

POLICY STATEMENT

Subject: Time & Effort Certification Policy		
Date: April 2, 2012	Distribution Code: B,D,E,F,G,H,I	Reference No:
Addition <input type="checkbox"/> Deletion <input type="checkbox"/> New Item <input checked="" type="checkbox"/>	Originating Office: Finance	President's Approval

Purpose

IUP has to comply with Federal, state, and PASSHE regulations regarding the reporting of the time and effort that is spent on sponsored grants or contracts. By agreeing to voluntarily accept a grant or contract, an employee is indicating that he or she will comply with all of these regulations. This reporting requires the signature of the employee, Principal Investigator (if applicable), and responsible official(s) to confirm that the percentages allocated to each activity represent a reasonable estimate of the work performed. This process is commonly known as "Time and Effort Reporting."

Scope

This policy is applicable to individuals whose annual base salary is paid, in full or in part, with organized research or sponsored funds.

Objective

IUP must comply with the Federal Office of Management and Budget Circular A-21¹ and the PASSHE Compensation Policy. The federal government *requires* reports be submitted twice yearly that document the time and effort that each person spends on a federal grant. A-21 states, *"For professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every six months."* All employees paid from a grant or contract must complete these reports. A-21 states, *"Reports will reasonably reflect the activities for which employees are compensated by the institution. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the reports will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed."*

In addition to being compliant with the Federal regulations, IUP must also comply with the PASSHE Compensation Policy² requiring faculty members or other University employees to certify time and effort reports in support of salaries, wages and benefits charged to sponsored agreements. The PASSHE Compensation Policy states, *"Pursuant to Act 188, by which the Chancellor has the responsibility to issue system-wide business procedures, the purpose of this document is to create a PASSHE policy*

¹ http://www.whitehouse.gov/omb/circulars_a021_2004

² http://www.passhe.edu/inside/asa/resources/sponsoredProjects/Documents/PASSHE_Compensation-Policy-2-18-09.pdf

that establishes consistent, fair and equitable treatment of reasonable compensation (and related time and effort) that may be paid to faculty members or other PASSHE employees who perform research, educational services or other sponsored activities, which are covered by a federal grant, a state grant, a contract, or similar agreement (collectively referred to as "sponsored agreements"). The policy will facilitate consistent treatment of salary charges among collaborative sponsored projects involving several PASSHE Universities. The policy will assure that salary charges to sponsored agreements are consistent with federal cost principles and Universities are protected from liability for unreasonable and unallowable charges to sponsored agreements." It further states, "The Federal Cost Principles for Educational Institutions as set forth in OMB Circular A-21 require an institution that receives federal funding to promulgate a policy defining the compensation allowable for personal services performed by a university under a grant, contract or other agreement with the Federal Government. This policy must be institution-wide and be consistently applied to all sponsored activities. "

Policy

All employees, whose annual base salary is paid in full or in part by sponsored grants or contracts, must certify the time & effort put forth on those projects.

Employees whose salary is charged, in whole or in part, directly or indirectly to a sponsored grant or contract, must complete a Time and Effort report twice each fiscal year.

Time & Effort Reports will reasonably reflect the activities for employees required to certify their time and effort. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the reports will be signed by the employee, principal investigator or responsible official(s). This policy provides an "after-the-fact" confirmation that the salaries paid to individuals reasonably reflects the actual amount of effort expended on a project. Individuals that serve as Principal Investigators on sponsored grants or contracts are personally responsible for reviewing, and where appropriate, certifying the effort they and other employees spend on sponsored projects under their direction. The reports will reflect 100% of the employees' base pay.

Definitions

Annual Base Salary - The annual salary the University pays a faculty member or other University employee as defined by the applicable employment agreement. For faculty members and other University employees not employed on a twelve-month basis, the base salary is what an individual is contracted to receive during the academic year³.

Sponsored Funds - Sponsored funds are budgeted and accounted for outside of IUP's General Fund (E&G).

³ As defined in article 23, K in the APSCUF Collective Bargaining Agreement.

Time and Effort- The amount of time formally committed to a grant or contract. This is measured by, for example, the faculty release time spent on a project or the amount of time that a graduate assistantship is allocated (20-hours/week or 10 hours/week). Salary appointments are approved before or as services are actually performed.

Roles and Responsibilities:

Vice President for Administration and Finance: This person or his/her designee is responsible for the university's compliance to the Time and Effort Reporting policy.

Dean of the School of Graduate Studies and Research: This person works with the President, the Provost, and the Vice President for Administration and Finance to ensure all Time and Effort reports are submitted on time.

