

## Time & Effort Policy and Procedures

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### A. Purpose

This policy and its accompanying procedure establish the requirements and guidelines for time and effort reporting and management of effort commitments for all federally funded programs/projects.

Federal requirements provide that salaries and benefits charged to a federal award(s) must be based on appropriate documentation. Effort reporting is a required process by the federal government to verify that direct charges for salaries and benefits to federally sponsored programs are reasonable and reflect actual work performed. This requirement applies to all federal awards and sub-awards, including those received directly from the federal government, unless specifically exempted by the Office of Management and Budget (OMB).

### B. Reporting Requirements and Procedures

1. Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages must be supported by semi-annual certifications that the employees worked solely on that program for the period covered by the certification. These semi-annual certifications must be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.
2. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation unless a statistical sampling system or other substitute system has been approved by the Federal agency granting the funds. Such documentary support is required where employees work on:
  - a. More than one federal award;
  - b. A federal award and a non-federal award;
  - c. An indirect cost activity and a direct cost activity;
  - d. Two or more indirect activities which are allocated using different allocation bases; or
  - e. An unallowable activity and a direct or indirect cost activity.
3. Personnel activity reports (PAR) or equivalent documentation must meet the following standards:
  - a. Reflect an after-the-fact distribution of the actual activity of each employee;
  - b. Account for the total activity for which each employee is compensated;
  - c. Be prepared at least monthly and must coincide with one or more pay periods; and
  - d. Be signed by the employee and supervisor.
4. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that the following is met:
  - a. The system utilized for establishing the estimate produces reasonable approximations of the activity performed;

- b. At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
  - c. The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.
- 5. Time and effort documentation must be maintained for stipends, supplemental contracts, and/or extra duty hours. Such documentation may include:
  - a. Sign-in/attendance logs for extra hour pay related to a single cost objective.
  - b. A signed supplemental contract that stipulates a specific single cost objective duty/assignment.
  - c. A stipend for performing a specific single cost objective responsibility, so long as the employee signs either the stipend or an after-the-fact certification of performance.
  - d. Multiple cost objective supplemental contracts/stipends must be supported by time and effort reports documenting actual time spent on each objective.