




**Florida Agricultural & Mechanical University  
Division of Research**

**Office of Sponsored Programs**

**INTERNAL OPERATING MEMORANDUM**

**Memorandum No. 16A.010**

<b>Subject:</b>	<b>Payroll Charges</b>	
<b>Authority:</b>	<b>Sections 1001.74 and 1001.75, Florida Statutes, FAMU Policy entitled "Payroll Charges"</b>	<b>Date Revised: 7/30/15</b>
<b>Related References</b>	<b>2 CFR 200.430, Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)</b>	
<b>Purpose</b>	<b>The purpose of this procedure is to provide guidance to University staff responsible for the review of payroll charges to sponsored projects.</b>	
<b>Signature of Approving Authority</b>		

**1.0 GENERAL INFORMATION**

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in §200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

- 1.1 Review and approval of expenditure requests is a crucial process in the administration of sponsored programs.
- 1.2 Costs must be in accordance with the approved budget and must meet the allowability test. Four general tests for allowability of costs are:
  - Must be reasonable for the services rendered and conforms to the established written policy of the non-Federal entity;
  - Must be allocable to sponsored agreements under the principles and follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal and state of Florida statutes, where applicable;
  - Must be allowable activities charged to Federal awards that may include reasonable amounts for activities contributing and directly related to work under a sponsored agreement; and
  - Must be consistently applied to all funds, both Federal and non-Federal activities and conform to any limitations or exclusions set forth in the sponsored agreement as to types or amounts of cost items.
- 1.3 All expenditure requests should be reviewed and approved by the Office of Sponsored Programs (OSP).

- 1.4 Average turnaround period of three working days for review, approval/denial and referral of the document to appropriate area.

## 2.0 DEFINITIONS

- 2.1 Payroll charges are salaries and fringe benefits charged to a sponsored research project.

## 3.0 RESPONSIBILITIES

- 3.1 **Principal Investigator (PI)** is responsible for determining that there is a need for employees to meet the requirements of the sponsored project; submission and initial approval of payroll requests; and ensuring that personnel effort is satisfactory and in accordance with the statement of work and approved sponsoring agency budget.
- 3.2 **Department, Division Head; College/School Dean** is responsible for review and approval of all personnel hired within the College/School for employment and proper management and retention of documents.
- 3.3 **School of Graduate Studies and Research (SGSR)** is responsible for the reviewing and approving graduate student assistantships.
- 3.4 **Office of Sponsored Programs (OSP)** is responsible for: 1) reviewing and approving proposed payroll costs according to the sponsoring agency's guidelines; 2) reviewing and approving payroll expenditure requests according to the sponsoring agency's approved budget, contract terms and conditions; 3) reviewing and approving of revisions of budget and program plans; 4) ensuring compliance with university, state, and federal regulations governing the charging of payroll to sponsored projects; and 5) ensuring proper management and retention of documents.
- 3.5 **Academic Affairs (AA)** is responsible for reviewing and approving employment for academic departments and ensuring proper management and retention of documents.
- 3.6 **Budget Office (BO)** is responsible for reviewing, approving and processing split-funded employment documents for academic departments. (Split-funding means positions are paid by both C&G and E&G dollars).
- 3.7 **Human Resources (HR)** is responsible for reviewing and processing all employment documents; reviewing and approving the payroll payment process and proper management and retention of documents.
- 3.8 **Contracts and Grants (C&G)** is responsible for the invoicing to the sponsoring agency for payroll charges of sponsored projects; preparation of fiscal and financial reports and ensuring proper management and retention of documents.
- 3.9 **Organizational Development and Training (ODT)** is responsible for the development and coordination of training on regulatory requirements for all individuals with responsibilities in the review and approval of payroll charged to sponsored projects, including but not limited to PIs, OSP staff, C&G staff and grants administrators.

## 4.0 GENERAL PROCEDURES

### 4.1 PRINCIPAL INVESTIGATOR (PI)

- The PI is responsible for verifying all personnel expenses charged to their sponsored project to ensure accuracy of allowable and properly allocated costs. The PI must adhere to the following:
  - Initiate employment document and route through departmental representative for individual employees identified on sponsored projects.
  - Approve employment of all personnel on sponsored projects.

- Ensure that employees are aware of how their assignments should be reflected on the effort report and that they promptly complete the effort certification.

#### **4.2 DEPARTMENTS/DIVISION/COLLEGES/SCHOOLS**

- Prepare required Faculty Employment Recommendation (FER) and Assignment of Responsibilities (AoR) according to approved effort on sponsored project.
- Obtain PI, department chair and dean signatures on FER and AoR.
- In addition, the dean of the department must also sign the employment papers as well as the dean of graduate studies for graduate students with class codes 9181-9185 if applicable.
- Route or scan employment documents through ImageNow to the SGSR.
- Review cost center report of payroll expenses.

