"Whoever put PIWRS together should win something. I found it extremely helpful..."

--- Thomas A. Miller, Professor of Entomology, College of Natural & Agricultural Sciences

**Campus Impact**

The federal government requires institutions to have a process in place to certify that salary expenses on federally funded sponsored projects represent an equitable distribution of charges based on an employee's work activities. UCR has historically utilized a paper form, known as the PAR or Personnel Activity Report, to comply with this federal requirement. However, this paper-based process is not efficient, and effort reporting in general has not resulted in clear and unambiguous contract and grant payroll/effort reviews and certifications. Moreover, although UC has provided several campuses an Effort Reporting System that automates this process, audits have shown that Investigators and support staff do not understand the general notion of reporting “effort”, and the system has therefore yielded mixed results in terms of ensuring appropriate compliance. As a result, UCR submitted a proposal to the Department of Health and Human Services (DHHS) to participate in a Federal Demonstration Partnership project to replace effort reporting with an Annual Payroll Certification System. This request was
approved and UCR is now in the midst of this Federal Demonstration Partnership project. The results have been impressive, as Investigators have provide a 100% response to all electronic requests for certification and have attested that the salaries expense for the award / period in question are reasonable and have directly supported the project.

Business Need

The Annual Payroll Certification System was introduced in April 2011 and is now available to all Principal Investigators within the PI Web Reporting System (PIWRS). In contrast to the quarterly PAR process, these certifications are performed on an annual basis, resulting in time savings and greater efficiency to colleges and departments across the campus. Moreover, the process of certifying specific salary expenses is much more straightforward than the obscure process of estimating the percent of effort individuals spend performing certain activities. Consequently, the annual certification process can be completed much more efficiently. UCR believes that payroll certifications will provide greater accountability, accuracy, efficiency, and transparency as well as better align with federal financial status reporting.

The Annual Payroll Certification System allows Principal Investigators (PIs) review payroll expenditures and certify that they are reasonable in relation to the work performed on the sponsored project. It is anticipated that UCR's Annual Payroll Certification system will demonstrate enhanced accountability, accuracy, efficiency, transparency, and timing of federal contract and grant compliance activities. If this goal is achieved, quarterly effort reporting via the PAR process will be permanently replaced with annual payroll certifications.

Highlights

To prepare for annual certifications, the PI Web Reporting System (PIWRS) provides the ability to formally document the review of contract and grant payroll expenditures on a monthly basis. This monthly review is meant to facilitate and ease the annual certification process. Utilizing the Monthly Expenditure and Payroll Review System allows PIs to quickly identify possible errors and make timely corrections. The regular monthly review process provides PIs with the added assurance that the Contract and Grant funded payroll expenditures are appropriate during the award budget year which ultimately supports the completion of the Annual Payroll Certifications.

The Monthly Payroll Review System complements this annual certification process. By completing the monthly reviews the PI provides documentation over fiduciary oversight and allows for errors and omissions to be identified and corrected in a timely manner. The purpose of the review is to ensure the integrity of the sponsored project expenditures. Performing monthly reviews complements the Annual Certification process and provides the PIs with added assurance of the integrity of the expenditures when completing the certifications.
Annual Payroll Certification required, but PIs are “strongly encouraged” (but not required) to review their monthly budget statements.

The Process: Technology and Implementation

Fund Attributes

The process begins as each new contract and grant fund is established within the UCR Financial System. Additional fund attributes have been implemented within the financial system to support annual payroll certifications. Specifically, each fund’s project period is automatically divided into annual payroll certification periods. These annual periods control when each fund is due for annual certification.

Roles and Responsibilities

Two roles are available within the Annual Payroll Certification System; the Coordinator and the Principal Investigator (PI).

Coordinator Responsibilities:

- Review PIWRS reports for data integrity.
- Enter Cost Shared salaries
- Enter pending cost transfers and other salary adjustments
- Review Cost Notes and add comments.
- Ensure certifications are performed by the PI

PI Responsibilities:
• Fiduciary responsibilities include review of costs charged to sponsor projects on a monthly basis to ensure the appropriateness of expenses.
• Prompt identification of errors so timely adjustments can be performed.
• Reviewing the monthly expenditure report allows the PI with confidence that the salary charges appearing on the Annual Report are accurate.
• PIs certify that payroll expenditures are reasonable in relationship to the work performed, salary costs directly benefit the project and conform to the agency's terms and conditions.

