

# Effort Reporting

Business Community Open Forum  
January 25, 2006

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## Disclosure Statement

After-the-fact Activity Records

- Planned effort is recorded in the UA system via the PCF
- Time Rosters are used to certify the actual distribution of salaries
- Adjustments are made by modifying the preprinted time roster or processing corrections (PET)

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## Effort Reporting Examples

- Gary Esham  
Associate Dean, Finance and Administration  
College of Optical Sciences
- Lynn Lane  
Manager, Business and Finance  
Lunar and Planetary Laboratory

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<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>	<b>PART II - DIRECT COSTS</b> <b>The University of Arizona</b>																					
Item No..	Item Description	Revision Number: 2 Effective Date: July 01, 2005																				
2.3.2	<u>Inventory Requisitions from Central or Common, Institution-owned Inventory.</u> (Identify the inventory valuation method used to charge projects):  A. <input checked="" type="checkbox"/> First In, First Out B. <input type="checkbox"/> Last In, First Out C. <input type="checkbox"/> Average Costs <sup>//</sup> D. <input type="checkbox"/> Predetermined Costs <sup>//</sup> Y. <input checked="" type="checkbox"/> Other(s) <sup>//</sup> Z. <input type="checkbox"/> Not Applicable																					
2.4.0	<u>Description of Direct Personal Services.</u> All personal services directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal services compensation costs, including applicable fringe benefit costs, if any, within each major institutional function or activity that are charged as direct personal services.)																					
2.5.0	<u>Method of Charging Direct Salaries and Wages.</u> (Mark the appropriate line(s) for each Direct Personal Services Category to identify the method(s) used to charge direct salary and wage costs to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, fully describe on a continuation sheet, the applicable methods used.)																					
	<table style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td colspan="4" style="text-align:center;">---- Direct Personal Services Category ----</td> </tr> <tr> <td></td> <td style="text-align:center;"><u>Faculty</u></td> <td style="text-align:center;"><u>Staff</u></td> <td style="text-align:center;"><u>Students</u></td> <td style="text-align:center;"><u>Other</u> <sup>//</sup></td> </tr> <tr> <td></td> <td style="text-align:center;">(1)</td> <td style="text-align:center;">(2)</td> <td style="text-align:center;">(3)</td> <td style="text-align:center;">(4)</td> </tr> <tr> <td style="text-align:center;"><u>Method</u></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>		---- Direct Personal Services Category ----					<u>Faculty</u>	<u>Staff</u>	<u>Students</u>	<u>Other</u> <sup>//</sup>		(1)	(2)	(3)	(4)	<u>Method</u>					
	---- Direct Personal Services Category ----																					
	<u>Faculty</u>	<u>Staff</u>	<u>Students</u>	<u>Other</u> <sup>//</sup>																		
	(1)	(2)	(3)	(4)																		
<u>Method</u>																						
	A. Payroll Distribution Method..... (Individual time card/actual hours and rates)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																				
	B. Plan - Confirmation ..... (Budgeted, Planned or assigned work activity, updated to reflect significant changes)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																				
	C. After-the-fact Activity Records..... (Percentage Distribution of employee activity)	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>																				
	D. Multiple Confirmation Records..... (Employee Reports prepared each academic term to account for employee's activities, direct and indirect charges are certified separately.)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																				
	Y. Other(s) <sup>//</sup> .....	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																				
	<sup>//</sup> Describe on a Continuation Sheet.																					

