



## Effort Reporting Policy

Updated March 2009

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**Policy Number:** 2007-001  
**Effective Date:** August 15, 2007  
**Implementation Date:** **January 1, 2008**  
**Issuing Authority:** Vice President for Research and Vice President for Finance  
**Responsible Offices:** Office of Sponsored Programs and Budget and Management Information

## **Purpose**

To define the policies and procedures for the certification of effort associated with salaries and wages charged to sponsored projects at UAHuntsville consistent with Federal effort reporting requirements.

## **Background**

As a condition to receiving Federal funding, UAHuntsville is required to maintain and certify the percentage of time (i.e. effort) that employees devote to Federally sponsored projects as outlined in the *Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions* (OMB Circular A-21).

In addition, state agencies, private foundations, organizations, and other sponsors provide UAHuntsville with funds to conduct research, for public service, and for training projects. UAHuntsville's effort certification process provides verification that salaries and wages charged to these projects have been performed as proposed and funded to include mandatory and committed cost share.

**Adherence to this policy is necessary to prevent cost disallowances and penalties by the Federal government and other sponsoring agencies.**

## **Definitions**

**BLLR:** Bi-weekly Leave and Labor Report, is the official UAHuntsville timesheet used to record effort, leave usages for exempt employees (to include faculty) and hours worked for non-exempt and on-call employees.

**Certification:** Legally binding event on the employee and UAHuntsville, whether via paper or electronic signature.

**Committed Cost Sharing:** Effort (or other cost, including voluntary cost sharing) not required by the sponsor, but proposed in the sponsored project proposal budget or budget justification with no corresponding funding requested or awarded. When this type of cost sharing is offered and the sponsored project is awarded, the cost share is required.

**Effort:** The proportion of total professional effort devoted to a specific function or project expressed as a percentage of the total professional effort. Total effort must equal 100%.

**Effort Commitment:** Is the portion of time committed to a particular activity expressed as a percentage of the individual's total activity for the institution. The commitment, stated as a percentage of an

individual's time in a contract or grant proposal, is a real and binding commitment. As long as the contract/grant is active, the individual must keep track of the effort commitment and is required to account for it.

**Effort Certification:** A form that must be certified by all university employees charging to a sponsored award to verify that the salary distribution across all activities is consistent with the actual portion of total professional effort committed to each function. The effort certification process is also important because it: (a) ensures the funding agencies that effort funded is related to the sponsored project; (b) is used to develop the Facilities and Administration (F&A) rate agreement; (c) is used in a number of management reports; and (d) documents labor cost sharing on sponsored projects. Effort Certification will be in accordance with Appendix 2.

**Effort Reporting:** The mechanism used to confirm that salaries and wages charged to each sponsored agreement are reasonable in relation to the actual work performed. Certification of an effort report must reasonably reflect the activity for which the employee is compensated by the institution. Cost sharing commitments must also be confirmed through the effort reporting mechanism.

**Full Workload:** Includes instruction, research, public service, and administration. UAHuntsville policy is that 20% (i.e., a three hour course load) of this time is available for faculty research, and 5% is generally assigned for administrative duties. Activities excluded are outside professional work, volunteer community work, services on peer review panels and other advisory activities for sponsors and leadership in professional organizations. Note: the use of a 40 hour work week for salaried faculty and staff is a violation of the cost principles defined in OMB Circular A21, when defining a full workload.

**Institutional Base Salary (IBS):** The annual compensation paid by an organization for a salaried employee's appointment, whether that individual's time is spent on research, teaching, or other activities. All salary charged to sponsored research contracts and grants will be based on the individual institutional based salary, and Intra-University (Across Department) Consulting. Institutional Base Salary excludes any income that an individual is permitted to earn outside of duties for the applicant/grantee organization.

**Mandatory Cost Sharing:** Cost sharing required as a condition of an award or agreed to between the institution and the sponsor when negotiating a sponsored agreement. When this type of cost sharing is offered and the sponsored project is awarded, the cost sharing is required.