During Annual Payroll Certification, the PI certifies that salaries and wages are:
• Reasonable in relation to the work performed
• Directly benefited the sponsored project
• Adhere to the terms and conditions of the award

When clicking the button to certify the payroll expenses, the PI is presented with the following certification statement (the actual screenshot is presented below):

I have reviewed the attached Annual Payroll Certification Report with project salary expenses totaling $XXX,XXX.XX and I have determined that all salary and wage expenses have been correctly charged because:

• All salary and wage charges are reasonable in relation to work performed.
• Proposal preparation activities were not charged to the project.
• Senior project personnel who received salary payments from NSF projects met the restriction of having no more than 2 months of cumulative salary charged across all NSF projects during the 12 month budget period shown above.
• Individuals, who had over 90% of their salaries charged to sponsored projects, were involved in minimal non-sponsored project activities, like instruction, department committees, etc.
• Individuals performing “Clerical and Administrative” activities met the federal exception criteria, and exceptions are documented.
• Individuals, paid at a rate in excess of NIH’s approved rate, had their salary charges adjusted to comply with NIH’s salary cap requirements.
Email Notifications

A series of automated email notifications have been implemented to notify faculty and staff of their payroll certification responsibilities. A database-driven table of dates control specifically when each notification is delivered by the system. The following email notices are transmitted by the system:

Notice 1: This email serves as notification that the fund(s) require annual payroll certifications in the near future. This message advises the Coordinator to begin reviewing payroll expenditures and gathering applicable cost sharing data.

Notice 2: This email serves as notification that Annual Payroll Certification(s) are now available for review by the Coordinator prior to distribution to the Principal Investigator.

Notice 3: For uncertified funds only, indicates to the PI that certifications must be completed within the next 21 days.

Notice 4: For uncertified funds only, indicates to the PI that certifications must be completed within the next 7 days.

Notice 5: For uncertified funds only, indicates to Accounting that certifications must be completed today.

Notice 6: For uncertified funds only, indicates to Accounting that certifications are past due.


**Reports and Oversight**

A series of reports has been developed to allow for oversight of the annual certification process. Since its inception in April 2011, 755 funds have been certified via the PI Web Reporting System. No funds are awaiting certification, as UCR has achieved 100% compliance with this new annual salary certification system. The screenshot below shows the output of the Certified Funds report:

![Certified Funds Report](image)

**Technology Overview**

The PI Web Reporting System interfaces with an Oracle database which is populated from several repositories including the UCR Financial System, the Distribution of Payroll Expense Data Mart, and the Financial System Data Mart. The software was developed using the ExtJS Javascript framework, providing friendly, Web 2.0 features to the user community. The system uses UCR’s single sign-on technology and is fully integrated with the campus portal. This allows PIs to certify their funds on time, conveniently, from literally anywhere in the world! Please note that this approach is extensible, and UCR could provide this system as a service should other campuses wish to utilize it (by providing appropriate financial, salary, and fund information).
Optional Flow Chart or Other Diagram

![Graph showing funds certified by month and cumulative funds certified from April 2011 to March 2012. The graph includes months from April to March with corresponding cumulative values.](image-url)
Testimonials

“The PIWRS is an excellent web-based tool developed specifically for our campus Principal Investigators (PI). It is important for PIs to have access to monthly contract and grant reports in order to perform their financial management responsibilities. PIWRS automatically generates reports each month and provides consistent and reliable monthly financial status information to PIs on their contract and grant activity. The monthly expenditure activity is presented in a succinct style with the ability to easily drill into salary, purchase order and travel details. Although the PIWRS is a standardized report, the system offers the PI the option to customize their report with the system’s various features and views. As the campus Controller, I fully support PIWRS.”

--- Bobbi McCracken, Associate Vice Chancellor for Financial Services

“It has been an honor and privilege to be a part of the development and testing for the Annual Payroll Certification project. My exposure to the Effort Reporting System (ERS) was non-existent since I had only joined UC Riverside in May 2011. However, as development and testing was progressing I quickly learned that this new tool would be leading the way in streamlining tasks and would also provide much improved detail and efficiency over the ERS.