FORM CASB DS-2 (REV 10/94)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - CONTINUATION SHEET The University of Arizona	
Item No..	Item Description	Revision Number: 2	Effective Date: July 01, 2005
2.5.2	<p><u>Salary and Wage Cost Accumulation System.</u></p> <p>Responsible officials determine and record the planned (budgeted) distribution of each employee's salary on a payroll distribution form (called a Position Control Form) based on an estimate of the employee's effort distribution. In accordance with Section J.10. of Circular A-21, an after-the-fact activity report (called a Payroll Time Roster) is used to record the actual distribution of employee salaries. Payroll Time Rosters are prepared and certified on a bi-weekly basis. Where the actual distribution differs from the planned distribution, the charges to sponsored agreements are appropriately adjusted in the accounting system. These adjustments are made by either (i) modifying the preprinted (planned) distribution on the Payroll Time Roster, or (ii) processing corrections (called Payroll Expenditure Transfers).</p> <p>As noted in Item 3.5.0(i) (third bullet), mandatory and voluntary committed cost sharing on sponsored research agreements is included in the Organized Research base in accordance with OMB-Memorandum No. 01-06 issued January 5, 2001. Such cost sharing is identified by reviewing grant applications and contract proposals for the base year of each indirect cost proposal. This process is described in the University's "Procedure for Calculating the Cost Sharing Adjustment to the Organized Research Base."</p>		
2.6.0	<p><u>Description of Direct Fringe Benefit Costs.</u></p> <p>The following fringe benefits attributable to Organized Research, Instruction and other direct cost objectives are treated as direct costs:</p> <ul style="list-style-type: none"> <li>• Health, Dental, Vision, Accident, Life, and Disability Insurances</li> <li>• Retirement (including Arizona State Retirement System, optional retirement plans and retiree accumulated sick leave payments)</li> <li>• FICA</li> <li>• Workers' Compensation</li> <li>• Employee Liability Insurance</li> <li>• Unemployment Compensation</li> <li>• Dependent Care Assistance</li> <li>• Tuition Remission - Graduate Associates/Assistants</li> <li>• Qualified Tuition Reductions -- Eligible Faculty/Staff</li> </ul> <p>Leave costs (e.g., vacation, holiday, sick leave) are included in the normal charges for salaries. Payments to retirees for accumulated sick leave, however, are included in the fringe benefit rates described in Item 2.6.1.</p>		

FORM CASB DS-2 (REV 10/94)

## **Excerpts from OMB Circular A-21 section J.10.c.**

(2) After the fact Activity Records: Under this system the distribution of salaries and wages by the institution will be supported by activity reports as prescribed below.

(a) Activity reports will reflect the distribution of activity expended by employees covered by the system (compensation for incidental work as described in subsection a need not be included).

(b) These reports will reflect an after the fact reporting of the percentage distribution of activity of employees. Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by activity records.

(c) Reports will reasonably reflect the activities for which employees are compensated by the institution. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the reports will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed.

(d) The system will reflect activity applicable to each sponsored agreement and to each category needed to identify F&A costs and the functions to which they are allocable. The system may treat F&A cost activities initially within a residual category and subsequently determine them by alternate methods as discussed in subsection b.(2)(c).

(e) For professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every six months. For other employees, unless alternate arrangements are agreed to, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.

(f) Where 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, provided that they meet the requirements in subsections (a) through (e).

OSC  
Time VS Effort  
Reporting

# Important Considerations

- Time Vs. Effort
- First hand knowledge requirement
- Reasonable estimate of work performed
- After the fact confirmation (signed)
- Cost Sharing
  - Voluntary Cost Sharing
  - Mandatory Cost Sharing

# Important Consideration Cont.

- Instruction, Research,  
Public Service
- No established hourly basis  
for calculating percent of  
time
- Cost Transfers

# OSC Procedure

- PI Authorization email with PEL attached sent after each pay period
- PI or designee required to respond
- Designee must have first hand knowledge
- Response maintained in separate PI Authorization mailbox
- Follow-up procedure has been established

# OSC Procedure Cont.

- Percentage of effort reported compared to percentage of effort budgeted
- OSC also requires Time Cards from the staff funded from external funding sources