**No-Cost Extension:** A no cost extension could be necessary when a project period has reached its end date, but effort toward the project may still be required. In these situations, PIs or other key personnel may continue contributing the original committed effort, or they may reduce effort upon agreement with the sponsoring agency. Regardless of the agreement with the agency, this effort may be unfunded and require institutional funds to support the individual. Unfunded effort during a no-cost extension is a form of cost sharing.

**Responsible Person:** A-21 identifies a responsible person as someone with suitable means of verification that the work was performed. A responsible person must sign employee effort reporting certifications.

**Total Professional Effort:** All activities conducted under the UAHuntsville terms of employment. This includes time devoted to research, teaching, administration, and other related activities. Total professional effort must always equal 100% regardless of the actual number of hours worked by an employee or the appointed time base. For example, if employee A works 80 hours per week to fulfill her

responsibilities to the university and employee B works 40 hours per week to fulfill his, each employee's total professional effort is 100% despite the fact that employee A worked twice as many hours as employee B.

**Total Period Compensation:** Total salaries/wages paid for a specific period (e.g., fall semester, summer session, etc.) under the terms of employment at UAHuntsville.

**What is the Difference Between Effort Commitment & Effort Reporting:** Effort commitment is that effort committed or promised *prior to* or at the start of the project. It is *not* the actual effort expended, but a *projected* amount. The amount committed should be a realistic amount that can be adhered to. Effort commitment is tracked by OSP.

**Voluntary Cost Sharing:** When it is not a requirement of the sponsor and the campus voluntarily proposes to cost share an expense, whether on the budget page or in the text of the proposal. Voluntary cost sharing also includes situations where a commitment is not made in a proposal, but the university absorbs costs which directly benefit the project, i.e., covering cost overrun. An agreement to cost share, whether voluntary or mandatory, represents a commitment subject to audit.

## **Policy**

It is the policy of UAHuntsville to comply with applicable federal regulations and guidance regarding time and effort reporting. OMB Circular A-21 outlines the guidelines governing effort reporting and the verification of salary distributions. Specifically, section (J)(10)(c)(2)(b) requires effort reports to be completed to provide after the fact verification of the salary charged to sponsored projects: “[effort] report[s] will reflect after the fact reporting of the percentage distribution of activity of employees.” Additionally, OMB Circular A-21 requires that this verification be completed for all “professorial and professional” staff. At UAHuntsville, professorial staff includes all faculty members and professional staff includes all salaried staff and hourly employees involved in research activities.

To meet the requirements of OMB Circular A-21, faculty members and salaried staff will certify effort reports three times a year as per the chart located on page 10. OMB Circular A-21 states “[w]here the institution uses time cards or other forms of after the fact payroll documents as original documentation for payroll and payroll charges, such documents shall qualify as records for this purpose.” Thus, on-call hourly employees complete bi-weekly leave and labor reports (BLLR) to certify their effort.

### **Committing Effort**

Each faculty and staff member must be aware of his/her level of committed effort to sponsored projects, their ability to meet those commitments in light of any other University obligations they may have and to communicate any significant changes in level of sponsored projects effort to OSP.

Faculty or staff are expected to commit at a minimum 1% of effort, (i.e., greater than 0%) on proposals in which they are listed as Principal Investigator (PI), Co-Investigator (Co-I), Project Director (PD), or key personnel. Since a PI/PD or other key personnel have responsibility for the scientific, administrative, and financial management of an award, it is reasonable to expect that fulfilling these responsibilities requires time and effort. However, there are instances in which certain types of proposals do not require individuals to commit any level of effort. These exceptions include equipment and instrumentation grants, doctoral dissertations, student augmentation grants, and institutional or individual training grants for faculty mentors.

### **Expending Effort/Charging Salary**

Salary charged to a sponsored project must never exceed the amount associated with the actual effort funded to that project.

UAHuntsville recognizes that salaries are sometimes mistakenly charged to the wrong project. The PI/Department Administrator should identify these situations when reviewing Bi-Weekly Leave and Labor Reports (BLLRs) prior to signature. If an error does occur, the PI or Department Administrator must complete a cost transfer (aka: Retro BLLR or Labor Redistribution), if the error was made by the PI/Department Administrator. Cost transfers must have appropriate justification and documentation. If the error is due to data entry/processing caused by Payroll or Budget and Management Information, then the PI/Department Administrator will notify the appropriate personnel (Budget Office) via email. This type of error will not require a Retro BLLR to correct. The Budget Office staff will prepare and process a Retro BLLR to correct this type of error. The Retro Policy is located at Exhibit C. All errors should be identified in a timely manner. (No later than the publication of the Effort Certification Report.)

