

## **Office of Research and Sponsored Programs, 600**

### **Time and Effort Reporting**

#### **1.0 Purpose**

This policy has been established to ensure that the effort on all sponsored programs is an accurate reflection of what is reported and that all federal and state guidelines are strictly enforced. This policy will guide Albany State University in aligning personnel percent effort with mandates set forth by federal laws and regulations. This policy will also ensure equitable distributions of charges for employee's activities (sponsored projects, instruction and other services). Because funding agencies require reasonable assurances that labor costs charged to a sponsored project reflect the actual effort expended on the project, percent effort misappropriations or misreporting can lead to severe financial penalties for both the individual and the University. Therefore this policy is to:

- Ensure an accurate and reasonable system is maintained for reporting the percentage of time (i.e. effort) that employees devote to federally sponsored projects, as required by OMB Circular A-21;
- Assure external sponsors, public or private, that funds are properly expended for salaries and wages of those individuals working on the projects they sponsor;
- Provide a mechanism to certify the salaries and wages charges to sponsored projects consistent with the employee's effort contributed; and
- Provide a means for sponsors and auditors to verify fund(s) allocated for cost sharing was provided as promised.

#### **2.0 Scope**

This policy is applicable to all Albany State University employees who provide effort on sponsored project(s). This includes effort in which salary is directly charged to the funding agency and effort which is provided as cost-sharing.

#### **3.0 Policy**

It is the policy of Albany State University that all employees who receive federal and external funding shall submit time and effort reports within the established time frames. Albany State University will abide by federal regulations governing time and effort reporting and the verification of salary distributions for sponsored programs.

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Regular and routine effort reporting is a requirement for ASU recipients of federal and federal sub-recipient awards as a means of attesting to the appropriateness of salaries and wages charged to the sponsored programs. In addition, The University System of Georgia Board of Regents' policy requires tracking of faculty workload for efforts reporting. ASU may impose corrective action such as suspension of sponsored project accounts in the event of consistent failure to complete Time and Effort Reports.

OMB Circular A-21, *Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions* outlines the regulations governing time and effort reporting and the verification of salary distributions. Specifically, OMB Circular A-21, Section (J)(10)(c)(2)(b) requires Time and Effort Reports to be completed to provide after the fact verification of the salary charged to sponsored projects: "[effort] report[s] will reflect after the fact reporting of the percentage distribution of activity of employees." OMB Circular A-21 requires that this verification be completed for all "professorial and professional" staff. At ASU, professional staff includes all faculty members and all salaried staff and hourly employees. OMB Circular A-21, Section (J)(10)(b)(1)(c): "recognize[s] that in an academic setting, teaching, research, service and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate."

### 4.0 Definitions

**Committed Cost Sharing** – Mandatory or voluntary cost sharing that is pledged in the proposal budget, budget justification, or stated in the awards documents.

**Cost Sharing** – The terms "cost sharing", "matching", and "in-kind" refer to that portion of the total project costs borne by the University. The University generally refers to cost sharing as labor costs. Cost sharing represents that portion of the total project costs of a sponsored agreement that are not borne by the sponsor or sponsors of the project. These costs are borne by the College or other non-federal third parties rather than by the sponsor. Since faculty salaries at the College are, in most part, paid for by the individual's academic department, cost sharing of effort represents a redirection of departmental resources from teaching or other departmental activities to support sponsored agreements. Certain federal agencies require that institutions cost share salaries that are above a "salary cap." A salary cap is defined as the amount of salary paid to an individual above whom an agency will not reimburse an institution. The National Institutes of Health imposes a salary cap on all awards.

**Effort** – The work or portion of time spent by an employee on an activity and expressed as a percentage of total time. It includes the time spent working on a sponsored project in which salary is directly charged or contributed (cost-shared effort). Individual effort is expressed as a percentage of the total amount of time spent on work-related activities (instruction, sponsored

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research, departmental administration, and public service and other institutional activities) for which the individual is compensated.

**Effort Reporting** - The mandated method of certifying to the federal granting agency(ies) that the effort charged or contributed to each award has actually been completed. Effort reports are not based on hours; they are based on percentage on sponsored programs regardless of hours worked. As an example, 10% effort = 4 hours for 40-hour week; 6 hours for 60-hour week. Salary and effort are not the same. Salary distributions are based on budgeted amounts; effort reporting confirms the budgeted salary. Salary distributions do not necessarily reflect actual effort spent; you can expend effort without salary, i.e., cost sharing.

**Payroll Charges/Distribution** – The salaries and fringe benefits charged to a sponsored project.

**Sponsored Project** – An externally funded activity that is governed by specific terms and conditions of the sponsoring organization. In addition, it must also be separately budgeted and accounted for. A sponsored project may be a grant, contract, or cooperative agreement for research, training, and other public services activities.

