

PAYROLL ACCOUNTING ADJUSTMENT (PAAs) JUSTIFICATION EXAMPLES

Primary reasons for PAAs can include: transposition errors, allocating effort that benefits more than one project, transfer of approved Pre-award costs, late receipt of award notice, holds pending IRB, IACUC, COI, IBC, reallocation of salary to reflect actual effort. The justification should relate to the specific circumstances. A general justification of “administrative error” is not sufficient.

Provide an explanation for the error and how it occurred.

- If the reason is due to administrative error, then explain what it was.
- What is the benefit to the receiving award/project to which you are transferring the effort?
- If the transfer is more than 90 days past the original transaction, then explain the unusual circumstance that prevented the timely review, correction, and submission of the correction and preventative action taken that eliminates future cost transfers of this type.

PAA TRANSFER EXAMPLES

Acceptable: Clearing costs to a non-sponsored account to accurately reflect Dr. Smith’s effort for September 2018. Dr. Smith completed the study early and the Financial/Grant Coordinator was not notified in enough time to adjust her labor distribution before the payroll deadline.

Unacceptable: New account issued for Yr 2. Moving to new account. *What is the reason? What is the benefit to the new account charged?*

Acceptable: This PAA is to reallocate salary to reflect actual effort on each of Dr Johnson’s projects. During September 2018, PI increased his effort on project X during the deer season, while project Y, in its final stage required less effort from Dr. Johnson. The increased effort on Project X was a direct benefit to the award as the time spent was on additional analysis of the increased sample supply during the peak season.

Unacceptable: Corrects the salary to where the effort was spent. *What is the benefit to the award to which the cost is being moved?*

Acceptable: Allocating September 2018 charges for RNA sequencing to Dr. PI’s two projects. RNA seq is required on project X in order to perform the necessary objectives of Aim 1 of the research project. RNA seq is also required on project Y to perform necessary analysis to meet Aim 4 of the research project.

Unacceptable: PI discovered charges were not being split correctly between grants. *What caused the error? What is the benefit to the receiving award?*

Unacceptable: Moving pre-award cost from department account to the grant account. *What is the benefit of the charges to the receiving award?*

Over 90 Days Examples

Acceptable: 1) Department costed PI salary to CC40123 PRG100 pending award notice. Costing was not updated and salary continued to be charged to the CC in error for 3 months.

2) The reallocated salary reflects PI effort on the proposed experiments on GR5271234 for the period of Jan – June.

3) Due to departure of Financial Coordinator timely review the GR-account department did not occur. Department was in the process of interviewing and hiring a replacement and the Financial Manager was not able to review the vacant position’s portfolio due to under-staffing.

4) The vacant position is filled and department also hired an additional grants administration staff. With additional staffing the department’s GR-accounts are being reconciled on a regular basis eliminating the need for late transfers.

Unacceptable: Salary belongs on the grant. Grant Administrator did not notice costing was not incorrect due to vacant position. Department will reconcile account regularly. *What is the benefit of the charges to the receiving award?*

Acceptable: 1) Post Doc salary was costed to GR12345 over the summer while PI was abroad. Administrator was unable to review account expenses with the PI for accuracy while PI was away.

2) Department met with the PI upon return in August to review expenses and it was determined that salary for Post-Doc Y was lower than actual effort spent over the summer while working on XYZ aims of project.

3) The research administrator responsible for timely review of expenses on award X for Dr. PI was on leave, combined with Dr. PI’s travel abroad over the summer resulted in over 90-day cost transfer.

4) Department will be sure to review salary distributions with PIs that will be traveling prior to their departure going forward.