### **Summer Salary/Effort**

Faculty compensated for 9-month academic appointments are permitted to expend up to an additional three months of summer effort on one or more sponsored projects in the period beyond the academic year (i.e., during the summer research period) and earn up to three months of additional salary for that effort, subject to sponsor policies.

However, if a faculty member has administrative or other non-research responsibilities during the summer period, they may be precluded from devoting 100% effort to sponsored projects and thus from requesting three months of salary from those sponsored projects.

The provisions of this policy relating to the reporting and certification of effort apply fully to the reporting and certification of summer effort. Specifically, charging summer salary to one or more sponsored projects implies that at least a commensurate amount of effort has been expended on those projects during the summer effort period. Faculty who receive summer salary from sponsored projects must certify as to the effort expended on those projects during the summer effort period. Effort expended during the academic year cannot be counted for this purpose.

### **Certifying Effort**

Financial penalties, expenditures disallowances, and harm to the University's reputation could result from failure to provide accurate effort certifications or failure to comply with the University's effort reporting requirements. All individuals involved in the effort certification process are expected to abide strictly by the provisions of this policy.

At the end of each certification period, the Office of Sponsored Programs and Budget and Management Information prepare effort reports for all individuals in departments and centers (w/exception of on-call employees) that have charged or cost-shared salary/effort to a sponsored project. The report is provided to the recipient and made available to the recipient's supervisor.

UAHuntsville effort distribution and certification reporting systems require that all effort identified with a sponsored program be classified consistently, regardless of whether the reporter's salary is charged or cost shared to the sponsor.

If a change in effort indicated on the effort reporting requires approval by the sponsor based on the terms and conditions of the agreement (e.g., many Federal awards require approval for a reduction in effort of more than 25% of the proposed amount, or as determined by funding agency, for key personnel), OSP will contact the PI/PD to discuss the change in effort before contacting the sponsor for approval.

The following rules govern the certification process:

- Certifications will be submitted to individual electronically. All faculty members and salaried staff will certify three times a year.
- Employees will review all effort reported on the certification to ensure that it is correct and accurate to the best of their knowledge.
- If the electronic certification statement is correct, the individual will sign and date the certification via the Effort Reporting Website not later than ten (10) business days after receipt.
- If the electronic certification statement is not correct, the individual has five (5) business days to submit a Reallocation of Payroll Distribution Form (AKA: Retro BLLR) with justification addressed to Vice President for Research (if redistribution will affect a research and/or cost share account).
- The redistribution will be (Retro BLLR) processed through the system within 10 business days after receipt in the Budget Office.
- OSP will reissue the Effort Report Certification within approximately 2 weeks of redistribution (Retro) being submitted and processed.
- The employee has five (5) business days to certify the Effort Report Certification via the Effort Reporting Website.
- Timeline must be adhered to in order to ensure all certifications are completed and on file within ninety (90) days of the original certification release.
- **Employees will be allowed to certify only once in a given reporting period. Re-certifications are allowed on an EXCEPTION only basis.**

**Again, effort reports for persons who have charged effort to a sponsored project are certified via the Effort Reporting Certification Website within 10 business days.** If there is consistent failure to complete effort report certifications, corrective action may be imposed at the discretion of the Vice President for Research and/or Vice President for Finance, and may include the freezing of sponsored

program accounts until the effort reports are completed. Freezing of Sponsored Research Accounts, to include applicable Cost Share Accounts, will also prevent payroll charges to the sponsored or cost share accounts.

