

## **UAH Retro Policy/Process** **(Revised 03/18/09)**

### **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 time worked on the award. 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 will be asked for assistance. Any labor effort expended in support of the pending award should be charged to the new organization code.

**Original timesheets** submitted more than 28 days after the check date must be submitted as Retros and follow the Retro policy. Original timesheets submitted after the timesheet due date, but before the 28 day limit, will be reviewed by the Budget Office for period of performance and cost overruns before being processed. If the late timesheet contains organization codes for awards that are past the period of performance or would add charges to an overrun account, they must be submitted as Retros and follow the Retro policy.

OMB regulations (J10c(2)(b)) require that *“charges are promptly adjusted if significant differences are indicated by activity records.”* Therefore, **all corrected BLLRS 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 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 4% (3-89XXX) account or their home labor (state) account.

**All completed Retros 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 4% (3-89XXX) 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 duplicate copies of corrected timesheets/Retros for Contract and Grant awards to OSP. A preparer may be a Budget Analyst, Administrative Assistant, Student Assistant, or Primary Investigator. The Retro 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 Retro. The Retro must have a current date, that is, the signatures may not be dated the same as the original timesheet. Retros must also include account codes.
- OSP forwards an approved Retro to Budgets and Management Information. OSP will return a signed copy of the approved Retro to the applicable department/center for filing.
- If the Retro is for a pay period over 28 days from the check date, a justification memo is prepared and sent with the Retro to the Vice President for Research. If the Retro is approved, it is forwarded by OSP to Budgets and Management Information with the original justification memo.
- Retros that cannot be approved by OSP are returned to the originating department with a memo explaining the action taken by OSP.
- Retro charges for other than contract, grant, or cost share organization codes are sent to Budgets and Management Information directly from the preparer. The Retro 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. The Retro must have a current date, that is, the signature may not be dated the same as the original timesheet. Retros must also include account codes.
- Retros will be processed at the next available Payroll run (the next check date.) Retros are usually processed with a Saturday transaction date in order to be differentiated from a Payroll run.
- Questions may be addressed to Budgets and Management Information at 824-2242 or 824-2037