

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

EFFORT CERTIFICATION POLICY

Number 06.03.01

Division Office of Budgets and Management Information

Date January 1, 2008 - Reviewed April 22, 2021

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

Background As a condition to receiving Federal funding, UAH is required to maintain and certify the percentage of time (i.e. effort) that employees devote to Federally sponsored projects as outlined in Uniform Guidance 200.430 and 200.431 and the *Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions* (OMB Circular A-21 relocated to 2 CFR, Part 220).

In addition, state agencies, private foundations, organizations, and other sponsors provide UAH with funds to conduct research, for public service, and for training projects. UAH'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 **Bi-Weekly Labor Report (BLR):** BLR is the official UAH timesheet used to record effort for exempt employees (to include faculty). The Web Time Entry form is used to record hours worked for non-exempt and on-call employees. Both types of records should be entered online through Self-Service. The BLR distribution is entered by the department/center through ePAF Labor.

Certification: Legally binding event on the employee and UAH, 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: 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 (also known as an Effort Report): 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. UAH 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 (relocated to 2 C.F.R. Part 220) and Uniform Guidance 200.430, 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. IBS 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: OMB Circular A-21 (relocated to 2 C.F.R. Part 220) identifies a responsible person as someone with suitable means of verification that the work was performed. A responsible person must certify employee Effort Reports.

Total Professional Effort: All activities conducted under the UAH 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 UAH.

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 the Office of Sponsored Programs (OSP).

Voluntary Cost Sharing: When it is not a requirement of the sponsor and the university 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 UAH to comply with applicable federal regulations and guidance regarding time and effort reporting. OMB Circular A-21 (relocated to 2 C.F.R. Part 220) outlines the guidelines governing effort reporting and the verification of salary distributions. Specifically, OMB Circular A-21 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] Reports] will reflect an after-the-fact reporting of the percentage distribution of activity of employees.” Additionally, OMB Circular A-21 (relocated to 2 C.F.R. Part 220) requires that this verification be completed for all “professorial and professional” staff. At UAH, professorial staff includes all faculty members and professional staff includes all salaried staff and hourly employees involved in research activities. The Uniform Guidance also requires after-the fact verification.

To meet the requirements of OMB Circular A-21 (relocated to 2 C.F.R. Part 220) and the Uniform Guidance, faculty members and salaried staff will certify effort reports three times a year as per the chart located in Appendix 2 to this Policy. 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” The Uniform Guidance requires nonexempt employee salary and wages to be “supported by records indicating the total number of hours worked each day.” Thus, on-call hourly employees complete bi-weekly labor reports (BLR) and bi-weekly timesheets (WTE) 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 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.

UAH recognizes that salaries are sometimes mistakenly charged to the wrong project. The PI/Department Administrator should identify these situations when reviewing BLRs prior to approval. If an error does occur, the PI or Department Administrator must complete a cost transfer (aka: Labor Redistribution (Retro), 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 Budgets and Management Information, then the PI/Department Administrator will notify the appropriate personnel (Budgets and Management Information/Effort Reporting Office) via email. This type of error will not require a Retro to correct if the Budgets and Management Information/Effort Reporting Office is notified within 28 days after the check date of the pay period affected. The Budgets and Management Information/Effort Reporting Office staff will prepare and process a Retro to correct this type of error. The Retro/Redistribution Policy is located at Exhibit C. All errors should be identified in a timely manner.

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 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 Budgets and Management Information/Effort Reporting Office will 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 Effort Report is provided to the recipient and may be made available to the recipient's supervisor and other employees as indicated by the recipient on the effort report routing queue.