If changes are identified, the employee notifies the Effort Reporting Officer. If sponsor contact is required, OSP will initiate additional actions that must occur to align the expenses charged to the project with the certified effort (e.g., cost transfer to adjust for any changes made to the effort report). In most cases, if the percent of salary charged is greater than the effort recorded the difference will have to be removed from the contract/grant. For further information on Personnel Cost Transfers, please see the UAHuntsville Retro Policy, Exhibit C. Budgets and Management Information tracks the collection of effort reports and initiates any necessary follow up with the PI/PDs and department administrators to ensure 100% completion.

OMB Circular A-21 requires that “reports will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed.” At UAHuntsville, individuals certify their own effort reports. If an individual is no longer employed, the individual’s former supervisor certifies that individual’s effort using a suitable means of verification. The electronic signature on the effort report is an endorsement by the employee that, to the best of their knowledge, the salary charges accurately reflect the effort distribution across all activities. If the payroll distribution reflected on an effort report does not accurately display how the employee spent his or her time, the employee must submit a Retro form in accordance with UAHuntsville’s Retro Policy and submit the effort report by clicking on the “corrections required” button. Revisions to previously certified effort reports and payroll distributions may concern sponsors and auditors regarding the accuracy of the effort reports and effort certification process. Therefore, once the effort report is certified, changes are allowed on an **EXCEPTION** only basis. Exceptions are provided at the discretion of the Effort Reporting Officer and Vice President for Research, in accordance with UAHuntsville’s Retro Policy, see Exhibit C.

### **Sanctions for Non-compliance**

Failure to follow the provisions of this effort reporting policy may subject the individuals and departments responsible for the violation(s) to administrative and/or disciplinary actions in accordance with University disciplinary procedures and the judgment of management. Specifically, and without limitations:

- a. If effort reports are not certified in a timely manner, salary costs associated with uncertified grant activities may be removed and charged to the researchers’ 4% accounts or to the researchers’ home labor account if concur with the home labor budget unit administrators. Legally, the University cannot retain funding from the funding agencies if the effort reports are not certified. The University must therefore, return the funding to the funding agencies.
- b. The Vice President for Research may suspend submission of any new proposals on behalf of a noncompliant PI or inclusion or a noncompliant researcher in proposals, until effort reports are up to date and properly completed and certified.
- c. Submission of effort reports that are known at the time of submission to be materially inaccurate may expose the individual who completed the reports to personal disciplinary action.

## **Roles and Responsibilities**

### **Office of Sponsored Programs (OSP):**

OSP is responsible for preparing and distributing all effort reports.

### **Budgets and Management Information:**

Budgets and Management Information is responsible for tracking the receipt of the effort reports to ensure 100% completion. If effort reports are not returned within 10 business days, Budgets and Management Information follows-up with the recipient. Once received, Budgets and Management Information reviews the effort reports for signature and any necessary follow-up. If follow-up is indicated, Budgets and Management Information forwards the effort report to OSP, depending on the follow-up needed. Once all issues are resolved, or if no follow-up is necessary, Budgets and Management Information files the completed effort report.

