PURPOSE:

This policy establishes institutional requirements for reporting effort on extramurally sponsored projects. Time and Effort Reporting is a process required by the Federal Government through OMB Circular A-21, Section J.8 to verify that direct and indirect charges for salary to Federally sponsored agreements are reasonable and reflect actual work performed and that actual charges of salaries be documented in the accounting system.

POLICY STATEMENT:

The allocation of salaries accomplished by the time and effort reporting method must be in accordance with the criteria in OMB Circular A-21, and should produce an equitable distribution of charges for employee’s activities, and distinguishes employees’ direct activities from their F&A activities. Actual charges must be documented in the system and the time and reporting system must meet certain standards (see system requirements below). Faculty and all employees paid from sponsored funds are required to certify their effort on an after-the-fact quarterly basis. Proposals should accurately represent the amount of time that key personnel are committing to the project. The total effort an employee commits to sponsored projects cannot exceed 100% at any one time.

The institution’s Time and Effort reporting system must meet the following standards:

- The system will be incorporated into the official records of the institution, reasonably reflect the activity for which the employee is compensated, and encompass both sponsored and all other activities on an integrated basis.
- The system must recognize the principle of after-the-fact confirmation or determination that costs distributed represent actual costs.
- The system will reflect activity applicable to each sponsored agreement and to each category (instruction, research and other sponsored activity) needed to identify F & A and the functions to which they are allocable.
- The system will reflect categories of activities expressed as a percentage
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- The system will provide for modification of an individual's salary distribution commensurate with any significant change in work activity. Short-term (one or two pay periods) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term, such as an academic period or budget period.

- Certifications must be signed by either the employee and the principal investigator, or by responsible officials using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges and to F & A cost or other categories are reasonable in relation to work performed.

- The system will provide for independent internal evaluations to ensure the system’s effectiveness and compliance with the standards.

- For systems that meet these standards, the institution will not be required to provide additional support or documentation for the effort actually performed.

DEFINITIONS:

**Time and Effort Reporting** is a process required by the Federal Government through OMB Circular A-21, Section J.8 to verify that direct and indirect charges for salary to Federally sponsored agreements are reasonable and reflect actual work performed and that actual charges of salaries be documented in the accounting system.

**Facilities and Administrative Costs (F & A)**; also referred to as indirect costs: or overhead) are those costs associated with the conduct of sponsored activities that are incurred for common or joint objectives and therefore are not readily identifiable with a specific project, but contribute to the College’s effort to support research projects and programs. F & A costs are generated from the costs of providing research space and administering the awards.

PROCEDURE:

1. Time and Effort reports are generated and on a quarterly after-the-fact basis by the Office of Information and Technology and distributed by the Office of Grants and Contracts. The information is generated from the Human Resources System.
2. The employee and the appropriate Principal Investigator/Project Director and/or Department Head, will sign a statement certifying that the effort reported as research, instruction, and other sponsored activities is reasonable in relation to the work performed. The forms are sent back to the Office of Grants and Contracts. They must be returned within 15 days of receipt.

3. If the effort expended is substantially different than the payroll distribution, a payroll reallocation will be performed with the transaction initiated by the department through a payroll card. The Time and Effort reports will be submitted on a timely basis so that necessary corrections to the payroll system can be made. The base salary must be used when calculating the effort of faculty members.

SANCTIONS:
Individuals in violation of this policy may be subject to disciplinary action.

REFERENCES: Facilities and Administrative Cost and Recovery Policy; Federal OMB Circular A-21, Section J.8
http://www.whitehouse.gov/omb/circulars/a021/a021.html