UAH 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 as indicated on the Effort Report 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:

- Effort Reports will be submitted to individuals electronically. Faculty members and salaried staff will certify three (3) times a year.
- Employees will review all effort reported on the Effort Report to ensure that it is correct and accurate to the best of their knowledge.
- If the Effort Report is correct, the individual will sign and date the certification via the Effort Certification Website **not later than ten (10) business days** after receipt.
- If the Effort Report is not correct, the individual has five (5) business days to submit a Retro with justification. See the Retro/Redistribution Policy (Exhibit C) for additional requirements and information.
- The approved Retro will be processed through the system within ten (10) business days after receipt in the Budgets and Management Information/Effort Reporting Office.
- The Budgets and Management Information/Effort Reporting Office will reissue the Effort Report within approximately 2 weeks of the Retro being submitted and processed.
- The employee has five (5) business days to certify the Effort Report via the Effort Certification 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. If a responsible person does not communicate with the Budgets and Management Information/Effort Reporting Office regarding issues with the certification within the 90-day period, the Budgets and Management Information/Effort Reporting

Office will remove the employee's charges from all the awards within the certification period. (If an Effort Report is not certified, activities represented in the Effort Report constitute a False Claim, and must be removed.)

- **Employees will be allowed to certify only once in a given reporting period. Re-certifications are allowed on an EXCEPTION only basis. (Effort Reports and corresponding labor records are locked when certified. No Retros are allowed on a locked certification without significant justification. See Exhibit D.)**

Again, Effort Reports for persons who have charged effort to a sponsored project are certified via the Effort Certification Website within ten (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 Economic Development and/or Vice President for Finance and Administration, 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 shall notify the Effort Compliance 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 Retro/Redistribution Policy, Exhibit C. The Budgets and Management Information/Effort Reporting Office tracks the certification of Effort Reports and initiates any necessary follow up with the PI/PDs and department administrators to ensure 100% completion.

OMB Circular A-21 (relocated to 2 C.F.R. Part 220) 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." OMB's Uniform Guidance states that "processes to review after-the-fact interim charges" must be included in the entity's system of internal controls and be incorporated into the official records of the entity. At UAH, individuals certify their own Effort Reports. If an individual is unable to certify, the individual's supervisor or other responsible official may certify that individual's effort using a suitable means of verification. GRA certifications will be completed by the PI on the award or other responsible official. The electronic signature on the Effort Report is an endorsement by the employee that, to the best of their knowledge, the salary charges reasonably reflect the effort distribution across all activities. If the payroll distribution reflected on an Effort Report does not reasonably display how the employee spent his or her time, the employee must submit a Retro in accordance with

UAH's Retro/Redistribution Policy. 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 Compliance Officer and Vice President for Research and Economic Development, in accordance with UAH's Retro/Redistribution 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 completed and returned in a timely manner, salary costs associated with uncertified grant activity may be removed and charged to a department/center account or the researcher's 4% account.
- b. The Vice President for Research and Economic Development may suspend submission of any new proposals on behalf of a noncompliant PI or inclusion of 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

The Budgets and Management Information/Effort Reporting Office:

The Budgets and Management Information/Effort Reporting Office is responsible for preparing and distributing all Effort Reports. The Budgets and Management Information/Effort Reporting Office is responsible for tracking the certification of the effort reports to ensure 100% completion. If Effort Reports are not returned within ten (10) business days, the Budgets and Management Information/Effort Reporting Office follows-up with the recipient. OSP may be contacted, depending on the follow-up needed.

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.

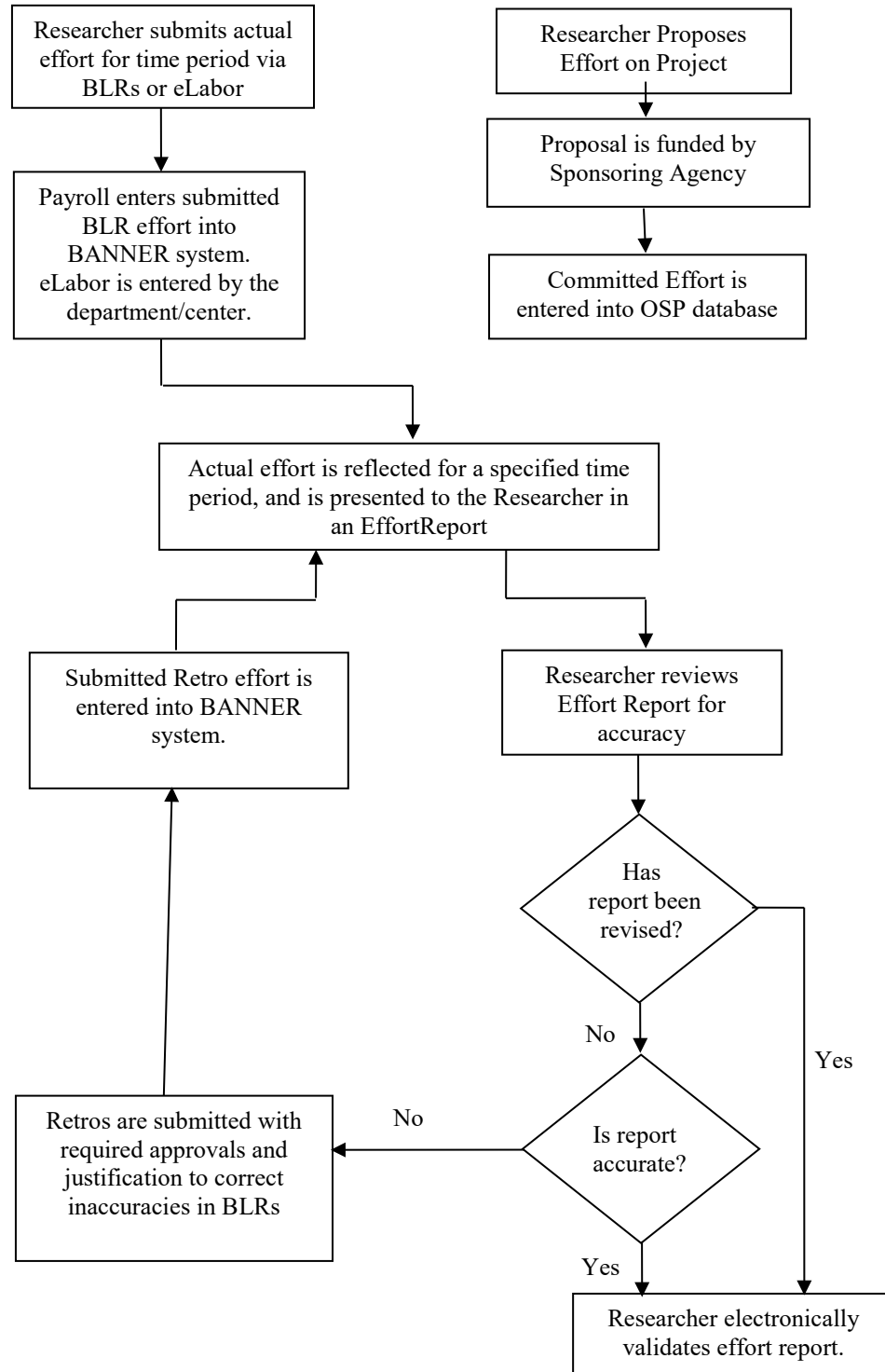
Academic Departments

- **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 reasonably reflected on the Effort Report, and ensuring that Effort Reports are certified within ten (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 reasonably reflected on the Effort Report.

Review

The Offices of Budgets and Management Information and Sponsored Programs are responsible for the review of this Policy every five (5) years (or whenever circumstances require).

▪ **Appendix 1 – Effort Reporting Flow Chart**



**Appendix 2 –
Effort Reporting Process:**

Division Faculty	Effort Certification Reports	
	Issued	<u>Pay Periods Covered</u>
All Faculty and All Staff who charges to a research or research cost share account	Approximately five (5) weeks after the check date of the ending pay period of the certification period, except in cases of technical difficulties or other extraordinary events. Issue and Due Dates of Effort Reports are posted to the Effort Reporting Website.	1 st Certification 1-9 Spring 2 nd Certification 10-17 Summer 3 rd Certification 18-26 Fall
On-call Hourly Staff	Every bi-weekly pay period	26 Times per year or as applicable, BLR will act as certification.

Exhibit A

Effort Certification Periods

Based on the chart in Appendix 2, 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 UAH 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 under "Non-Sponsored" activities.***

12-month faculty and 9-month faculty may receive three Effort Reports annually: one for each certification period. (EXCEPTION: 9-month faculty without summer effort may be required to certify for the first and third certifications only. 9-month faculty with only summer effort will be required to certify for the second certification.) The following provides an example scenario for 12- or 9-month faculty:

Faculty example

During the first certification period of pays 1 through 9, an individual's Institutional Base Salary was charged as follows: 75% of an individual's salary was charged to sponsored program A, and the other 25% of the individual's salary was charged to the individual's department.

