Cheyney University Policy AA-2010-1041

Policy on Time and Effort Reporting Policy

Approved by: President’s Cabinet/ Academic Affairs Council

History: Revised -2-17-2009

Related Policies: n/a

Additional References: n/a

A. Purpose:
The purpose of this policy is to ensure that Cheyney University shall adhere to and comply with the Office of Management and Budget Circular A-21 (Cost Principals for Educational Institutions) regulations that require the University to maintain a time and effort reporting system.

B. Scope:
This policy applies to all Cheyney University faculty members and other Cheyney University employees who perform research, educational services or other activities covered by a grant, contract or other sponsored agreement.

C. Definition(s):
After-The-Fact Effort Reporting - Cheyney University charges payroll expenses based on reasonable estimates of how it is expected individuals will devote their effort before it occurs. After the work is performed, effort must be reported and certified based on how actual effort was expended during the reporting period.

D. Policy and Procedure(s):
Cheyney University shall adhere to and comply with the Office of Management and Budget Circular A-21 regulations that require the University to maintain a time and effort reporting system for confirmation of personnel compensation that is either charged directly to or used as a match/cost share for externally sponsored agreements (grants, contracts or other agreements). Cheyney University uses after-the-fact effort reporting to reflect the percentage distribution of activity expended by employees covered by this policy.

As stated in the OMB Circular A-21 section J10 (Compensation for Personal Services):
“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.”
If there are discrepancies between the salary charged to a sponsored agreement and actual effort attributed to that project based on the certified effort report, an adjustment to payroll distribution is necessary. Certification must rely on a reasonable estimate of effort during a specified time period, and when estimating, a degree of tolerance is acceptable and appropriate. Cheyney University recognizes this degree of tolerance to be no more than +/- 5%.

As stated in the OMB Circular A21 section J10:

“Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by activity records.”

Procedure development rests with the Cheyney University Office of Grants and Sponsored Programs. The Office of Grants and Sponsored Programs is available to answer questions regarding this policy and procedure(s).