Michigan Tech has changed from **Individual Effort Certification** to **Project Payroll Certification**. This change eliminates the need for each individual to complete monthly/semester forms, and replaces them with the Project Payroll Certification Document (PPCD) that only the Principal Investigator (PI) completes. **This change affects PIs of all sponsored projects.**

**KEY POINTS:**
- Implementation begins in November 2011. First PPCDs will be distributed for August, September, and October 2011. Last monthly Effort Certifications were distributed in August 2011 and the last summer 2011 semester in October 2011.
- As the PI, you MUST sign the new certification form. You can have a Co-Principal Investigator (Co-PI) sign, but your signature also must be on the form.
- The certification form will be generated annually after the project’s anniversary date. Salaries & wages will go back one year and include everyone paid through the project including committed cost share indexes. There will be only one form for each grant, regardless of how many separate indexes are associated with that project. The key difference from Effort Reporting is the PI certifies that the individual salaries and wages charged to the project are accurate and reasonable in relation to the work performed. Individuals will no longer certify their effort.
- At the project’s end, Sponsored Programs Accounting will have the PI sign one last certification to close the account.
- To assist on-going project management, a new report for tracking salaries and wages (S&W by Anniversary) will be distributed monthly with other financial reports automatically sent via e-mail. Closely monitor this form and request changes/corrections right away because certifications will only come yearly, yet reallocations still must be made within 90 days of posting.

**BACKGROUND INFORMATION:**
- Personnel services typically represent the largest expense charged to sponsored projects. Federal regulations stipulate that compensation for personnel services must produce an equitable distribution of charges for employees’ activities. Compensation must be documented using methods that follow the Federal requirements.
- Effort Reporting or an approved alternative method is required per Federal regulations.
- Michigan Tech along with two other universities received approval to pilot the alternative Project Payroll Certification.

**WHAT TO LOOK FOR:**
- **Project Payroll Certification Form:**
  - Top section includes general information (PI, Co-PI, reporting period etc).
  - Middle section lists individuals paid during the 12-month period with a column for the sponsor’s share, Michigan Tech’s cost share, the percentage of earnings by each individual for the period (by grant), and the cumulative total.
  - The bottom section is where the PI certifies that the listed individuals worked on the project and that their salaries and wages are accurate and reasonable in relation to the work performed.
- **S&W by Anniversary Report**, key differences from PPCD:
  - There is no bottom certification section
  - The middle section is further broken down by index when a particular project has more than one index.
  - The reporting period is from the anniversary date to the end of the particular reporting month. For example, if the project has an anniversary date in January and the reporting month is July, the report shows earnings from January 1 to July 31 which is seven months of data rather than 12 months.
- The process for Project Payroll Certification is as follows:

  ![Diagram](http://www.mtu.edu/research/references/training/)

- The PowerPoint training presentation, policy, sample forms, and instructions are available on the Sponsored Programs website: [http://www.mtu.edu/research/references/training/](http://www.mtu.edu/research/references/training/)