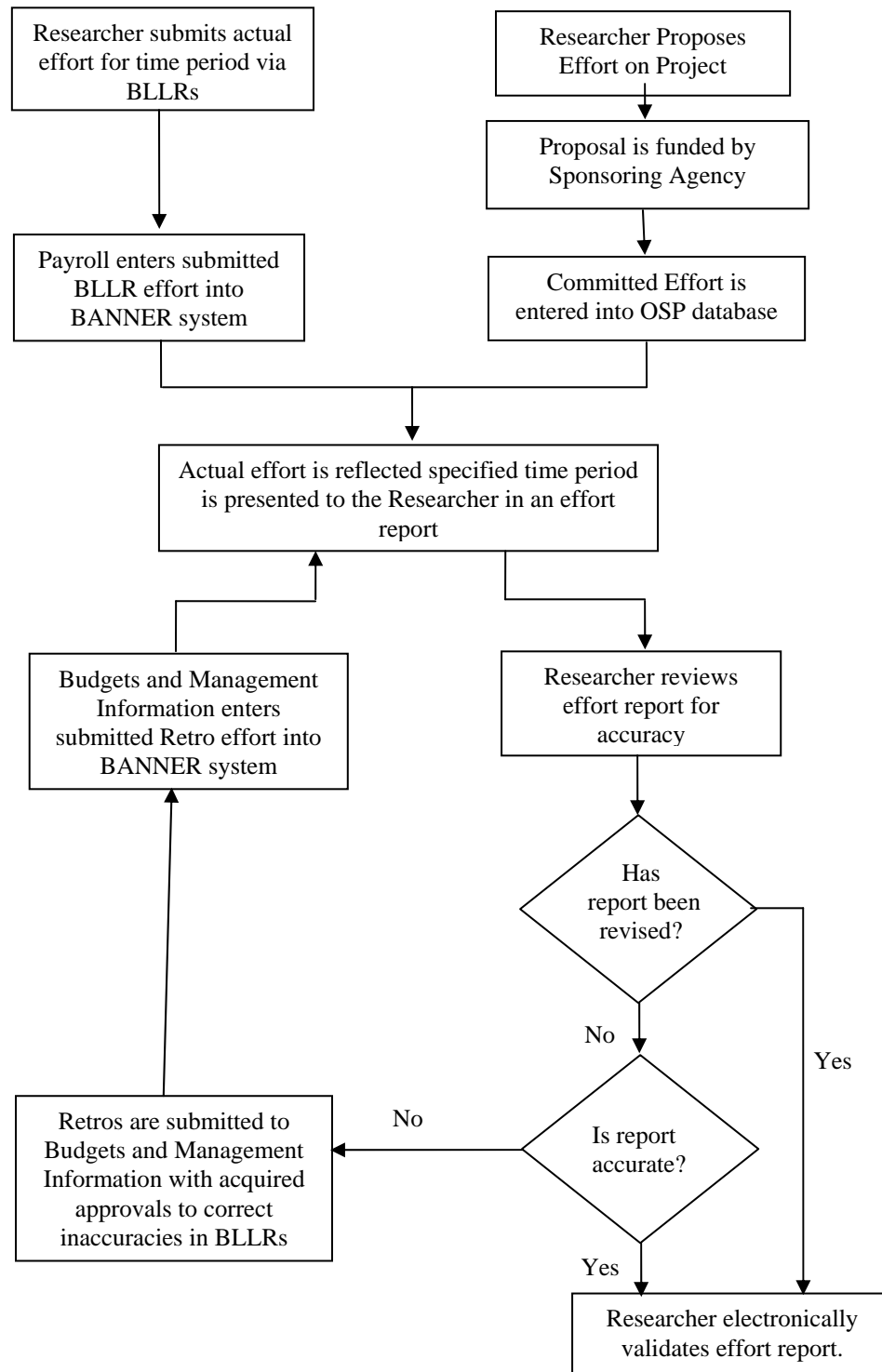
### **Office of Sponsored Programs/Contract Administrator (CA):**

The CA is responsible for notifying the sponsor of any changes in the effort commitments of individuals identified as key personnel and, where necessary, obtaining the sponsor's approval of such changes.

### **Academic Departments**

- **Principal Investigator/Project Director (PI/PD):** Each PI/PD is responsible for notifying OSP/CA of any changes in the effort of individuals listed as key personnel on respective sponsored projects, certifying that his/her efforts are accurately documented on the effort report, and ensuring that signed effort reports are returned to Budgets and Management Information within 10 business days.
- **Staff Member with Effort:** The salaried staff member on the sponsored project is responsible for certifying that his or her effort is accurately documented on the effort report, and returning the effort report to the PI/PD.

**Appendix 1 – Effort Reporting Flow Chart**



**Appendix 2 –  
Effort Reporting Process:**

Division Faculty	Effort Certification Reports			
	Issued	Pay Periods Covered		
		Pay Period Number	Dates Covered	
<b>All Faculty and All Staff who charges to a research or research cost share account</b>	Five weeks after ending pay period of period	1 <sup>st</sup> Certification	1-9	12/17 - 04/24
		2 <sup>nd</sup> Certification	10-17	04/22 – 08/11
		3 <sup>rd</sup> Certification	18-26	08/12 – 12/15
<b>On-call Hourly Staff</b>	Every bi-weekly pay period	26 Times per year or as applicable BLLR will act as certification.		

