

# THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

## RETRO/REDISTRIBUTION POLICY

<b><u>Number</u></b>	06.03.02
<b><u>Division</u></b>	Office of Budgets and Management Information
<b><u>Date</u></b>	January 1, 2008 - Reviewed April 22, 2021
<b><u>Purpose</u></b>	To define the retro/redistribution process as noted in Exhibit C of the Effort Certification Policy.
<b><u>Policy</u></b>	<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. Caution: <i>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. 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.”</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. <b>All Retros on research must be submitted online through the Labor Redistribution system no later than 28 days after the check date.</b> 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.**

## **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.

**Review** The Office of Budgets and Management Information is responsible for the review of this Policy every five (5) years (or whenever circumstances require).