



# RESEARCH CORPORATION OF THE UNIVERSITY OF GUAM

## **RCUOG POLICY AND PROCEDURES FOR TIME AND EFFORT REPORTING**

### **Purpose**

Proper financial reporting prevents RCUOG and UOG from being flagged by auditors for non-compliance issues. Time and effort reporting on federally funded grants is a major area of audit review and one where improper documentation, sloppy record keeping, or lack of documentation can jeopardize federal funding. In terms of compliance, proper documentation of personnel services charged to federally sponsored programs is critical to reducing or eliminating audit findings.

This policy outlines the responsibilities for generating, approving and utilizing the time and effort report as required by federal government agency audit regulations.

Recipients of federal funds must maintain an accurate payroll distribution system allowing for periodic after-the-fact certification of charges made to specific grants for the purpose of documenting reasonable estimations of actual work performed on those grants.

In the most basic terms, RCUOG, Principal Investigators and Timekeepers must confirm that charges made to the payroll system “reasonably reflect” each employee’s activity.

### **Policy**

RCUOG must ensure that effort expended on sponsored activities justifies the salaries charged to those projects. RCUOG provides this assurance by requiring the generation of periodic reports documenting total effort for each employee whose salary is charged (or cost shared) to one or more sponsored programs during the reporting period. These effort reports indicate calculated percentages of the individual’s effort that are dedicated to the sponsored project(s) and require a certification attesting to the fact that these effort percentages are reasonable.

The Federal Office of Management and Budget’s 2CFR 200.430 (l) requires the documentation of charges made to grants for personnel services which must be based on records that accurately reflect the work performed.

This policy guides the proper allocation and distribution of time and effort and the submission of accurate reporting of such activities. Furthermore, this policy facilitates proper administrative management of grant/contract awards and ensures compliance with sponsoring agency regulations and federal guidelines with respect to charges for work performed on sponsored agreements. This process is commonly known as time and effort reporting.

This policy facilitates compliance with federal requirements by: 1) clarifying roles and responsibilities, 2) clarifying RCUOG effort, 3) defining who is authorized to certify time and effort, and 4) actions to be taken in instances of non-compliance.

This Policy is in compliance with 2CFR Part 200.430, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. **ALL EMPLOYEES OF SPONSORED ACTIVITIES MANAGED BY RCUOG ARE REQUIRED TO ADHERE TO THIS POLICY.**

### **Procedure for Time and Effort Reporting for Staff**

1. Employees are required to complete a Personal Activity Report (PAR) indicating their total effort, which will serve as the Time and Effort report and shall reflect a daily account of the employee's time expended on the project.
2. The Responsible Official (normally the PI or a responsible official who has first-hand knowledge) shall sign-off on the Employee's PAR to certify the time allocated and the reasonableness of the work performed. The Timekeeper is responsible for ensuring that the PAR is signed by the Responsible Official.
3. The Timekeeper ensures that information on the PAR corresponds with information entered into the Web Time Entry system by the employee.
4. Copies of the PAR are filed and maintained within the Department/Unit in the event of an audit or review by RCUOG Executive Team.
5. UOG processes payroll for hours approved in the Web Time Entry System.

### **Procedure for Time and Effort Reporting for UOG faculty and administrators**

1. UOG faculty and administrators are required to complete the RUOG Time and Effort Form for Faculty and Administrators which shall reflect an account of the employee's time expended on the project(s) and a brief description of grant related activities performed or planned within the pay period.
2. The Responsible Official (normally the PI or a responsible official who has first-hand knowledge) shall sign-off on the form to certify the time allocated and the reasonableness of the work performed. The Timekeeper is responsible for ensuring that the form is signed by the Responsible Official.
3. Copies of the form are filed and maintained within the Department/Unit in the event of an audit or review by RCUOG Executive Team.
4. Payroll processes hours as indicated on the faculty/administrator RC-1.
5. The unit must ensure that hours documented on the Time and Effort Forms align with hours allowed during the employment period, as indicated on the RC-1.
6. If work performs is less or more than what is indicated on the RC-1, the unit will submit a memo to RCUOG requesting a reduction or increase in the number of hours allowed within the employment period.