**Exhibit A – Effort Certification Periods**

Based on the chart above, effort reports are distributed to all personnel excluding On-call Hourly Staff; this will include all personnel that have charged effort to a sponsored project. Each effort report indicates the payroll distribution of the employee’s total period compensation across all UAHuntsville functions, including work on sponsored and non-sponsored projects, instruction, administration, committee work, etc. Sponsored projects are itemized and all other categories (e.g., teaching, administration, etc.) are identified as “Non-Sponsored Activities” for the purposes of effort reporting. ***Any salary charged to a cost sharing account is also included in the effort report.***

Both **12 month faculty and 9 month faculty** receive three effort reports annually: for each certification period. (EXCEPTION: 9 month faculty without summer effort will be required to certify for the first and third certifications only.) The following provides an example scenario for 12 month faculty:

**12 month faculty example**

During the first certification period of 12/17 – 04/24, an individual’s Institutional Base Salary was charged as follows: 10% of an individual’s salary was charged to sponsored program A, 10% of the individual’s salary was charged to sponsored program B, and the other 80% of the individual’s salary was charged to the individual’s department.

The effort report distributed on or about 06/01 would reflect: 10% to sponsored program A, 10% to sponsored program B, and 80% to “Non-Sponsored Activities,” See Exhibit B.

Effort Report should be reviewed to determine if the report accurately reflects how they spent their time over the certification period. In this example, the individual should confirm that they worked 10% on project A, 10% on project B, and 80% on other activities that might include teaching, service, clinical care, etc. **All effort reports require a resulting sum of 100% effort.**

### **9 month faculty example**

9 month faculty follows the same process as the 12 month faculty of certifying. However, the certification periods for the 9 month faculty without summer pay are 12/17 – 04/21/09 and 08/12- 12/15. The review and certification process is the same as above.

### **Related Policies**

- Retro Policy: <http://www.uah.edu/admin/Budget/pdf/retropolicyprocess.pdf>
- Faculty Workload: <http://www.uah.edu/facsen/Faculty%20Handbook/CHAPTER%207.htm#P0705>
- Cost Sharing Policy: [http://www.uah.edu/research/resadmin/information/compliance/cost\\_share.html](http://www.uah.edu/research/resadmin/information/compliance/cost_share.html)
- Proposal Development and Submission: <http://resadmin.uah.edu/osptest/proposal%20procedures.htm>

### **Forms and Links**

- OMB Circular A-21 [http://www.whitehouse.gov/omb/circulars/a021/a21\\_2004.html](http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html)
- OMB Circular A-110 <http://www.whitehouse.gov/omb/circulars/a110/a110.html>
- OSP Website <http://www.uah.edu/research/resadmin/index.html>

## Exhibit A - Effort Report Certification Form

**The University of Alabama in Huntsville  
Effort Report/Certification  
For Period: 1/3/2007 - 4/10/2007**

**Individual Covered:** Howell, Thruston W.  
**Employee ID#:** A000012345

**Home Labor:** Civil & Environmental Engineering  
**Title:** Professor

### Payroll Distribution Percentage

**Project**

**Sponsored Activities**

		Actual			
Org#	Title	Percentage of IBS	Cost Share	Total Effort	DPLH
23350A-6125	Program A of Spon. Res	0%	0%	0%	0.0
23350B-6125	Program B of Spon. Res	0%	0%	0%	0.0
23320A-6125	Program B	0%	0%	0%	0.0
	WWW-09-12237	10%	0%	10%	68.0
	SRS07-1234	10%	0%	10%	68.0
	Cost Share for 23350B	0%	5%	5%	34.0
<b>(A)</b>	<b>(B)</b>				
<b>Subtotal Sponsored Activities:</b>		20%	5%	25%	170
		<b>(C)</b>	<b>(D)</b>	<b>(E)</b>	<b>(F)</b>

**Non-Sponsored Activities**

**Project**

		Actual			
Org#	Title	Percent of IBS	Cost Share	Total Effort	DPLH
233101-6121	Teaching	70%	0%	70%	476.0
233101-6128	Administrative	5%	0%	5%	34.0
<b>(A)</b>	<b>(B)</b>				
<b>Subtotal Non-Sponsored Activities</b>		75%	0%	75%	510.0
		<b>(C)</b>	<b>(D)</b>	<b>(E)</b>	<b>(F)</b>

**Total Effort:** 95%      5%      100%      680.0

Direct Person Labor Hours (DPLH) information are sole

For the purpose of the following certification, the "Total Effort" to which you are certifying is the effort reflected by the pre-printed percentage in the Institutional Base Salary (IBS) and Cost Share columns.