Principal Investigator and Co-Principal Investigators: These individuals are responsible for understanding the Time and Effort Policy and for completing the Time and Effort Reports in a timely manner.

Employees Subject to Time and Effort Reporting Requirements: These are individuals whose time is charged to a grant or contract or associated match during the fiscal year. They are responsible for monitoring, reporting and certifying their time and effort committed to their respective positions.

Procedure:

1. Twice each fiscal year, Grant and Special Fund Accounting will work with the SGSR to compile and distribute Time and Effort Report Forms to all Principal, co-Principal Investigators and other employees who are paid from grants or contracts.
2. Employees who receive these forms must verify the reported information for accuracy. Questions concerning time and effort distributions should be directed to Grant and Special Fund Accounting.
3. Employees must sign their form and forward it to the Project's Principal Investigator and the Principal Investigator's supervisor for signature.
4. Completed forms must be returned to Grant and Special Fund Accounting within the time frame as directed.
5. If the employee is unavailable to certify their time and effort, the Principal Investigator must provide appropriate certification signatures.

Rescission:

Not applicable.

Publication and Distribution Statement:

This policy will be distributed directly to current Principal Investigators by Grant and Special Fund Accounting upon the commencement of the sponsored agreement, or

yearly if the grant or contract last for more than a fiscal year. This policy will be maintained by the SGSR on the Research website, under Policies.

DISTRIBUTION:

Code Description

- B All Financial Managers
- D All Deans and Department Chairpersons
- E All Managers
- F All Faculty
- G Senior Administrators
- H President's Staff
- I Vice Presidents



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February 10, 2012

Dear Project Director,

First, let me say *congratulations* on receiving an externally funded award. This is a significant accomplishment.

IUP must comply with the Federal OMB Circular A-21 and the PASSHE Compensation Policy. The federal government *requires* reports be submitted twice a year substantiating the time and effort that each person spends on a federal grant. All applicable employees must complete these reports or IUP's ability to submit proposals to the federal government will be jeopardized. This requirement can be found at www.whitehouse.gov/omb/circulars_a021_2004/ section J.10. In addition to being compliant with the federal guidelines, IUP must also comply with the PASSHE Compensation Policy requiring faculty members or other University employees to certify time and effort reports in support of salaries, wages and benefits charged to sponsored agreements.

Please verify the attached report is correct and obtain the appropriate signatures below. This signature page and the attachment must be returned to Tammy Hamilton at the address listed above by **March 1, 2012**. If you feel this report is incorrect, or you have any questions, please contact your grant accountant.

Sincerely,

Cornelius Wooten, Ph.D.
Vice President for Administration and Finance

Dr. Timothy P. Mack, Dean
School of Graduate Studies and Research

Sample

I certify my time and effort as stated in the attachment is correct.

Employee

Signature Date

I have suitable knowledge of all effort expended for the externally funded project. The information presented in the attachment is correct. I certify the effort expended was for the purposes and by the conditions of the award agreement.

Principal Investigator

Signature Date

I certify that the distribution of effort listed in the attached document is correct.

**Department Head
Or Supervisor**

Signature Date

Sample

Information All Pays **Base Pay**

Base Salary and Wage Distribution for Faculty and Staff

1. Posting Date* 2. Date for period TLH - T&E

FUND FC CI AC

Last Refreshed 2/10/2012 16:22:48

Employee	End Date of For-Per.	Funds Center	Salaries and Wage	Percent Distributed
7xxxx Last Name , First Name	09/09/2011	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %
		4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %
		Result	\$ 3,248.79	
	09/23/2011	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %
		4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %
		Result	\$ 3,248.79	
	10/07/2011	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %
		4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %
		Result	\$ 3,248.79	
	10/21/2011	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %
		4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %
		Result	\$ 3,248.79	
	11/04/2011	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %
		4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %
		Result	\$ 3,248.79	
11/18/2011	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %	
	4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %	
	Result	\$ 3,248.79		
12/02/2011	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %	
	4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %	
	Result	\$ 3,248.79		
12/16/2011	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %	
	4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %	
	Result	\$ 3,248.79		
12/30/2011	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %	
	4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %	
	Result	\$ 3,248.79		
01/13/2012	4004xxxxxx Personnel Fund - IUP General Fund	\$ 2,436.59	75.000 %	
	4034xxxxxx Name-Sponsored Grant or Contract	\$ 812.20	25.000 %	
	Result	\$ 3,248.79		
Result			\$ 32,487.90	

Initial Variable Selections

Employee Number - Single Value*	7xxxx
End Date of for period	Empty Demarcation
Fiscal Year (Optional)	Empty Demarcation