



Policy Title:	Sponsored Projects Time and Effort Reports and Certification
Policy Number:	ACAD- 135
Revision Date:	March 2017
Policies Superseded:	None
Policy Management Area(s):	Research

SUMMARY:

As a recipient of federally sponsored awards, the University is required to have internal management control systems and cost accounting procedures that are in compliance with all applicable laws, guidelines and regulations. These controls and procedures provide for the proper allocation of allowable costs including, but not limited to, the direct charging of salaries and fringe benefits to the appropriate sponsored project agreement.

POLICY:

I. The University uses two methods of reporting work effort, depending upon employee status. These methods have been developed in accordance with the applicable provisions of Office of Management and Budget (OMB) Circular A-21 (*Cost Principles for Educational Institutions*, Section J. 10, *Compensation for Personal Services*).

A. Activity Reporting for Unclassified and Classified Employees

An annual activity reporting system is used as the basis for the allocation of salaries and wages for unclassified and classified employees. Under this system, the allocation of salaries and wages is initially charged to the appropriate sponsored project account based on a budgeted salary and allocation of effort contained in the sponsored research agreement. This allocation must subsequently be supported by plan-confirmation activity reports that reflect the employee's reasonable estimate of his/her activities being directly compensated under that sponsored project account.

B. Time-Reporting System for Temporary, Hourly and Student Employees

The allocation of salaries and wages for temporary, hourly and student employees is documented separately by the University's electronic time-reporting system. No further certification or documentation is required.

II. All classified and unclassified University employees who direct charge or provide cost-

share effort to one or more sponsored project accounts are subject to annual activity reporting requirements. This policy and related procedures in no way replace or remove the employees' responsibility to report their time worked and leave hours through the University's established system in accordance with all human resources and payroll policies.

III. Classified and Unclassified employee responsibilities

- A. Each classified or unclassified employee (as described in Section II. above) must review and certify his/her annual activity report for each year of sponsored project activity.
- B. The employee must provide a reasonable estimate of the allocation of his/her activities by activity category for each sponsored project that funded part or all of his/her salary and employee benefits for the reporting period.
- C. The employee's reported effort percentages will be compared with the allocation of actual payroll charges to each relevant sponsored project in order to determine if retroactive adjustments to his/her salary allocation are necessary.
- D. The employee is responsible for informing his/her supervisor, Principal Investigator(s) or other responsible official if the allocation of salary charges should be modified based on a change in the proportion of time actually spent on his/her activities during that period.

IV. The Office of Sponsored Programs and Research Services (OSPRS) will act as the central distribution point of the annual activity reports between the departments and the Grants Accounting Department. OSPRS's responsibilities include:

- A. Distributing the annual activity reports, when they are available, to classified and unclassified employees for their review and certification.
- B. Ensuring that the reports are submitted to the Grants Accounting Department by the due date.
- C. Notifying appropriate personnel if significant variances are reported between the employee's effort percentages outlined in each sponsored project and the actual allocation of direct payroll charges to the account(s).

V. The Grants Accounting Department will maintain adequate documentation that will meet internal and external audit requirements to substantiate any changes of an employee's salary allocation.

PROCEDURES:

I. Distribution of Annual Activity Reports.

The OSPRS will distribute the annual activity reports, when they are available, to classified and unclassified employees for their review and certification.

II. Completion and Review of Activity Reports.

A. Each covered employee must review, sign and submit to the OSPRS his/her own annual activity report. Each employee is responsible for ensuring that the activity report is true, complete and accurate in all material respects. The employee's effort percentages must total 100% and must be allocated among the following categories.

1. Sponsored Projects
2. Cost Share
3. University Activities

Datatel	Name	Title	Account #	Project/Cost Share Title	Compensation	Cost Share	%
123456	Sallie Smith	Assistant Professor	31-111-1111	My research project for NASA	\$8,000		16%
123456	Sallie Smith	Assistant Professor	17-111-1111	Cost share account		\$2,000	4%
123456	Sallie Smith	Assistant Professor	10-111-1111	Academic instruction & related duties	\$40,000		80%
Totals					\$48,000	\$2,000	100%

B. When submitting the activity report, each classified and unclassified employee will be required to certify the truth of the following statement: *"I certify that the percentages listed represent a reasonable estimate of the total work effort for the period covered by this report."*

C. When submitting the activity report, each classified and unclassified employee will have his/her department chair or supervisor certify the truth of the following statement: *"I certify that I have reviewed the report and agree that the percentages listed represent a reasonable estimate of total work effort for the period covered by this report."*

D. For terminated employees and others unavailable to submit reports, a supervisor with firsthand knowledge of the employee's activities must certify the activity report.

III. Significant Changes in Effort Distribution.

- A. If a significant change on the activity report is necessary to reflect the actual effort of an employee then, if necessary, the relevant Principal Investigator responsible for the sponsored account must submit retroactive adjustments to salaries and employee benefits charges on a timely basis.
- B. Although there is no precise definition for the term "significant," it has been construed as a general rule that a change applicable to a given project or activity of 5% or more of an employee's total effort warrants an adjustment. These adjustments should be implemented immediately following the employee's certification of the activity report.

IV. Due Dates and Delinquent Reports.

Due dates will be indicated on the activity report provided by the OSPRS. Activity reports are due ten (10) business days after distribution. Employees unable to submit timely activity reports due to documented unavailability, shall request submission responsibility of their immediate supervisor.

V. Retroactive Changes to a Certified Activity Report

The employee must inform the OSPRS and provide a full explanation to the Grants Accounting Department as to why the previously certified report requires re-certification. The employee must contact the OSPRS for instructions on re-certifying their annual activity report.