The Effort Report distributed on or about 06/13 would reflect: 75% to sponsored program A and 25% to "Non-Sponsored" activities, see Exhibit B.

Effort Reports should be reviewed to determine if the report reasonably reflects how they spent their time over the certification period. In this example, the individual should confirm that they worked 75% on project A and 25% on other activities that might include teaching, service, clinical care, etc. **All Effort Reports require a resulting sum of 100% effort.**

Forms and Links

- Uniform Guidance: <https://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1&rgn+div5>
- OMB Circular A-21 (relocated to 2CFR, Part 220), OMB Circular A-110: https://obamawhitehouse.archives.gov/omb/circulars_a110/
- Office of Sponsored Programs Website: <http://www.uah.edu/osp>
- Contracts & Grants Accounting: <http://www.uah.edu/c-g/>
- Office of Budgets & Management Information: <http://www.uah.edu/budget/effort-certification>

EXHIBIT B

Sample Effort Report

Effort Report Overview

Report Status: 20120110
Training 2012 pay 1 to 10
Mar 16, 2012 - Aug 31, 2012
Awaiting Certification - Unlocked

Funding Chart

Activity Type	Effort	Percentage
Sponsored	75	75%
Non Sponsored	25	25%
Total	100.00%	

Proxy or Superuser
You are acting as a Superuser

Request Changes **Certify** **Add New Funding**

Detailed instructions for certifying effort are included on the Effort Reporting website: <http://www.uah.edu/budget/effort-certification>

EXHIBIT C
THE UNIVERSITY OF ALABAMA IN HUNTSVILLE
RETRO/REDISTRIBUTION POLICY

<u>Number</u>	06.03.02
<u>Division</u>	Office of Budgets and Management Information
<u>Date</u>	Effective August 15, 2007; Implemented January 1, 2008
<u>Purpose</u>	To define the retro/redistribution process as noted in Exhibit C of the Effort Certification Policy.
<u>Policy</u>	<p>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. <i>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.</i> (BLR are submitted online through the ePAF-Labor system.) Labor Redistribution (Retro) forms may be submitted to correct data entry errors on BLR. <i>Caution: Uniform Guidance 200.451 states that, “[A]ny excess of costs over authorized funding levels transferred from any award or contract to another award or contract is unallowable.”</i></p> <p>If an award is pending, the Contract Administrators in the Office of Sponsored Programs 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 and Economic Development should be asked for assistance. Any labor effort expended in support of the pending award should be charged to the new organization code.</p> <p>Uniform Guidance 200.430(h)(8)(viii)(B) states that, “<i>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.</i>” The definition of “significant” is commonly accepted as 5% or more. All Retros on research must be submitted online through the Labor Redistribution system no later than 28 days after the check date. The 28-day limit is 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 200.344. Retros on awards in closeout after the 28-day limit should be charged to the employee’s state account or PI account. Retros of charges to a contract, grant or cost share organization code more than 28 days after the check date must be</p>

submitted to Contracts and Grants via the online Labor Redistribution system. Retros 28 days or less must be submitted to the Budgets and Management Information/Effort Reporting Office via the online Labor Redistribution system. Retros only from non-research to non-research state, foundation or other organization codes must be submitted to the Budgets and Management Information/Effort Reporting Office via the online Labor Redistribution system. **Also, each pay period may only be redistributed once on an award.** 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 Retros over 28 days.** A Retro may be rejected if the justification is not sufficient. In addition, Retros over 28 days may be charged to the PI's residual or home labor (state) account. Retros 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 Retros.

Business Interruption Insurance (BII) was established for calendar year employees working on research when Administrative Leave is granted to all University employees who are calendar year employees after the President (or his designee) declares the University closed, or when normal working hours change due to severe weather, or for the Summer Flex Schedule, or other extraordinary event. Retros may charge the BII organization code 302301-6186 for Administrative Leave reflected on the employee's timesheet. Charges for Administrative Leave to research and cost-share organization codes are unallowable. The BII Policy is available on the Payroll Office website.