**Certification:**

"I certify the salary charged, salary transfers processed and effort certified this period reasonably reflect the work performed in the designated period, and that I have significant technical knowledge and/or I am in a position that provides me with suitable means of verification that the work was performed. I have accounted for all effort put forth in both man-hours and percent of effort."

***Certify Effort***

***Corrections Required Before Certification***

**EXHIBIT B- EFFORT REPORT CERTIFICATION**  
**Explanation Key**

- (A) Organization (Account) Number for both committed and non committed effort**
- (B) Project/Activity Title**
- (C) Percent of employee's Institutional Base Salary (IBS) charged to the Organization (Account) Number**
- (D) Percent of employee's Institutional Base Salary (IBS) charged to the Cost Share Account**
- (E) Effort reported to payroll via Bi-Weekly Leave and Labor Report (BLLR)**
- (F) Total manhours worked in the reporting period.**

## **EXHIBIT C**

### **UAH Retro Policy/Process**

#### **Policy**

Corrected Bi-Weekly Leave and Labor Reports (BLLR) are processed to adjust the percent distribution of labor on payroll accounts when the salary distribution for the period was not consistent with the actual work performed. Caution: *some funding agencies require prior notification if there is going to be a reduction in effort of 25%, or more, of the original commitment.* Retro forms may also be submitted to correct data entry errors on Bi-weekly Labor and Leave Reports. Caution: per Circular A21, Section C.4 (b) “*Any costs allocable to a particular sponsored agreement under the standards provided in this Circular may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund consideration, to avoid restrictions imposed by law or by the sponsored agreement, or for other reasons of convenience.*”

If an award is pending, the Contract Administrators (OSP) will initiate a Risk Memo to create a new organization code. The Risk Memo will be forwarded to the fiscally responsible department for approval, and, if the department is unable to cover the Risk Memo, the Vice President for Research should be asked for assistance. Any labor effort expended in support of the pending award should be charged to the new organization code.

OMB regulations (J10c(2)(b)) require that “*charges are promptly adjusted if significant differences are indicated by activity records.*” Therefore, **all corrected BLLRs, (see Exhibit D) must be submitted no later than 28 days after the check date.** Redistribution of charges to a contract, grant or cost share organization code must be submitted to OSP. Redistribution of charges to state, foundation or other organization codes must be submitted to Budgets and Management Information. **Also, each pay period can only be redistributed once.** This is to be in compliance with A-21 and to preserve the integrity of the effort report. The definition of “significant” is commonly accepted as 5% or more. **A justification memo must be attached to all corrected BLLRs over 28 days.** A corrected BLLR may be rejected if the justification is not sufficient. In addition, Redistributions over 28 days may be charged to the PI’s residual or home labor (state) account.

**All completed Retro BLLRs submitted to Budgets and Management Information must be processed, since they represent a significant change in effort.** Budgets and Management Information has the authority to charge the department’s home labor organization code or the PI’s residual account, if the research organization code(s) cannot be accessed. The organization code may not be accessible when the labor information cannot be verified, or because the contract or grant is closed. Labor information may not be verifiable due to the age of the data.

## **Process**

- A preparer must send the Retro (BLLR) for Contract and Grant awards to OSP. A preparer may be a Budget Analyst, Administrative Assistant, Student Assistant, or Primary Investigator. The Redistribution must be signed by the employee performing the work, a responsible person, and the Budget Unit Head. A responsible person is an official who can verify, using suitable means, that the work was performed. If the employee is no longer with the university, a responsible person may verify the change in effort on the corrected BLLR. The Retro BLLR must have a current date, that is, the signatures may not be dated the same as the original timesheet. Retro BLLRs must also include account codes.
- OSP forwards an approved Retro BLLR to Budgets and Management Information. OSP will return a signed copy of the approved Retro BLLR to the applicable department/center for filing.
- If the Retro BLLR is for a pay period over 28 days from the check date, a justification memo is prepared and sent with the BLLR, through OSP to the Vice President for Research. If the corrected BLLR is approved, it is forwarded by OSP to Budgets and Management Information with the original justification memo.
- Retro BLLRs that cannot be approved by OSP will be returned to the originating department with a memo explaining the reason(s) for non-processing.
- Retro BLLR charges for other than contract, grant, or cost share organization codes are sent to Budgets and Management Information directly from the preparer. The Retro BLLR must be signed by the employee performing the work, the Budget Unit Head, and a responsible person. A responsible person is an official who can verify, using suitable means, that the work was performed. If the employee is no longer with the university, a responsible person may verify the change on the Retro BLLR. The Retro BLLR must have a current date, that is, the signature may not be dated the same as the original timesheet. Retro BLLRs must also include account codes.
- Retro BLLRs will be processed at the next available Payroll run (the next check date.) Retro BLLRs are usually processed with a Saturday transaction date in order to be differentiated from a regular Payroll run.



## **EXHIBIT E**

### **Justifications for Re-certifications (Retro)**

Generally, re-certification (Retro) is not allowed. The following are reasons for allowing and not allowing re-certifications:

#### **Allowing**

- A new research account number is created due to Sponsor issuing continuing funding under a new contract/grant number. This is only applicable for accounts operating under an approved Risk Memo.

#### **Not Allowing (including but not limited to)**

- Available balance in account.
- Overruns
- Charges beyond the period of performance.
- Failure to monitor budget statements.
- Failure to verify correct accounts for labor charges.
- Adjustments to comply with commitments, not actual work performed.

## **Exhibit F**

### **Key Personnel**

Many sponsors (Grants) require advance notification or require prior approval be obtained before “key personnel” or the Principal Investigator (PI) reduces his or her effort on a grant from the proposed/funded amount. OMB Circular A-110: *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, Subpart C- Post Award Requirements states the following:

Paragraph 25. Revision of budget and program plans.

(a) The budget plan is the financial expression of the project or program as approved during the award process. It may include either the Federal and non-Federal share, or only the Federal share, depending upon Federal awarding agency requirements. It shall be related to performance for program evaluation purposes whenever appropriate.

(b) Recipients are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions, in accordance with this section.

(c) For non-construction awards, recipients shall request prior approvals from Federal awarding agencies for one or more of the following program or budget related reasons.

(1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

(2) Change in a key person specified in the application or award document.

(3) The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

(4) The need for additional Federal funding.

(5) The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.

(6) The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with OMB Circular A-21, "Cost Principles for Educational Institutions."

In order to provide some clarity and consistency campus-wide, UAHuntsville is adopting an institutional definition of “key personnel” for extramurally sponsored projects.

The definition is the same as that contained in both the NIH and NSF Grants Policy Guidelines:

“The term “key personnel” *means* the PI and other individuals who contribute to the scientific development or execution of a project in a substantive, measurable way, whether or not they receive salaries or compensation under the grant. Typically these individuals have doctoral or other professional degrees, although individuals at the masters or baccalaureate level may be considered key personnel if their involvement meets this definition. Consultants also may be considered key personnel if they meet this definition. “Zero percent” effort or “as needed” is not an acceptable level of involvement for key personnel.”

Please note that this only applies to Grant Awards. A contract requires prior approval for any change in the PI or Key Personnel effort regardless.

**Revision of Budget/Program Plan (25% or more) Procedures**

Upon notification by Budget and Management Information, the Contract Administrator (OSP) will contact the PI to begin the notification/approval process as noted in OMB Circular A-110 or in accordance with the funding agency established guidelines. This process will consist of, but is not limited to the following:

- a. A revised budget for the remaining of the project funded period
- b. A written explanation for the change
- c. A revised Scope of work

The Contract Administrator will prepare and submit the request for approval/notification to the appropriate contract specialist as identified in the funding document.

Questions regarding this process should be directed to your Contract Administrator.