*Note: The employee, the Responsible Official and the Timekeeper are collectively accountable for the timely preparation and integrity of time and effort documentation. If there are changes in actual hours worked after the UOG Payroll Timesheet has been submitted, the employee and/or the Responsible Official must notify the Timekeeper who is responsible for: 1) ensuring that the changes are reflected on the PAR, 2) that the Responsible Official initials the changes, 3) that a reason for the change is documented on the PAR.*

**Effort Certification Reporting Non-Compliance:**

Timeframe	Recipient
Certification Deadline Past	After the certification deadline, an email is sent out to the Principal Investigator.
30 days past due	If, after 30 days, the PI has not certified his/her effort, an e-mail notification is sent to the PI (and/or Center Director) about outstanding effort certification.
45 days past due	If, after 45 days, the PI has not certified his/her effort, an e-mail is sent to the PI, Dean (and/or Center Director) to inform them that the PI is at the risk of being found out of compliance and that all non-certified salary expenses may be removed from the sponsored account and onto an unrestricted account. PIs will again be reminded to contact OSP regarding any questions they have regarding their effort certification reports.
60 days past due	<p>When all attempts have been exhausted, after 60 days RCUOG may suspend all accounts until effort certification is completed. In addition, all non-certified salary expenses may be removed from the sponsored account and onto an unrestricted account.</p> <p>An e-mail will then be sent to the PI, Dean (and/or Center Director), Assistant Vice President, the Senior Vice President, and the President to inform them that the PI is non-compliant and is placing the university at risk as well.</p>

Non-compliance carries consequences for Principal Investigators. RCUOG will provide no support for extramural activities on behalf of Principal Investigators who do not fulfill their responsibilities. Specifically:

- RCUOG will inform the University of Guam of the PI's non-compliance which will be considered when the PI wants to submit a grant proposal or other project application for extramural projects
- RCUOG will not accept or execute new award agreements with the PI

***Principal Investigators are reminded that by accepting federal funds, they are accepting the obligation of complying with time and effort reporting as a condition of taking the funds.***

**Definition of Terms:**

***Effort:*** Is defined as the amount of time spent on a particular activity. It includes time spent working on a sponsored project in which salary is directly charged or cost-shared effort (also known as match). Individual effort is expressed as a percentage of the total amount of time spent on work-related activities

(instruction, research, administration, clerical, etc.) for which RCUOG compensates an individual. Effort reporting is the mandated method of certifying to the granting agencies that the effort charged or cost shared to each award has actually been completed.

**After-the-Fact Review Method:** Method used by RCUOG to certify the distribution of salaries and wages based upon a percentage distribution to various activities, supported by the generation of periodic activity reports. These reports should reasonably reflect the employee's activities associated with each sponsored agreement. These periodic activity reports require certification.

**Personal Activity Report:** The official and approved documents used in the certification of effort devoted toward sponsored activities or grants. Initiated by the employee, verified by the PI, and data input onto the UOG Payroll Timesheet by the Timekeeper.

**Responsible Official:** For purposes of time and effort certifications, an individual having firsthand knowledge or using a suitable means of verification of the work performed toward specific sponsored activities. Normally, this is the employee or Principal Investigator for whom the institution effort report has been generated. In the event that the employee/Principal Investigator is unable to certify the effort report, a surrogate who having firsthand knowledge or using a suitable means of verification of the work performed may certify the report (e.g. a Co-Investigator, Department Head, etc.).

**Firsthand Knowledge:** Direct evidence of work performed. One may have this knowledge of work performance by either performing the work or through supervising the individual performing the work.

**Suitable Means of Verification:** The process through which one receives assurance that work was performed so as to provide a certification of effort on the periodic effort reports. This process must take into consideration other institutional records and provide for the documented review of such records in support of work performed. Some examples of these records might include: calendars, teaching schedules, or logbooks. Oral verification from the employee/Principal Investigator or others fulfilling the role of a responsible person to an administrator will not suffice as a suitable means of verification.

**Total Professional Effort:** All activities performed by a faculty or staff member regardless of how (or whether) the individual receives compensation. All such activities are comprised of both inclusions and exclusions in defining 100% 'institutional effort.'

**Institutional Effort:** The portion of 'total professional effort' that comprises one's professional/professorial workload. For the purpose of effort certification, 'institutional effort' totals 100%, regardless of the number of hours worked or the individual's appointment percentage.

**Sponsored Activities:** Externally funded programs under which the Institution is obligated to perform a defined scope of work according to specific terms and conditions and within budgetary limitations. These programs are to be budgeted and accounted for separately from other activities. Sponsored activities include grants, contracts, cooperative agreements, clinical trial agreements, Intergovernmental Personnel Agreements and other awarding instruments supporting research, instruction, public service, and clinical trials.

#### **Related Forms:**

Personal Activity Report

#### **Cite References/Credits:**

- <https://policy.itc.virginia.edu/> (adapted from uv)
- <http://www.foundation.sdsu.edu>
- <http://www.rcuh.edu>
- 2 CFR Part 200.430 of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards