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Responsible University Office:
Finance Office

Responsible University Administrator:
Vice Chancellor for Business and Finance

Policy Contact:
Debbie Tvrdy, Grant Accountant, tvrdyds@unk.edu, (308) 865-8421

Payroll Verification System Policy

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Scope

All University of Nebraska at Kearney faculty and staff that work with Federal and Federal pass-through projects. This includes payroll charged directly to the grant, payroll that is used as Cost Share on a Federal or Federal pass-through project, and payroll that is paid from program income associated with a Federal or Federal pass-through project.

Policy Statement

University of Nebraska at Kearney (UNK) uses the Payroll Verification System (PVS) as its method of documenting employee effort performed on Federal and Federal pass-through projects. The PVS provides the basis for certifying that salaries are charged to programs/projects in accordance with the relative activity applied to various programs and projects. The PVS constitutes the primary basis for reimbursement to UNK by the Federal government for salaries paid from sponsored research, sponsored instruction, and other sponsored activities as well as providing the basis for certain costs that are reimbursed as facility and administrative costs. Manual PARs provide the means of identifying cost sharing activity on sponsored programs and payroll from Federal program income. The PVS is approved by the principal investigator (PI), or responsible official, using suitable means of verification that the work was performed.

Reason for Policy

Federal OMB Circular 2 CFR 200.430 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires that the University document the compensation for personal services of employees rendered during the period of performance under sponsored agreements (grants). This compensation includes salaries, wages, and fringe benefits. These same requirements apply to time spent as Cost Share or Program Income on a Federal or Federal pass-through awards. Acceptance of Federal awards obligates UNK to assure U.S. Federal and other sponsors that the assignment of time and associated salary costs charged to their sponsored agreements is equitable and distinguishable from those charged to other activities. UNK's Payroll Verification System and manual Personal Activity Reporting systems are an internal control to verify payroll to fulfill Uniform Guidance §200.430 Compensation of personal services.

Procedures

The PVS forms show the percentage of payroll paid from the indicated grant... PVS forms should be reviewed, completed, and approved by the PI.

- PVS forms reflect the distribution of activity expended by employees.
- These reports will reflect an after-the-fact reporting of the percentage distribution of activity of employees.
- The reports will reflect a reasonable estimate of the activities for which employees are compensated by the institution. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the reporting period, the reports will be approved by the PI having firsthand knowledge of the activity of the employee that is being reported on the Payroll Verification System report.
- The forms will reflect activity applicable to each sponsored agreement. The information reported by departments for the period being reported reflects the actual effort of each employee, as well as it can be estimated or measured. Reports are prepared for employees who are paid at least partially from federally sponsored projects. For projects that have a payroll cost share requirement or federal program income accounts with payroll, a manual PAR is prepared with the same information as PVS and the applicable match percentages.

Grants Accounting is responsible for the administration of the PVS process. PVS forms are generated by Grants Accounting each quarter and distributed to principal investigators for review and certification. It is the responsibility of the PI and his/her department to accurately complete the PVS form. The Grant Accountant ensures that the PVS is completed. PVS information is kept electronically and is available to be reviewed when needed. If there are errors on the PVS report, the PI notes them in the space provided, then notifies the Grant Accountant and any necessary corrections are made. Once the needed correction is noted on the PVS form, the PI will approve the form. Payroll transfers made as corrections in following quarters will be certified during that quarter.

Notices go out to the PI when the PVS is not completed in a timely manner. Reminders are sent to

the PI to verify their PVS items every 10 days until they are completed or until 120 days have passed.

Definitions

Payroll Verification System (PVS): Method of documenting employee effort performed on Federal and Federal pass-through projects.

Personnel Activity Report (PAR): Method of documenting employee effort performed as match on Federal and Federal pass-through projects and payroll paid from Federal Program Income accounts.

Principal Investigator (PI): The individual responsible for the preparation, conduct, and administration of a research grant, cooperative agreement, training or public service project, contract, or other sponsored project.

WBS Element: WBS Elements are used to plan, gather, and track costs for a grant or contract, agency or plant project. WBS elements are 13-digit numbers and begin with 54, 55, 56, 57 or 59.

Cost Share: That part of the federally sponsored project or program that is not paid for by the federal government.

Program Income – Gross income earned that is generated directly by a federally supported activity (e.g., conference fees) or earned as a result of the federal award during the life of the award (e.g., fees for services performed).

Internal Control: An internal control plan is a system of checks and balances and includes established ways to prevent and detect intentional and unintentional errors.

Additional Contacts

<i>Subject</i>	<i>Contact</i>	<i>Phone</i>	<i>Email</i>
Grants Accounting	Debbie Tvrdy	308 865 8808	tvrdyds@unk.edu

Related Information

[2 CFR 200 – Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards](#)

History

Replaces current policy dated 4/1/2018.