

Oklahoma State University Policy and Procedures

TIME & EFFORT CONFIRMATION FOR SPONSORED PROGRAMS IN COMPLIANCE WITH FEDERAL REQUIREMENTS	3-0321 ADMINISTRATION & FINANCE July 2021
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INTRODUCTION AND GENERAL STATEMENT

1.01 Effective March 1, 1983, the University adopted one of the acceptable methods of documenting wages based upon a sponsored project's projection or plan of work activity, subject to changes in the project's scope of work which creates significant changes in time allocation. The accuracy of the predetermined cost allocations is substantiated by "after-the-fact confirmation" by personnel having first-hand knowledge of the faculty or staff member's work in support of the sponsored project.

Payroll Methods

2.01 The biweekly payroll system pays employees on the basis of time reports submitted after the work period has ended. Payroll costs are charged to the respective departmental, cost-share, or sponsored project funds for the employee's activities. Authorized representatives with direct knowledge of the employee's activities must approve the time worked before payroll is processed.

2.02 The monthly payroll system utilizes budgeted cost distributions based on planned work assignments distributing costs to funds associated with the faculty or staff member's activities.

Budget and Personnel Assignments

3.01 Preparation of the detailed salary budget is the first step in the operating budget process for the coming fiscal year. Based on available funds, etc., the rate of pay is established for each regular employee. Assignments are established and salary costs are coded for appropriate cost distribution according to the time intervals to be worked and the percentage of effort budgeted under the planned workload assignments.

3.02 Cost sharing is the financial support contributed by universities to sponsored projects. Cost sharing and matching represents the portion of a project or program cost not borne by the sponsoring agency. Department Heads are expected to recognize the portion of each faculty employee's time devoted to cost sharing when the cost sharing effort is: (a) required as a condition of a sponsored agreement, or (b) 10% or more of the faculty member's effort. For more information on cost sharing, refer to OSU Policy and Procedures Letters 1-0113, Cost Sharing in Sponsored Research and Service Projects.

3.03 Salary costs incurred are posted in the accounting system according to the percentage cost distributions recorded in the University's payroll system. Since work assignments are subject to change, department heads/sponsored program managers or Principal Investigators are expected to

monitor the budgeted work assignments and update these predetermined cost distributions when significant changes occur. Changes should be submitted during the month/quarter in which they occur to ensure the after-the-fact confirmation is correct and will normally not need adjusting.

Time & Effort Confirmation

3.04 The Time & Effort Confirmation report is produced monthly and quarterly and includes paid cost distributions for each employee paid. The purpose of the report is to provide assurance the salary costs, as charged, are representative of the actual time and effort expended by employees during the period of activity. If actual time and effort differs significantly from the paid distribution (5 percent or more of total effort), an adjustment or redistribution of costs must be made in the Human Resource System which feeds accounting records. Temporary changes, however, may be ignored if they result in less than a 5 percent change in total effort measured over the entire academic semester.

3.05 Best practices suggest Time & Effort Confirmation for sponsored programs should be completed the following month or quarter. If errors are detected concerning the amount of pay, the department must contact Payroll.

Confirmation reports may be signed electronically by the department head or an authorized person with knowledge of the effort certifying effort confirmation.

Definition of Terms

3.06 In order to calculate applicable indirect cost rates, direct costs must be accumulated by major functions of the institution and indirect costs must be identifiable to each of the major functions. The University's accounting system establishes an individual fund number in which costs are accumulated for each activity in which there is a need to report costs for management purposes.

3.07 Evaluations – Periodic evaluations must be conducted to ensure the system's effectiveness and compliance. It is especially required for the following effort areas:

- A. Sponsored Research – Represents all research and development activities sponsored by federal and non-federal agencies and organizations and are separately budgeted and accounted for. This category also represents the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.
- B. Sponsored Training – Represents specific instructional or training activity established by grant, contract, or cooperative agreement.
- C. Other Sponsored Programs – Represents programs and projects financed by federal and non-federal agencies and organizations which involve the performance of work other than Instruction or Sponsored Programs.

D. Cost Sharing – Represents any additional effort, approved and budgeted for by the Dean, expended on Sponsored Research, Sponsored Training or Other Sponsored Projects in excess of efforts already funded by and charged directly to the Sponsored project.

4.01 Oklahoma State University reserves the right to change this Policy and Procedures Letter or any portion thereof at any time.

Approved:
July 1984

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May 1998
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