**MEMORANDUM**

**To : Wyant, James C., Principal Investigator or Responsible Person**  
**From : Gary Esham, Associate Dean Finance and Administration**  
**Regarding : Payroll Authorization**  
**AccountNo : 212120**  
**Sponsor Name :**  
**Project Title : OPTICAL SCIENCES ICR**  
**PayPeriod : 12/19/05-01/01/06**

**PLEASE INDICATE YOUR RESPONSE BY PUTTING AN XX NEXT TO YOUR CHOICE.**

**[ ] I do concur**

**[ ] I do not concur**

**If you do not concur please provide an explanation in the space provided below**

**The Principal Investigators/Responsible Person is responsible for all financial activity charged to their accounts. It is your responsibility to verify that the expenditures reported on the Payroll Expenditure Listing's are accurate and indicate the employee's actual effort on the account(s) charged for pay period indicated. These charges were generated to the account(s) via a memo or email from you or signed time sheet. Payroll Expenditure Listing's are generated from the bi-weekly payroll time roster, which is the official auditable University payroll record.**

**IT IS MANDATORY that you review the attached payroll expenditure listings for accuracy, check the appropriate box and return this form via email to: [pireports@optics.arizona.edu](mailto:pireports@optics.arizona.edu) within (1) week. If you do not agree with the charges made to your account, please provide an explanation in the space provided above or contact the OSC payroll office.**

**Thank you for your cooperation.**

**Gary Esham**

**Associate Dean, Finance and Administration**

**College of Optical Sciences**

**University of Arizona**

# OSC Cost Sharing

- OSC very reluctant to incorporate voluntary cost sharing in proposal
- Maintain Excel spreadsheet for mandatory
- Require PI to certify effort associated with cost sharing
- SPS Cost Sharing Certification

# Cost Sharing Certification

## COST SHARING CERTIFICATION

The University of  
**ARIZONA**

DATE: 11-01-05  
TO: \_\_\_\_\_, OPTICAL SCIENCES, COLLEGE OF  
FROM: Jason Von Fange, Sponsored Projects Services, 626-6434  
RE: Sponsor NATIONAL STORAGE INDUSTRY CONSORTIUM  
Grant/Contract Number 70NANB1H3056  
Fund Accountant SANDOVAL, PAUL  
FRS Account Number \_\_\_\_\_

This is to certify that during the period 11-01-04 to 10-31-05, the cost sharing requirement was met, in accordance with the terms of the referenced award. A copy of the budget is attached for reference. Substantiating records are maintained within the department and are available for audit.

Total compensated effort for a given individual does not exceed 100%. The labor reported as cost sharing represents effort devoted to the project, funded by a source other than the project or federal funds.

The contact person responsible for maintaining the cost sharing records is \_\_\_\_\_.

\_\_\_\_\_  
Authorized Signature \*

Date: \_\_\_\_\_

NOTE: After signing, please return one copy to:

Jason Von Fange  
Sponsored Projects Services  
University Services Building, Room 510  
(Campus Mail)

- \* Certificate may be signed by Department Head, Principal Investigator, or person having first hand knowledge or suitable means of verification as to the effort expended, such as the person who signs the payroll roster.

Attachment

LPL

Federal Effort Reporting (FER)

Bi-Weekly Employee Time Record

## FEDERAL EFFORT REPORTING 2005-06

PAY PERIOD: JANUARY 2 - JANUARY 15, 2006

The FER is a departmental payroll document used to report an employee's percentage of effort on a project for a specific pay period. This information is required to complete the payroll rosters. **Therefore, the FER must be returned on or before the required date below.** The FER must be signed by the PI, or his/her designee who can affirm the information provided below is accurate. The reports are retained on file for audit purposes.

