



INTERNAL  
AUDIT SERVICES

# Academic Research Employee Personnel Charges During Strike

*Internal Audit Report No. I2024-202*  
April 2, 2025

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April 2, 2025

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ACADEMIC PERSONNEL**

**BARRY OH  
ASSISTANT VICE CHANCELLOR AND CONTROLLER  
ACCOUNTING & FISCAL SERVICES**

**RE: Academic Research Employee Personnel Charges During Strike Audit  
Audit No. I2024-202**

Internal Audit Services has completed the review of Academic Research Employee Personnel Charges During Strike and the final report is attached.

We extend our gratitude and appreciation to all personnel who assisted us during our review. If you have any questions or require additional assistance, please do not hesitate to contact me.

Sincerely,



Mike Bathke  
Director

Attachment

C: Audit Committee  
Juan Diaz, Director of Central Payroll Services, Central Payroll

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**I. MANAGEMENT SUMMARY**

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In accordance with the fiscal year (FY) 2023-24 audit plan, Internal Audit Services (IAS) conducted a general review of the Academic Research Employees Personnel Charges during the Strike. In general, controls and processes appear to be functioning as intended.

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**II. BACKGROUND**

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The United Auto Workers (UAW) union represents four bargaining units, involving nearly 60,000 employees in University of California (UC) system.

1. Graduate Student Researchers (BR)
2. Academic Student Employees (BX), which include teaching assistants, readers, tutors, etc.
3. Postdoctoral Scholars (PX)
4. Academic Researchers (AR), which include project scientists, specialist, professional researchers.

To strengthen their bargaining position, the UAW began demanding combined labor negotiation (typically conducted separately for each bargaining unit) in summer 2022. This led to a strike call in November 2022. The strike commenced on November 14 and concluded on December 23, 2022.

This marked the first time in UC system-wide history that a work stoppage of this scale and duration occurred. As a result, the entire UC system, from UC Office of the President (UCOP) to individual campuses, was compelled to act as the strike progressed.

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**III. PURPOSE, SCOPE, AND OBJECTIVES**

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The primary purpose of the audit was to review controls that ensure academic research employees on strike (and not working) did not charge time to federal awards. The scope focused on payroll activity during the strike period from November 14, 2022, to December 23, 2022.

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The audit included the following objectives.

1. Determine whether UCOP and UCI management provided timely and regular updates and guidance regarding the strike, its implications, and required actions, specifically concerning payroll and accounting (particularly federal award effort reporting).
2. Verify if Academic Personnel properly initiated strike attestation surveys and collected responses.
3. Confirm if Payroll correctly initiated strike overpayment notices and received overpayment funds.
4. Evaluate if Contracts and Grants Accounting appropriately assisted in initiating supplementary payroll certification for November and December 2022.

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#### IV. CONCLUSION

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In general, department controls and processes appear to be functioning as intended.

Despite daily communication from UCOP and UCI management throughout the strike, this large-scale work stoppage presented unique challenges. The lack of established protocols for managing employee absences in real-time led to unintended consequences, including payroll overpayments and inaccurate effort reporting on state and federally funded projects. To address these issues and ensure compliance with University requirements, each campus had to take retroactive measures to accurately report salary charges during the 2022 strike period.

As of January 7, 2025, UCI employees have repaid \$258,630.2. However, due to the unique nature of this large-scale overpayment collection, the UCPath Center has not yet established an accounting process to credit these repayments back to UCI. Currently, the recovered funds are held in discretionary accounts for UCI and other UC campuses affected by the 2022 strike. A systemwide discussion is ongoing to determine an appropriate process to credit back these funds.

During the 2024 UAW strike, UCI implemented improved processes. Time was reported and pay deductions were made in real-time, resulting in minimal need for retroactive adjustments to amounts owed to UCI. This approach significantly reduced the administrative burden and financial discrepancies compared to the previous strike.

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## V. OBSERVATIONS

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### 1. Regular Updates and Guidance

#### Background

Throughout the strike, UCOP and UCI management maintained daily communication. To mitigate impacts on instruction, UCI management formed a 'Continuity Committee' that convened daily; this committee comprised of leaders from the Provost's Office, Academic Senate, Academic Personnel, Graduate Division, Division of Teaching and Learning, and Strategic Communications. Its primary focus was to actively address and manage instructional and operational challenges stemming from the UAW strike.

#### Observation

Based on discussions with management and a review of frequent and detailed communications, it is evident that UCOP and UCI management provided timely and relevant updates and guidance regarding the strike, its potential impacts, and necessary actions. This proactive communication strategy was crucial during this prolonged work stoppage. Without such thorough and regular updates, the university community would have been less prepared to respond effectively to the evolving situation.

### 2. Strike Attestations

#### Background

The University has a responsibility to align compensation with work effort provided to the institution, consistent with the award of federal grant funds and the allocation of state funds committed to the University as a public trust. These obligations are set forth in Uniform Guidance, (2, Code of Federal Regulations [C.F.R.] Part 200, Art. IX, Sec. 9 of the California Constitution, and Regents Policy 7303: Policy on the Services Obligations and Leaves of Absence. These rules provide that the University cannot legally pay employees or gift them funds (e.g., paying people for work that was not performed is regarded as a gift of funds) if they did not provide a service to the institution.

