
- ❑ Confirm that any necessary backup documentation follows directly behind the report that it supports.

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Certification Process

- Reports certified with hard-ink signature and date must be filed with SFS in DFA.
- 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.

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Certification Process

- Signed final certifications must be received at 341 Pine Tree Road (attn: Beth Peet, SFS) no later than Friday, August 31, 2018.
- DFA will notify appropriate officers (e.g. unit heads, college business officer) when certifications are delinquent.

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Breaks in Certification

- An ST moving sponsored salary after a report has been certified results in a nullification of the original attestation or a "break in certification."
  - This includes any ST that transfers certified salary to/from a sponsored project.
  - Even if the new project (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.

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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 salary.
    - Include the doc number of the Salary Transfer in the letter.
  - The recertified report, and the letter of explanation must be sent to SFS/QA as soon as possible after the ST is submitted.

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STs that do not affect sponsored salaries…

- An updated report reflecting the change on the ST still needs to be sent to SFS/QA to insure the reports match KFS Labor. For reference, be sure to write the ST doc number on the corrected report.

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Late Cost Transfers

- Per Policy 3.20, a Late Cost Transfer is one requested to be made 90 or more days after the date of the original transaction.
  - Transfer request must include a valid reason for the delay. Be sure to review the reason for the delay in order to take corrective action to prevent future recurrence.
  - Permitted only under extenuating circumstances.
- Error Certification tab on the Salary Transfer edoc is available to provide substantiation.

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Error Certification Tab on ST e-doc

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Why did I receive a report that includes accounts that are not be assigned to my org?

- 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.

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Accounts FWSCONT/FWSENDW

- Administrative accounts used for federal work study subsidies, which occurs systematically and overseen by the student employment staff.
- The supervisor is responsible for certifying the aggregate earnings between the departmental and administrative account as being reasonable compensation in relation to the work performed by the student.
  - *There is no need to try to reconcile the charges on FWSCONT or FWSENDW*

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References

- Annual Certification Process
  - https://www.dfa.cornell.edu/capitalassets/cost/effort
- Policy 3.11, Salary Certification Policy
  - 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)
  - https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5

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Acronyms

Acronym	Meaning
ACF	The Administration for Children and Families
CDC	Centers for Disease Control and Prevention
CFR	Code of Federal Regulations
DFA	Division of Financial Affairs
DGS	Director of Graduate Studies
DHHS	U.S. Department of Health $ Human Services
FDA	U.S. Food & Drug Administration
HRSA	U.S. Health Resources & Services Administration
KFS	Kuali Financial System
Org	Organization
OSP	Office of Sponsored Programs
PI	Principal Investigator
SFS	Sponored Financial Services
SFS/QA	Sponored Financial Services/Quality Assurance
ST	Salary Transfer

Cornell University

Assistance/Questions

Sponsored Financial Services

- Beth Peet, eap2@cornell.edu, 607 255-3351
- Janet Strait, janet.strait@cornell.edu, 607 255-1482