## 5.0 Procedures

### 5.1 Time and Effort Reports

- Each Time and Effort Report indicates the distribution of the employee's total period compensation across all ASU functions, including work on sponsored and non-sponsored projects, instruction, administration, committee work, etc.
- All sponsored projects are itemized as "Sponsored Research Activities" and all other categories (e.g. teaching, administration, etc.) are grouped as "Non-Sponsored Activities" for the purposes of time and effort reporting.
- Employees with dual appointments in a given time period will sign to certify their professional time and effort based on each individual appointment totaling 100%.
- All Time and Effort Reports will account for 100% of time and effort.
- All individuals will complete their own Time and Effort Reports and sign to certify. The PI also will sign to certify the Time and Effort Reports for all faculty and staff working on sponsored projects under his or her supervision.
- If an individual is no longer employed at ASU, the employee's supervisor will sign to certify the employee's Time and Effort Reports for prior work completed.

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- The signature on the Time and Effort Report is a certification by the employee that, to the best of his/her knowledge, the report accurately reflects the effort distribution across all activities.

### 5.2 ORSP Faculty Time and Effort Reporting

All faculty, salaried staff and hourly staff with any portion of their salary charged directly to a sponsored program and/or as committed cost sharing are required to complete Time and Effort Reports during the following reporting periods (Exception is Title III effort; see section 5.3 for procedures):

- Fall Academic Semester (Due date: January 15<sup>th</sup>)
- Spring Academic Semester (Due date: May 15<sup>th</sup>)
- Summer Academic Semester (Due date: August 15<sup>th</sup>)

### 5.3 Title III Time and Effort Reporting

All faculty and staff with any portion of their salary charged directly to Title III are required to complete Time and Effort Reports on a monthly schedule.

Prior to the end of each month, Title III will send notifications that the Time and Effort Report deadline is approaching. Title III Time and Effort Reports should be completed and forwarded to the Office of Title III no later than the 5<sup>th</sup> of the following month.

### 5.4 Notification

Prior to the end of each academic semester, ORSP will send notifications that Time and Effort Reports deadlines are approaching. Time and Effort Reports should be completed and forwarded to ORSP within 30 days following notification or by the following due dates:

- Fall Academic Semester (Due date: January 15<sup>th</sup>)
- Spring Academic Semester (Due date: May 15<sup>th</sup>)
- Summer Academic Semester (Due date: August 15<sup>th</sup>)

### 5.5 Reporting of Mandated and Voluntary Committed Cost Sharing

- Mandatory and voluntary committed cost sharing must be reported on the Time and Effort Report.
- This is effort which is either required by the terms of the award (mandatory) or voluntarily committed in the proposal by the principal investigator and is not reimbursed by the sponsor. For example, an agency may require 5% of the 50% time and effort to be cost shared. This would mean that 45% would be paid via agency (sponsored funds) and 5% of the institutional salary would be considered cost sharing. This unfunded effort is considered cost sharing.

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- The Time and Effort Report will display the percentage of salary charged as cost sharing during the effort reporting period.

### 5.6 Certification

- All individuals will complete their own Time and Effort Reports and sign to certify. The PI also signs to certify the Time and Effort Reports for all professional staff and hourly staff working on sponsored projects under his or her supervision.
- In the instance where either the President of the University or the Provost/VP for Academic Affairs serves as Principal Investigator, the Project Director can sign to certify the effort.
- If an individual is no longer employed at ASU, the PI or the employee's supervisor will sign to certify the employee's Time and Effort Reports.
- The signature on the Time and Effort Report is a certification by the employee that, to the best of his/her knowledge, the report accurately reflects the effort distribution across all activities.
- The PI is responsible to return Time and Effort Reports to ORSP by the posted deadline.
- In the event of a mistake, payroll distributions must be corrected, after the fact, based on the actual effort performed by the employee on the sponsored project, as validated on the effort certification. Such corrections shall occur as soon as it is known that the actual effort does not match the payroll distribution. To ensure that mistakes are corrected quickly, at the end of each month, ORSP will work with HR and Fiscal Affairs to obtain a report to certify that the payroll distribution adequately reflects those contracts/letters received during that specific month.
- ORSP is responsible for processing Time and Effort Reports and will follow up as necessary with the PI's and department administrators to ensure completion.

### 5.6 Changes to Time and Effort Reports during Certification

- If the payroll distribution reflected on a Time and Effort Report does not accurately display how the employee spent his or her time, the employee must correctly indicate actual time and effort on the form prior to signature.
- Salary charged to a sponsored project must never exceed the amount of actual time and effort devoted to that project.

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- When effort is less than salaries and wages charged to the sponsored agreement, or less than the cost sharing commitment, additional actions, such as a salary reallocation or cost transfer may be necessary.
- If a change in time and effort indicated on the Time and Effort Report requires approval by the sponsor based on the terms and conditions of the agreement, ORSP will contact the PI for further instructions. For example, a faculty member formally commits 50% of his or her total effort in a sponsored project proposal, but the award is to be charged for only 25% of his or her salary. The effort report would list the 25% charged to the sponsored project fund, and in addition, the 25% charged as cost sharing. The actual percentages may vary depending on the performance period of the project.