#### **4.3 SCHOOL OF GRADUATE STUDIES AND RESEARCH (SGSR)**

- Ensure students are classified as a graduate student and is in good standing with the University.
- Ensure graduate assistant work hours, rate of pay and associated fringe benefits for graduate student (health insurance inclusion) are in compliance with union agreement.
- Review graduate assistantship form for approval.
- Route or scan employment documents through ImageNow to Academic Affairs (AA) if a new position number is required
- Route to the OSP for processing if graduate assistant has an existing position number or return to the department for further action.

#### **4.3 OFFICE OF SPONSORED PROGRAMS (OSP)**

- Post-award coordinator reviews approved budget and agreement, FER and AoR to determine allowability of cost.
- Employment papers for projects set-up in iRattler should have an assigned project and department numbers, and fund and program codes. The project number is created by OSP and used for processing employment documents.
  - Employment documents may be delivered or routed through ImageNow to the OSP or hand-delivered to 400, FHAC. Hand-delivered documents are scanned into ImageNow and routed to the assigned post-award coordinator for further processing.
  - Post-award coordinator reviews employment documents for compliance, stamp for approval, and refer to Human Capital Management (HCM) staff to enter employee data on position management and department budget tables for sponsored project appointments. HCM staff will process and initial in the space indicated and refer the document to the OSP associate director (or representative) for signature.
- Review available project balances through iRattler and scanned file for amendments.
  - Employment documents should be received in the OSP at least three (3) weeks prior to the beginning date for new employees. Start date for all employees is contingent upon HR approval and receipt of all required documentations.
  - Staff should review professional data for existing employees and verify salary calculations. All salary information should be correctly calculated (bi-weekly amount, hourly amount, etc.).
  - AoR should accompany all employment papers for faculty and graduate assistant appointments.

- Twelve-month faculty can work in a sponsored project during summer and be paid a portion of their Institutional Base Salary (IBS) if indicated in the approved budget through release time.
- Nine-month faculty can work on a sponsored project during the summer and be paid from the sponsored project if indicated in the approved budget.
- Staff must notify the PI via email and return the document to the department via ImageNow with explanation if employment papers cannot be processed.
- Faculty overload cost is generally not allowable unless it is specifically provided in the agreement or approved in writing by the sponsoring agency. Extra Service Pay normally represents overload compensation, subject to institutional compensation policies for services above and beyond IBS.
- Faculty cannot be paid as consultants.

#### **4.3 ACADEMIC AFFAIRS (AA)**

- FER and AoR reviewed by AA assigned coordinator for rate and dollar amount and institutional compliance and route to Provost for approval.
- Assign position number to new graduate assistant employees as needed and route to OSP for processing if employed on sponsored projects.
- AA prepares employment contract for provost signature.
- AA routes contract to assigned department college/school for faculty signature.
- Signed contracts are returned to AA for routing to HR for processing.

#### **4.4 BUDGET OFFICE (BO)**

- C&G and E&G split- funded employment documents are routed to the BO to enter and update employment information into iRattler on the position management and the department budget tables.
- The BO director approves the document and routes back to AA for further processing.

#### **4.4 HUMAN RESOURCES (HR)**

- HR processes all employment documents.
- HR enters all demographic and employee job information for payroll processing.
- Salary and OPS funds to include fringes are used to encumber for sponsored projects.

#### **4.5 CONTRACTS AND GRANTS (C&G)**

- Invoice sponsoring agency for payroll charges on sponsored projects.
- Prepare fiscal and financial reports.
- Maintain financial reporting information for proper management and retention.

#### **4.6 ORGANIZATIONAL DEVELOPMENT AND TRAINING (ODT)**

- Develop and coordinate training on regulatory requirements for all individuals with responsibilities in the review and approval of payroll charged to sponsored projects, including but not limited to PIs, OSP, C&G staffs and grant' administrators.

## **5 DISTRIBUTION OF DOCUMENTS**

5.1 The OSP staff will return documents via email, route back to the department via ImageNow or place documents in the OSP pick-up tray at the front desk to mail them back to the PI. The Coordinator will prepare a routing slip to accompany documents that are returned through campus mail or pick-up.

## **6 RECORDS**

6.1 All relevant documentation generated for a sponsored project should be kept in the project file. The appropriate record retention guidelines should be followed for the retention and disposition of documents. AA maintain all faculty employment documentations and all other employees' records are maintained by HR. Employees are required to report all hours worked or leave taken through iRattler HCM employee self-service portal. Departments/divisions/colleges/schools maintain OPS timesheets.