Policy Statement

This policy applies to all salary and wage distribution, sponsored and non-sponsored, and salary and wage certification on sponsored projects. Tufts University (Tufts) is required by federal regulations (2 CFR 200.430) to have a salary distribution system that allows for periodic review and confirmation of the reasonableness of salary charges to sponsored awards.

Salary and Wage Distribution

Salaries and wages are charged (distributed) to cost centers (e.g. DeptIDs, sponsored projects) based on prospective labor distribution data entered into the university’s system of record, PeopleSoft. For non-exempt employees, timesheets are submitted weekly at which time the distribution of wages can be adjusted if the actual effort on cost centers is different than the prospective labor distribution recorded in PeopleSoft.

After each payroll, salaries and wages are posted to cost centers according to the prospective labor distributions in PeopleSoft or adjustments made on timecards.

Once salaries and wages are posted to cost centers, changes to those distributions are considered “retroactive” and can only be done using the retroactive labor distribution tool in PeopleSoft.

Salary and Wage Certification on Sponsored Projects

Tufts uses an after-the-fact payroll certification system, called the Employee Compensation Compliance (ECC) system, to certify that all salaries and wages charged, or cost shared, to sponsored awards, are reasonable in relation to the work performed.

For Faculty and Principal Investigators (PIs), Tufts utilizes an annual Faculty and PI payroll certification statement as the primary means for complying with federal regulations. For all others (e.g. non-Faculty and non-PI's research personnel), Tufts uses a quarterly project certification statement as the primary means for complying with federal regulations.

For the annual certifications, the reporting period is September 1 – August 31. For the project certifications the reporting periods are:

- September 1 – November 30
- December 1 – February 28 (or 29)
- March 1 – May 31
- June 1 – August 31
Procedures

Annual Certification

Faculty and PIs with salary charges to sponsored projects are required to certify their own salary on an annual basis using an annual payroll statement generated in the ECC system. The annual payroll statements will be provided in the ECC system for certification after the annual period has ended and after a pre-review is completed by the appropriate Local Research Administrator (LRA). Faculty and PIs must certify their salary charges are reasonable in relation to the work performed for each sponsored project to which their salary is charged for the annual period. Faculty and PIs must communicate any changes in labor distribution to their LRA, who will facilitate the adjustment using the retroactive labor distribution panel.

A proxy certifier may be requested by the Faculty or PI but will be granted this option by the Post-Award Office only in extenuating circumstances. The proxy must be requested using the proxy request form.

Quarterly Project Certifications

For each sponsored project, the PI for the project must certify all non-Faculty and non-PI’s salary and wages distributed to their sponsored project quarterly using a project statement generated in the ECC system. The project statement will list all salaries and wages, excluding the Faculty and PIs, charged to the project for the quarter and will be available for certification after the quarterly period has ended and after a pre-review is completed by the appropriate LRA.

PIs must certify the salary and wages charged are reasonable in relation to the work performed for each sponsored project to which all non-Faculty and non-PI’s salary and wages are charged for the quarterly period. A designee certifier may be requested by the PI but will be granted this option by the Post-Award Office only in extenuating circumstances. The designee must be requested using the designee request form.

Retroactive Salary and Wage Distribution Changes

There are two types of retroactive distribution changes – (1) payroll adjustments and (2) late payroll transfers.

Payroll Adjustments are:
- Retroactive distribution changes on quarterly project statement before certification and
- Retroactive distribution changes on annual statements within 90 days of the end of the month of the original general ledger posting and/or

Late Payroll Transfers are:
- Retroactive distribution changes on quarterly project statements and annual statements that have been previously certified in the ECC system and/or
- Retroactive distribution changes on annual statements 90 days after the end of the month in which the original charge was posted to the general ledger but for which certification has not yet been performed (e.g. still in “building status”).

Payroll Adjustments do not require documentation and can be facilitated at the local or central level using the retroactive labor distribution tool.

Late Payroll Transfers of salary and wages must be submitted to the Post-Award Office at ECC@tufts.edu for processing.

The following documents must be attached to the request:
1. Originally certified project or annual statement (or non-certified annual statement if the labor adjustment is on an annual statement that is still in the building status) for affected time periods from ECC with the requested adjustments marked up on the report.

2. A memo, dated and signed by the PI, faculty or proxy that includes a summary listing the dollar amount and percent of payroll being reallocated, pay periods, and receiving award number (this information can be found in Data Warehouse, PeopleSoft Labor Distribution Tool, or ECC via Reports>Reporting>Payroll/Cost Share>Payroll Report).

The memo must answer the following questions:

- Why was labor not charged to the correct project originally?
- How does the expense directly benefit the receiving award? (Is this effort part of the approved budget?)
- If applicable, why is the transfer over 90 days?
- What action has been taken to correct any systematic problem?

Recertifications

If retroactive Late Payroll Transfers are made for periods affecting quarterly project statements and annual statements that have been previously certified in the ECC system, the related statements will be flagged in ECC as requiring recertification at which time the Faculty, PI or proxy will be required to recertify.