



ON TRACK!

SPONSORED PROGRAMS ACCOUNTING- QUARTERLY: APRIL 2009

Mission of this newsletter: *To keep campus aware of updates and changes in research policies and to share best practices*

RECENT AUDIT OUTCOMES

Yale University has recently entered into an agreement with the federal government to pay a \$7.6 million settlement resulting from investigations of federal research grant accounting. The two types of allegations that were focused on were cost transfers to spend out funds at the end of the projects and misstatements of salary charges in relation to actual effort spent on the federal grant. The total disallowed costs were \$3.8 million and there was an additional penalty of \$3.8 million. You can find the complete press release at <http://Newhaven.fbi.gov/dojpressrel/2008/nh122308.htm>

Time and Effort

As another fiscal year end is quickly coming to a close, it is again time to think about the Time and Effort Certification process. Remember that the Principal Investigator (PI) should be signing their own certification as well as those for their graduate students and post doctorates. This year the Department Head of each employee will also sign the certification form. The business managers should NOT be signing the certifications for any PIs.

Salary and wage charges typically represent more than half of all direct costs. Effort reports document and account for the use of those funds. Principal Investigators and the University are ultimately responsible for ensuring that all charges to an award are appropriate, including salary charges. Federal audit personnel rely on effort reporting to evaluate whether the salary paid on an award is reasonable relative to the effort expended on the award.

Compliance is part of the bargain we make when we accept federal funds. The following information is intended to inform Department Heads and Principal Investigators of their responsibilities for ensuring compliance.

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Your Feedback::

APRIL 2009

How we can improve?

We want to know what you think would make this a better tool for you.

What topics would you like to see discussed in a future issue?

Email ideas to Wendy.Keller@usu.edu

NEW MINIMUM WAGE

Just a reminder that the Department of Labor has increased the federal minimum wage to \$7.25 per hour beginning July 24, 2009 and Utah State University (USU) must abide by this ruling. This is the last in a series of three wage increases that was approved

three years ago. Please adjust your budgets accordingly and make sure that the wage rate for any USU employee that is currently below \$7.25 per hour is increased at least by the July 24, 2009 date. The Office of Human Resources would be happy to answer any questions (435) 797-1813. ◇

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Effort reporting is a Shared Responsibility

Department Responsibilities

1. Develop an effort plan for each individual at the beginning of the fiscal year.
2. Ensure accurate planning and confirmation of effort, including cost-sharing.
3. Periodically, review effort distribution for appropriateness and accuracy of effort expended on all projects. It is recommended that the review be done no less than quarterly.
4. Make modifications to salary distributions commensurate with significant changes in the employee's work activity.
5. Establish effective processes and controls to ensure compliance with Time and Effort Policy.
6. Assign an administrator to oversee the effort planning and confirmation process.
7. Review and countersign certified effort reports to ensure proper completion.

Principal Investigator's Responsibilities

1. Ensure appropriateness and accuracy of all effort expended on sponsored projects.
2. Provide updates to effort distribution system, as changes become known.
3. The PI certifies Time and Effort Report for themselves as well as students working on their projects following USU's policy Number 582 "Time and Effort Reporting".
4. Ensure that mandatory and voluntary committed salary cost-sharing obligations are met.

Sponsored Program Accounting Responsibilities

1. Establish procedures for effort reporting which are consistent with regulations set forth in Office of Management and Budget Circular A-21 "Cost Principles for Education Institutions."
2. Develop and provide appropriate training to all employees involved in the effort planning and confirmation process.
3. Produce Time and Effort Reports for all employees identified as expending effort on sponsored projects.
4. Monitor the effort planning and confirmation process to ensure compliance with USU's Time and Effort Reporting Policy.
5. Check for timely submission, accuracy, and completeness of Time and Effort Reports; and coordinate findings with departments.
6. Report questionable practices and recurring problems to Deans, Department Heads, and Internal Audits.
7. Check for signature, date, and changes made on the form that would require a reallocation of salaries.
8. Follow up on late time and effort certifications with letter to Department Heads, Deans, and Vice President for Research.
9. Provide reports to help Departments monitor time and effort.
10. Retain all certified effort reports for audit purposes. ◇

Accountant Contact Information: See <http://www.usu.edu/controller/spa/index.cfm>