THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

RETRO/REDISTRIBUTION POLICY

Number 06.03.02
Division Office of Budgets and Management Information
Date Effective August 15, 2007; Implemented January 1, 2008
Purpose To define the retro/redistribution process as noted in Exhibit C of the Effort Certification Policy.
Policy Corrected Bi-Weekly Labor Reports (BLR) 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 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.” Uniform Guidance 200.451 states that, “…Also, any excess of costs over authorized funding levels transferred from any award or contract to another award or contract is unallowable.”

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 in A21(J10c(2)(b)) require that “charges are promptly adjusted if significant differences are indicated by activity records.” Uniform Guidance 200.430(8)(vii)(B) states that, “Significant changes in the corresponding work activity (as defined by the non-Federal entity’s written policies) are identified and entered into the records in a timely manner.” The definition of “significant” is commonly
accepted as 5% or more. All corrected BLRs (Retros/Redistributions), (see Exhibit D for an example of the paper Retro) must be submitted no later than 28 days after the check date. (The 28 day limit is also to comply with agency requirements concerning billing. In addition, Retros submitted on an award in closeout must be submitted no later than 28 days after the check date for billing to be in compliance with Uniform Guidance 200.434. Retros on awards in closeout after the 28 day limit should be charged to the employee’s state account or PI account.) Redistribution of charges to a contract, grant or cost share organization code more than 28 days after the check date must be submitted to Contracts and Grants via online Labor Redistribution. Redistributions 28 days or less must be submitted to the Budgets and Management Information Office via the online Labor Redistribution system. Redistributions to state, foundation or other organization codes must be submitted to the Budgets and Management Information Office via online Labor Redistribution or by paper Retro BLR (by exception only.) Also, each pay period may only be redistributed once. This is to be in compliance with OMB regulations and to preserve the integrity of the effort report. A justification must be included with all corrected BLRs over 28 days. A corrected BLR 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. Redistributions over 90 days are subject to rejection since the redistribution was not submitted in a timely manner. Certified pay periods are locked and do not accept Redistributions.

**Procedures**

A preparer must submit the Labor Redistribution/Retro BLR for Contract and Grant awards via online Labor Redistributions. A preparer is a person authorized by the Budgets and Management Information Office to submit online Retro BLRs.

Online Labor Redistributions are tracked through the routing queue by the originator and others included in the routing queue.

If the Retro BLR or online Labor Redistribution is submitted for a pay period over 28 days from the check date, a sufficient justification is required. (A partial list of justifications allowed/not allowed is on Exhibit E.) A comment section in the online Labor Redistribution system is provided for justifications and explanations.

An online Labor Redistribution that is not approved will be returned for correction with a comment. The department may then void/erase or re-submit the corrected Redistribution.
Labor Redistributions will be processed at the next available Payroll run (the next check date.)

Please contact Candy Horch in the Budget/Effort Reporting Office with issues regarding the Labor Redistribution System.

RETRO BLLR FORM
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**Total Labor**

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**Comment/Justification:**

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I certify that the distribution of labor above represents the actual work performed during this reporting period.

**Employee:** [Name]

**Signature:** [Signature]

**Date:** [Date]

**Budget Unit Head:** [Name]

**Signature:** [Signature]

**Date:** [Date]

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***** IMPORTANT *****

Must Submit Form No Later Than 28 days After The Check Date

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Policy 06.03.01

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Revised March, 2015
Justifications for Re-certifications and Labor Redistributions (Retro)

Re-certifications:

Generally, re-certification is not allowed.

**Allowed**

- 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.

Labor Redistributions (Retro):

**Allowed**

- 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.
- By request from the Sponsor.

**Not Allowed (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.

**Review**

The Offices of Budgets and Management Information and Sponsored Programs are responsible for the review of this policy every five years (or when circumstances require).