

## Mansfield University Policy

### Time and Effort Certification Policy

#### Purpose

Mansfield University must comply with federal, state, and PASSHE regulations regarding the reporting of the time and effort that is spent on sponsored grants or contracts. By agreeing to voluntarily accept a grant or contract, an employee is indicating that he or she will comply with all these regulations. This reporting requires the signature of the employee, Principal Investigator (if applicable), and responsible official(s) to confirm that the percentages allocated to each activity represent a reasonable estimate of the work performed. The process is commonly known as *“Time and Effort Reporting.”*

#### Scope

This policy is applicable to individuals whose annual base salary is paid, in full or in part, with organized research or sponsored funds.

#### Objective

Mansfield University must comply with the Federal Office of Management and Budget Circular A-21<sup>1</sup> and the PASSHE Compensation Policy. The federal government requires reports be submitted twice yearly that document the time and effort each person spends on a federal grant. A-21 states, *“For professional and professional staff, the reports will be prepared each academic term, but no less frequently than every six months.”* All employees paid from a grant or contract must complete these reports. A-21 states, *“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, principal investigator, or responsible official(s) using suitable means of verification that the work was performed.”*

In addition to being compliant with the Federal regulations, Mansfield University must also comply with the PASSHE Compensation Policy<sup>2</sup> requiring faculty members or other University employees to certify time and effort reports in support of salaries, wages and benefits charged to sponsored agreements. The PASSHE Compensation Policy states, *“Pursuant to Act 188, by which the Chancellor has the responsibility to issue system-wide business procedures, the purpose of this document is to create a PASSHE policy that establishes consistent, fair and equitable treatment of reasonable compensation (and related time and effort) that may be paid to faculty members or other PASSHE employees who perform research, educational services or other sponsored activities, which are covered by a federal grant, a state grant, a contract, or similar agreement (collectively referred to as sponsored agreements). This policy will facilitate consistent treatment of salary charges among collaborative sponsored projects involving several agreements are consistent with federal cost principles and Universities are protected from liability for unreasonable and unallowable charges to sponsored agreements. It further states, The Federal Cost Principles for Educational Institutions as set forth in OMB Circular A-21 require an institution that receives federal funding to promulgate a policy defining the compensation allowable for*

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<sup>1</sup> [http://www.whitehouse.gov/omb/circulars\\_a021\\_2004](http://www.whitehouse.gov/omb/circulars_a021_2004)

<sup>2</sup> <http://204.235.152.54/executive/academic/Documents/PASSHE%20Compensation%20Policy%202-18-09%20Final.pdf>

*personal services performed by a university under a grant, contract or other agreement with the Federal Government. This policy must be institution-wide and be consistently applied to all sponsored activities.”*

### Policy

All employees, whose annual base salary is paid in full or in part by sponsored grants or contracts, must certify the time and effort put forth on those projects.

Employees whose salary is charged, in whole or in part, directly or indirectly to a sponsored grant or contract, must complete a Time and Effort report twice each fiscal year.

Time and Effort Reports will reasonably reflect the activities for employees required to certify their time and effort. 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, principle investigator or responsible official(s). This policy provides a confirmation that the salaries paid to individuals reasonably reflect the actual amount of effort expended on a project. Individuals that serve as Principal Investigators on sponsored projects or contracts are personally responsible for reviewing, and where appropriate, certifying the effort they or other employees spend on sponsored projects under their direction. The reports will reflect 100% of the employees' base pay.

### Definitions

Annual Base Salary – The annual salary the University pays a faculty member or other University employee as defined by the applicable employment agreement. For faculty members and other University employees not employed on a twelve-month basis, the base salary is what an individual is contracted to receive during the academic year.

Sponsored Funds – Sponsored funds are budgeted and accounted for outside of Mansfield University's General fund.

Time and Effort – The amount of time formally committed to a grant or contract. This is measured by, for example, the faculty release time spent on a project or the amount of time that a graduate assistantship is allocated. Salary appointments are approved before or as services are actually performed.

### Procedure

- Time and Effort Certification Reports will be completed by the Grant Project Director twice yearly (after the completion of the Spring and Fall semester). Forms will be submitted to the Grant Accountant.
- Employees paid with sponsored program funds must verify the reported information for accuracy.
- Questions should be directed to the Grant Accountant or the Director of Grants Development.