### 5.8 Additional Requirements

- No faculty who has course(s) release time on a grant shall teach an overload as reflected on his/her faculty load report.
- Total effort cannot exceed 100% and should include only those activities for which the individual receives compensation from the institution, and regardless of the employee's total percentage Full Time Equivalency.
- Negotiated awards should accurately represent the amount of time that key personnel are committing to the project.
- The percent effort of all faculty on a grant or other sponsored project shall be in concert with the percent effort that is officially reported on the faculty load report.
- If the actual percent effort on a sponsored program changes during the academic year, this shall be reported to the Office of Research and Sponsored Programs /Office of Academic Affairs and the individual's college/unit no later than one month after that change.
- Supplemental compensation that has been identified and appropriately documented in the financial accounting system is **not** required to be included in the effort reporting system.



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### 5.9 Roles and Responsibilities:

#### Office of Research and Sponsored Programs (ORSP):

##### Director of Sponsored Programs

- Assists in identifying both committed and potential effort on proposals prior to submission in order to properly manage potential over-commitments.
- Assists in obtaining approval from sponsors on adjusting effort when over-commitment (more than 100%) is a result of new funding.

##### Compliance Officer

- Sends out notifications that Time and Effort Reports are coming due.
- Contacts faculty to follow-up with Time and Effort Reports that are not submitted in a timely manner.
- Reviews Time and Effort Reports when they are returned to ORSP for signature and identify any necessary follow-up.
- Tracks the receipt of Time and Effort Reports to ensure completion.
- Will work with HR and Fiscal Affairs to obtain a report (monthly) to certify that the payroll distribution adequately reflects the most recent contract/letter of those persons being paid with sponsored funds.
- Forwards Time and Effort Reports with payroll discrepancies to the appropriate Fiscal Affairs/Human Resources personnel.
- Files the completed Time and Effort Reports in ORSP files.

#### Office of Title III Program:

The following applies to all faculty and staff with any portion of their salary charged directly to Title III. The Title III office will:

- Send out notifications that Time and Effort Reports are coming due
- Contact faculty and staff to follow-up with Time and Effort Reports that are not submitted in a timely manner.
- Review Time and Effort Reports when they are returned for appropriate signatures and identify any necessary follow-up.

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- Track the receipt of Time and Effort Reports to ensure completion.
- Submit a copy of all completed Time and Effort Reports to ORSP.
- Will work with HR and Fiscal Affairs to obtain a report (monthly) to certify that the payroll distribution adequately reflects the most recent contract/letter of those persons being paid with Title III funds.
- Notify the appropriate offices of any discrepancies.

### **Office of Academic Affairs:**

Assists in providing clearly written contracts/letters of employment that will help set the definitive basis for full workload, effort, and salary.

### **Office of Fiscal Affairs:**

Processes any personnel cost transfers resulting from discrepancies between certified time and effort and payroll distribution.

Assists in running monthly sponsored program payroll distribution report for ORSP's use.

### **Office of Human Resources:**

Assist in running monthly sponsored program payroll distribution report for ORSP's use.

Assists in forwarding a copy of the final approval of contract/letter with all necessary information to ORSP for notifications purposes.

### **Academic Departments:**

#### **Faculty and Staff**

- Certifies that the time and effort is accurately documented on the Time and Effort Report.
- Forwards the Time and Effort Report to the PI/supervisor for review and signature.

#### **Principal Investigator**

- Certifies that time and effort is accurately documented on the Time and Effort Reports for all faculty and staff that expended effort on their project(s) during the applicable time period.
- Certifies all labor-related cost-sharing associated with their project.



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### 6.0 Accountability

The Office of Research and Sponsored Programs under the supervision of the Provost/VP for Academic Affairs and the Office of Title III

### 7.0 Contacts

Provost and Vice President for Academic Affairs  
Associate Provost for Research and Sponsored Programs  
Director of Sponsored Programs  
Research Compliance Officer  
Director of Title III

### 8.0 References

Office of Management and Budget. (2004, May 10). *Circular A-21*. Retrieved July 23, 2012, from Office of Management and Budget:  
[http://www.whitehouse.gov/omb/circulars\\_a021\\_2004](http://www.whitehouse.gov/omb/circulars_a021_2004)

Relations, Council On Government. (2007, March 1). *Compensation, Effort Committments, and Certifications*. Retrieved August 20, 2013, from Council On Government Relations: [https://www.rsp.wisc.edu/effort/COGR\\_EffortPaper.pdf](https://www.rsp.wisc.edu/effort/COGR_EffortPaper.pdf)

### 9.0 Last Update

September 3, 2014