<u>Name</u>	<u>Account(s) to be Charged This Pay Period</u>	<u>%</u>	<u>Notes</u>
<b><u>SALARIES:</u></b>			
Bunny, Bugs	402300	100	1/2/06 – 6/4/06
Devil, 'Taz'	402300	100	
Duck, Daffy	402300	35	
	415650	35	
	348560	20	
	346560	10	
Elmer, Fudd	402300	20	
	415655	80	
Gonzalez, Speedy	402300	90	
	401850	10	10% Cassini (McEwen)
	402300	40	
LePew, Pepe'	415653	60	
	402300	10	
Yosemite, Sam	415651	90	
	402300	30	
	346560	20	
	415654	40	
	342880	10	
<b><u>WAGES:</u></b>			
Coyote, Wylie	402300	100	terms 5/15/06
Martian, Marvin	415652	100	

APPROVED: \_\_\_\_\_

DATE: \_\_\_\_\_

RETURN FORMS TO TARA DICKEY, ROOM 339C BY **4:00 P.M., WEDNESDAY, JANUARY 11, 2006**

**Lunar and Planetary Lab  
Bi-Weekly Employee Time Record**

**DUE DATE: 1/11/06**

Employee Name \_\_\_\_\_  
(PRINT LEGIBLY)

Return time record to Space Sciences, Rm 339

Employee ID # \_\_\_\_\_

FLSA Exempt

Payroll Period 1/2/2006 1/15/2006

FLSA Non-Exempt

<b>Work Week 1</b>								Work Week 1
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Totals	
Date								
Regular								
Vacation	<b>HOLIDAY</b>							
Sick								
Other								
<b>Grand Total</b>								

<b>Work Week 2</b>								Work Week 2
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Totals	
Date								
Regular								
Vacation								
Sick								
Other								
<b>Grand Total</b>								

I certify that this time sheet is a true statement of time worked and/or leave used.

I certify that the hours for this pay period are for the direct benefit of the projects listed below.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Supervisor's Signature

**Pay Period Totals**

**Pay Period Total Earnings**

<input type="text"/>	R = Regular
<input type="text"/>	C = Compensatory Time (time and 1/2) (Non-Exempt only)
<input type="text"/>	K = Overtime Cash (time and 1/2) (Non-Exempt only)
<input type="text"/>	T = Overtime Cash (straight time) (Non-Exempt only)
<input type="text"/>	U = Compensatory Time (straight time) (Non-Exempt only)
<input type="text"/>	<b>GRAND TOTAL EARNINGS</b>

**Pay Period Total Leave Used**

<input type="text"/>	A = Unpaid Absence
<input type="text"/>	F = Bereavement leave
<input type="text"/>	FA = Family Unpaid Absence (FML only)
<input type="text"/>	FS = Family Sick (FML only)
<input type="text"/>	FV = Family Vacation (FML only)
<input type="text"/>	FX = Flex Salary
<input type="text"/>	H = Holiday
<input type="text"/>	J = Jury Duty
<input type="text"/>	M = Military Duty
<input type="text"/>	N = Compensatory Time Used (Non Exempt only)
<input type="text"/>	S = Sick leave used
<input type="text"/>	V = Vacation leave used
<input type="text"/>	<b>GRAND TOTAL LEAVE USED</b>

**Account Information**

Acct #	Percent
<b>TOTAL = 100%</b>	

**Non-Exempt Employees:** All overtime hours must be pre-approved by the supervisor in writing prior to the hours being worked

**Exempt Employees:** Record presence at work, rather than hours worked, for each day worked. Record actual hours leave time used

**Non-Exempt Student Employees: ALLOWABLE WORK HOURS:** Student employees may work a maximum of 30 hours per work week while school is in session, and up to 40 hours per week all other times. International student employees on an F1 visa may work a maximum of 20 hours per week.

Students are not allowed to work over 40 hours per week; if a student inadvertently works more than 40 hours per week, the student employee must be compensated at the rate of one and one-half times the regular rate of pay for cash payment for each hour worked over 40 hours.

**CONCURRENT EMPLOYMENT:** A student who holds one or more campus jobs must schedule work such that the total number of hours is less than 30 hours per work week while school is in session and up to 40 hours per week during all other times.