

## VASSAR COLLEGE POLICY ON UG Compensation Compliance<sup>1</sup> on Federal Grant Awards

*Effective Date: August 1, 2019*

On an annual basis, Vassar College Principal Investigators (PIs) on federally funded awards must confirm that the salaries and wages of individuals charged to their respective projects are reasonable and accurate based on the work performed.

PIs must regularly review compensation reports to ensure that final amounts charged to federal awards are accurate, allowable, and properly allocated. This regular monitoring of payroll charges throughout the budget period is central to Vassar's compliance program.

The Director of Grants Accounting also performs bi-annual reviews to ensure that procedures for Payroll Certification on Federally Sponsored Projects are being followed as intended. The Director then follows up on any irregularities or deficiencies that are identified in order to determine and address the cause.

### Process and Objectives

- Alignment Throughout Award Lifecycle:
  - Pre-Award collaboration with the Dean of the Faculty's Office such that all proposals and budgets submitted include correct Institutional Base Salary (IBS).
  - At the time of award/acceptance, the budget is reviewed to confirm that salaries and wages are estimated correctly and reasonable for the work that will be performed.
  - As the project moves forward, monthly reports of payroll charges are provided to the PI for informational purposes and review, which may be used to trigger reallocations of payroll and any necessary cost transfers. Payroll charges are reconciled by the PI, via a review of payroll reports, to ensure changes to payroll allocations or cost transfers are executed as intended on the project.
  - Once final amounts are confirmed, compensation charges become award expenditures (recorded as allowable, allocable, reasonable, benefiting the project, and consistent with institutional policy), and the amounts can be relied upon for accuracy of financial reporting.
- Regular review of project expenses will decrease frequency of cost transfers and will increase timeliness of salary changes.
- All salary adjustments must be made in a timely manner. Corrections to payroll allocations that were previously certified or made in error should be infrequent,

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<sup>1</sup> Vassar's policy and process are in line with Uniform Guidance (UG) Compensation Compliance. UG FAQ .430 RE: Audit agency approval for changes: Institutions can develop solutions that meet the requirements in paragraph (i) and reduce the burden related to their current process whether they be incremental or more significant, including complete elimination of current systems. The changes to the UG "allow for alternatives to the current requirements that can provide an even higher standard of accountability without burdensome process requirements." From the UG Preamble: "The focus on final guidance on overall internal controls mitigates the need for reporting/certification." Source for all quotes and guidance: NCURA Philadelphia Subregion Webinar *Understanding and Navigating Compensation Compliance under the UG*, July 15, 2019.

performed within a reasonable time period (within 90 days of discovery), justified in writing by the PI and fully justified through a description of how the error occurred and how it will be prevented in the future. Adjustments beyond the 90-day period must undergo elevated institutional approval.

- Salaries of employees used in meeting cost sharing or matching requirements on federal awards must be supported in the same manner as direct charges.
- Specific review and approval procedures exist for instances of Non-IBS “Extra/Other” compensation received by an individual and paid on a federal project.