Real-time monitoring of payroll reporting during the strike period proved challenging, leading to the initial payment of full salaries. This was partly due to the UAW advising members that they were not legally obligated to report time accurately during the strike. Some individuals reported accurately, allowing for real-time pay adjustments, while others did not, necessitating subsequent corrections. This discrepancy complicated the University's efforts to maintain accurate payroll records during the strike period.

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In December 2022, UCOP provided campuses guidance that positions held by striking employee that were funded by federal and state contracts and grants must be moved to temporary discretionary funds to avoid improperly charging for services not rendered.

In January and February 2023, UCI Office of Academic Personnel initiated the collections of attestations from UAW represented employees, regarding strike participation. Attestation surveys were sent to 4,098 UAW represented title codes (employed in Fall 2022) on January 13, 2023, via Qualtrics. Each identified employee received a personalized link to complete their time-stamped and electronically certified attestation.

Nearly 700 responded via Qualtrics, while over 200 followed UAW instructions and sent attestation forms in PDF format via email to UCI Academic Personnel. These responses helped UCI Payroll Services comply with legal obligations to accurately align pay with work performed and assisted Contracts and Grants Accounting in verifying federal and state compliance with effort reporting.

#### **Observation**

Based on discussions with management and review of attestation survey documentation, Academic Personnel properly initiated strike attestation surveys and collected responses. This well-coordinated and timely data collection effort was crucial to avoid unnecessary delays for sending out overpayment notices, receiving overpayment funds, and making legally mandated accounting adjustments to federally funded accounts.

### **3. Overpayment Repayment Management**

#### **Background**

UCI Payroll Services, UCI Office of Academic Personnel, and UCI Accounting and Fiscal Services collaborated with UCOP, UCPATH Center, UC Office of the President Labor Relations (OPLR), Systemwide Academic Personnel, and other UC campuses to establish a process for issuing overpayment notices and collecting funds due to UCI.

In August 2023, the UCI UAW Overpayment Letter Workgroup was formed, comprising representatives from Payroll, UCPATH, Accounting, Academic Personnel, Graduate Division, Employee Experience Center, and others. This group was tasked with answering recipients' questions and providing coordinated, timely responses about the process.

The decision to strike and withhold labor resulted in pay reductions. Payroll Services reviewed attestation survey responses received by Academic Personnel to identify employees who reported not working during the strike.

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In August 2023, Payroll Services, sent 487 overpayment notices to UAW-represented employees who attested to withholding labor. Payroll Services served as an intermediary between the UCPATH Center and individuals owing funds to UCI. Recipients were given three weeks to respond.

Of the 222 active employees sent overpayment notices totaling \$397,237.55:

- 159 (71.52%) agreed to pay
- 13 (5.73%) claimed to have already paid
- 50 (22.75%) either disagreed, declined to pay, had the union respond on their behalf, or required reassessment

As of January 7, 2025, the UCPATH Center has received \$258,630.27 from UCI employees. Due to the unprecedented nature of this overpayment collection process, the UCPATH Center currently lacks an accounting process to credit these amounts back to UCI. The received amounts are currently held in discretionary funds for UCI and other affected UC campuses. A UC systemwide discussion is underway to determine the collections process.

### **Observation**

Based on discussions with management and review of attestation survey documentation, UCI Payroll management properly initiated the strike overpayment notices and receipt of overpayment funds. A lack of coordinated and timely process would have led to unnecessary delays in sending out overpayment notices to UAW-represented employees and receiving overpayment funds.

## **4. Supplementary Payroll Certification**

### **Background**

In accordance with Uniform Guidance, (2 C.F.R. Part 200), Art. IX, Sec. 9 of the California Constitution, and Regents Policy 7303, federal regulations require accurate effort reporting by the University. Contracts and grants can only be charged for work consistent with the funding agreements.

Prior to the strike, UCI and UCOP management issued guidance recommending that Principal Investigators (PIs) and supervisors document employee effort during a strike to ensure compliance with federal and governmental regulations authorizing payment for services rendered.

Contracts and Grants Accounting reviewed attestation survey responses received by Academic Personnel to identify employees who reported not working during the strike.

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To comply with University requirements and ensure appropriate reporting of salary charges on federal awards during the UAW strike, PIs were required to complete a supplementary payroll certification (PCS) for November and December 2022. This PCS confirmed whether salary and wage expenses incurred during the November 14 – December 23, 2022, work stoppage, were correctly charged and consistent with work performed.

Charges that could not be certified were temporarily moved to other unrestricted funds (discretionary continuation accounts) pending final disposition.

Out of 1,011 PCS reports, 988 have been completed. Repaid amounts were moved to a KFS discretionary continuation account and once confirmed to have been incurred within the grant performance period, were moved back to federal accounts. The process of reversing salaried amounts paid back to UCI into the original source is ongoing.

#### **Observation**

Based on discussions with management and review of relevant documentation, Contracts and Grants Accounting helped to properly initiate the PCS for November and December 2022. This process was necessary to ensure compliance with federal regulations requiring accurate effort reporting by the UC for federal grants. Contract and grants can only be charged for work effort of UC employees that is expended and consistent with the funding agreements.