



ON TRACK!

SPONSORED PROGRAMS ACCOUNTING- QUARTERLY: JULY 2009

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

CLARIFICATION OF TIME AND EFFORT REPORTING PROCESSES

The federal government requires Utah State University (University) to follow financial regulations found in the Office of Management and Budget (OMB) Circular A-21. These regulations require the University to maintain a payroll distribution system that is incorporated into the official records of the institution, reasonably reflects the activity for which the employee is compensated and encompasses both sponsored and all other activities on an integrated basis.

The University uses the Plan-Confirmation method as defined by OMB Circular A-21 to meet its requirement for time and effort monitoring and reporting. This method includes the annual budgeting process, review of the monthly Personnel Services report, the salary reallocation and EPAF process, and the review and certification of the annual Time and Effort Report.

As an additional monitoring tool, the Controller's Office is now distributing a quarterly report for departments which allows the reviewer to compare each individual's work effort to actual salary charges and future allocations on a quarterly basis. The distribution of salaries over the long term (fiscal year) must be reasonable in relationship to the actual effort expended by that individual. These quarterly reports should be reviewed and salary reallocations or EPAFS processed if it is determined that the salary charged and to be charged to a given project does not reasonably reflect the percentage of effort the individual is expected to provide over the long term. (See Page 2 Effort)

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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

Recent Audit Results

From Annual A-133 Compliance audits:

- Inadequate process to compare proposed effort to actual effort.
- Proposed effort not met.
- Report of actual effort not signed/certified by individual with suitable means of verification.
- Reports not completed in a timely manner (Note: There is no federally defined time period. However, if the institution establishes a timeframe for completion, there is the chance the institution will be tested to determine compliance with their policy).
- Incorrect/inconsistent institutional base salary (IBS) used in calculating proposed/actual effort.
- Late or missing retroactive salary corrections. (See page 2 Audit)

(Continued Page 2 Effort)

Principal Investigators ultimately have the responsibility to make sure all salaries and wages paid on an award are appropriate and accurate for all effort expended on sponsored projects. The Controller's Office is responsible to provide appropriate training to those reviewing, monitoring and certifying time and effort. Department Heads/Directors are responsible to contact Irene Jorgensen (797-1061) in the Controller's Office to schedule training within the departments for those individuals working with time and effort related processes.

(Continued Page 2 Audit)

From Department of Health and Human Services Office of Inspector General audits:

- Overstated commitments in proposal (commitments exceeding 100% effort).
- Inadequate process to compare proposed effort to actual effort.
- Proposed effort not met.

From individual institutional audits by Federal agencies

- Overstated commitments in proposal (commitments exceeding 100% effort).
- Inadequate process to compare proposed effort to actual effort.
- Proposed effort not met.
- No allowance for non sponsored activity (e.g., grant proposal writing).
- Overlapping effort (same effort claimed on more than one sponsored project).
- Salaries charged to grants for scientists and others not working on the grant.

Work Performed on 'Personal Time'

The excerpt below is taken from the National Council of University Research Administrators' Effort Reporting: an overview.

One of the challenging areas of time & effort reporting

is the topic of a standard work week and performing work on personal time. Of particular concern is faculty. More specifically, an individual faculty member may work a fairly standard number of hours per week. However, most, if not all, institutions do not define a standard work week for faculty. If one were to survey faculty they will most often respond with 50-70 hours per week. One might also find that a fair amount of their time spent on institutional matters does not necessarily happen in their offices or labs. Unfortunately, at least at the time of this writing, the Federal government's position has been that any work performed for the institution, regardless of where and when, is considered part of the person's compensated effort. In other words, a faculty member nor anyone else for that matter cannot claim that they performed work on "their own time." As an example, a faculty member writes a grant proposal and claims it was done on personal time. Given this is an institutional activity the Federal government considers it part of the faculty's compensated effort. Needless to say, this is why 100% sponsored effort is usually an audit issue.

We hope you are having an enjoyable summer!

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