The Annual Payroll Certification tool is a web based application which can be retrieved by our Principal Investigators wherever they might be working as long as internet access is available. During its development, it was critical that Coordinators and Principal Investigators were provided with enough notice for fund review, analysis, and certification. A series of email notifications were established along with a timeline of their distribution. The Annual Payroll Certification Salary Expense Report now delivers the following fund detail: Assigned Department; Principal Investigator Name; Sponsor; Award Number; Project Title; Fund Number; Fund Title; Budget Period; Project Period; if Cost Sharing is applicable; Individual Employee Name, Job Title, Applicable Cost Note(s), Direct Project Salary, and Total Project Related Salary charged to the fund. If a Direct Project Salary and/or a Cost Shared Salary is a applicable to a fund, the Coordinator or Principal Investigator can make an adjustment on the Annual Payroll Certification Salary Expense Report. There is also a series of overview reports that are available with the ability to sort based on fund, Principal Investigator, Certification Date, etc.

The comparison of the ERS to the Annual Payroll Certification application has been researched. The ERS system would distribute and collect 5,058 paper reports in a one year period compared to 752 paperless Annual Payroll Certification reports. Efficiency at its best!”

--- Pauline Librenjak, Assistant Controller
"I am delighted to comment on UCR’s new PI Web Reporting System. With the campus-wide implementation of the PI Web Reporting System (PIWRS), all PIs are now, for the first time, assured of receiving monthly financial statements of their contract and grant funds that correctly report their current fund balances as well as their current month expenses. As an organizational chief financial officer, the assurance that all PIs will receive their monthly financial reports is extremely comforting. In the past it has happened from time to time that faculty have not always received accurate and timely financial reports. With the advent of PIWRS, this can no longer happen because they are automatically generated each month.

Added benefits are 1) the inclusion of salary projections, and 2) the ability to drill down to see purchase order and travel voucher details. The display is clean and uncluttered, and PIs have several useful format choices.

Because PIWRS is web based, PIs can log in from virtually anywhere, they can see old reports, they can compare expenses from month to month, and they can ultimately take a more proactive role in the management of their portfolio of funds.

Kudos for a job well done!"

--- Millie Garrison, Chief Financial & Administrative Officer,
College of Natural & Agricultural Sciences Dean’s Office

“The new Annual Payroll Certification system is more convenient than the old paper-based certifications. Since it is web based, all PIs can view their report(s) online regardless of where they are in the world. The email notifications are also helpful because the system automatically lets the PI and analyst know when a certification is required and sends reminders until it is finally completed. This is much more efficient than the old process where someone had to distribute the reports and make sure that they are returned. Another time-saver is the fact that the new process is done annually instead of quarterly. The best feature about the Annual Payroll Certification system is the ability to drill down by month. As a result, PIs can easily see who was paid on their grant and how much was paid for each employee in any particular month. The new system is also very user friendly. PIs have been able to review and verify the certifications with just a brief how-to tutorial and minimal prompting by the analysts.”

--- Juliet Lin, Financial Operations Manager,
UCR Audit & Advisory Services has interviewed faculty and staff across campus for their opinions about the Annual Certification System. The following responses were obtained:

**Staff:**

“The New System is much better than the PAR system.”

“This is so much better because instead of hundreds of PARs you are dealing with a handful of annual certifications.”

“The system is great. I don’t want to go back to PARs.”

**Faculty (PIs):**

“It works well. Electronic is good; paper is bad. It’s a pretty slick system. I’m satisfied overall.”

“It’s an enormous improvement. The old system didn’t reflect the way things worked. Over a year the salaries are fairly reflected. On a quarterly basis it was impossible.”

“Good system. Good that we got rid of the paper system, and it’s now electronic, and the info is on the web.”

“I’m happy with the new system. I want to be actively involved in the finances of the project and this system provides me the information I want and need.”

**Timeline**

- **December 2008** Project Initiation
- **May 2010** Production Pilot with Botany and Plant Sciences
- **August 2010** Pilot expanded to six additional departments
- **October 2011** Open houses and informational sessions
- **March 2011** Deployment and announcement to campus

**On the Web**

Production site: [http://piwrs.ucr.edu](http://piwrs.ucr.edu)
Support site: http://cnc.ucr.edu/piwrs

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