The Leave Loaded System (LLS) was implemented to comply with Uniform Guidance 200.431 regarding Termination Leave for research employees. All leave, except Administrative Leave, is accrued in the LLS. Actual paid leave is charged to the LLS according to the labor distribution for the pay period in which leave is taken. Retros on pay periods in which leave was taken should charge the leave to LLS on the same basis as the regular pay distribution for the pay period. It is the responsibility of the Department/Center to manage leave so that leave is taken while the employee is charging to research. Leave not reported correctly on the research employee's timesheet will require a corrected timesheet submitted to Payroll and a Retro to correct the labor distribution. Also, a justification is required for the Retro. The payroll system will charge Termination Leave according to the last ePAF-Labor or corrected labor form submitted for the employee. A Retro for the Termination Leave should be submitted if the labor distribution does not reflect the last year (the last 12 months of work history) of the employee's effort. Leave distributed on research should be charged to 302304-6200. The LLS Policy is available on the Payroll Office website.

Procedures

A preparer must submit Retros for Contract and Grant awards via the online Labor Redistribution system. A preparer is a person authorized and trained by the Budgets and Management Information/Effort Reporting Office to submit Retros. Training is available by appointment.

Retros are tracked through the routing queue by the originator and others included in the routing queue.

If the Retro 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 listed below.)** A comment section in the online Labor Redistribution system is provided for justifications and explanations. Comments cannot be erased once they are saved. They may be eliminated by erasing the Retro. A new Retro may be entered and submitted with the new comment.

A Retro that is not approved will be returned for correction with a comment. The department may then void/erase or re-submit the corrected Retro. A returned Retro will have a comment regarding the reason for the return action. Retros will be processed at the next available Payroll run (the next check date). Retros should be submitted several days before the check date to allow time for processing through the approval queue.

Graduate Research Assistant Retros should match the Offer Letter in the Graduate Studies Office. A Revised Offer Letter should be submitted to the Graduate Studies Office and the Budgets and Management Information Office if the Retro effort redistribution is different from the Offer Letter on file. The Graduate Research Assistant Tuition and Health Insurance Policy is posted on the UAH website.

Please contact the Budgets and Management Information/Effort Reporting Office at 256-824-2290 or 256-824-2242 with issues regarding the Labor Redistribution system.

Exhibit D

Justifications for Re-certifications and Labor Redistributions (Retros)

Re-certifications:

Generally, re-certification is not allowed. Re-certifications are allowed on an EXCEPTION only basis.

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 (Retros):

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.

Exhibit E

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. Uniform Guidance (UG) 2 CFR 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart D- Post Award Requirements states the following:

[§200.308. Revision of budget and program plans.](#)

(a) The approved budget for the Federal award summarizes the financial aspects of the project or program as approved during the Federal award process. It may include either the Federal and non-Federal share (see definition for Federal share in [§200.1](#)) or only the Federal share, depending upon Federal awarding agency requirements. The budget and program plans include considerations for performance and program evaluation purposes whenever required in accordance with the terms and conditions of the award.

(b) Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from Federal awarding agencies for budget and program plan revisions, in accordance with this section.

(c) For non-construction Federal awards, recipients must request prior approvals from Federal awarding agencies for 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 the Federal award.

(3) The disengagement from the project 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 inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with [subpart E](#) of this part as applicable.

(5) The transfer of funds budgeted for participant support costs to other categories of expense.

(6) Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award, including fixed amount subawards as described in [§200.333](#). This provision does not apply to the acquisition of supplies, material, equipment or general support services.

(7) Changes in the approved cost-sharing or matching provided by the non-Federal entity.

(8) The need arises for additional Federal funds to complete the project. In order to provide some clarity and consistency campus-wide, UAH 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

It is the responsibility of the PI to ensure that changes in effort 25% or more are coordinated with their OSP Contract Administrator (OSP) to begin the notification/approval process as noted in [2CFR 200.308, Subpart D](#) 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.