Revision Date	11/5/2021
Responsible Office(s)	Business Office
Approval	Office of the CFO and Vice President of Administration

Policy Statement

As a recipient of federal funding, Augustana College is required to comply with the Office of Management and Budget (OMB) Circular Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards ("Uniform Guidance") as well as other federal requirements for certifying effort expended on sponsored awards. Augustana College requires all individuals who receive federal sponsored funding to comply with College policies and sponsoring agency regulations regarding the proposing, charging and reporting of effort on the awards.

Uniform Guidance Subpart E 200.430 contains the federal regulatory requirements for internal controls over certifying time expended on sponsored projects. The College's practice is to utilize an After-the-Fact effort reporting system to certify that salaries charged, or cost shared to sponsored rewards, are reasonable and consistent with work performed. Actual effort expended on each project should be certified by a responsible person, usually the Principal Investigator (PI), with suitable means of verification that the work was performed, at the end of specified reporting periods.

The effort certification should a reasonable estimate of how times was expended. Section 200.430(C.x.) states, "It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for Institutes of Higher Education, a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected."

Purpose of Policy

The purpose of effort reporting is to provide a reasonable basis for distributing salary charges among direct activities (i.e. sponsored research) and non-sponsored activities (such as instruction and administration. OMB Uniform Guidance requires that the College document the distribution of activity to each individual sponsored project, including any cost shared effort.

Effort Defined

Effort is defined as the amount of time spent on a specific project in relation to all work done for Augustana College, whether the sponsor pays the salary or not. This work may include but is not limited to research, teaching and administrative services. Effort is expressed as a percentage of time that always equal 100. An individual's effort may be broken down into various accounts and jobs.

Who Must Comply

All individuals involved with the administration and conduct of federally sponsored award activities, including central and departmental sponsored project administrators, principal investigators and other research personnel must comply with this policy. Adherence to this policy is required for all effort related to federally sponsored awards as well as any non-federal awards where the non-federal sponsor requires effort reporting.

Expenditure reports, prepared and issued by the Business office, serve as the official record of project expenses. On a monthly basis, the following expenditure reports are provided to both the PIs and, depending on reporting access, department administrators (via online ARCHES reporting service):

- **Grant Summary Report** – a summary of activity that provides a comparison of budget to actual expenditures, including pending commitments and the available balance as of month-end. Provided via email by the Business Office
- **Grant Non-Payroll Detail** – a list of all non-salary transactions charged to the grant or contract for the given month (i.e. supplies, travel, fringe benefits, indirect costs, etc.). Provided via online access.
- **Grant Payroll Detail** – a list of all monthly salary expenses and year-to-date totals by employee. Provided via online access.

The review of the monthly reports should ensure the following:

- All costs assigned to an accounting unit are allowable, allocable and reasonable
- All costs charged to the grant or contract directly benefit the project
- Expenses incurred on the grant or contract are within the project period; exceptions may be made in the event that the sponsor authorizes pre-award costs
- No unallowable or unauthorized expenses were charged
- All budgeted personnel working on the project are being correctly charged to the grant or contract
- Salaries charged to the grant or contract represent only those of employees working on the program

- Spending levels are on target, i.e. funds are being allocated in such a way that all research objectives can be met
- Funds are expended in accordance with sponsor and University policies
- Immediate action is taken to resolve errors identified during the review process

It is expected that the PI or his or her delegate will review the fiscal status of his or her grant or contract(s) monthly and promptly correct expense transactions that are incorrectly recorded. Departmental personnel are responsible for preparing and submitting the cost transfer request with the knowledge and approval of the PI. Cost transfers should be submitted to the Business Office upon identifying the error and no later than 90 days after the end of the month in which the expense was incurred. Any cost transfer request in excess of 90 days from the close of the month in which the expense was incurred will require the approval of the Controller, and will only be allowed on a limited and exceptional basis.

Payroll Review Process

The PI is responsible for reviewing and approving time under the NSF job codes within TimeClock Plus (the College's timekeeping software). The time keeping software is configured to only allow assigned supervisors (in this case the PI or their assigned department or grant administrator) to approve employees under their supervision and under their assigned job codes. The only exception to this rule is for administrators within the Human Resources or Payroll Departments. The Human Resources or Payroll departments will approve time that has been approved via another means (telephone, email, etc) by an authorized supervisor (the PI, department or grant administrator).

The PI is responsible for reviewing both student employees and non-exempt employees that have provided direct work for the grant or contract.   The PI completes the review of employee timecards within the time keeping system every Monday. This is the Monday following the work being completed (ie the time clock system runs from Monday through Sunday). The approval and review process is closed by the Payroll Department on Tuesday. After the time clock system is closed, the Payroll Department conducts a second analysis of all employee time for the College by reviewing exception reports. These exception reports include long shifts, overtime, requested leave, short term disability, etc. During this validation process, the PI may be contacted in regards to various exceptions and may be asked to confirm the accuracy. The PI is given the opportunity to request changes during this weekly process.

If an expense is not caught during this process and is subsequently identified then the PI can submit a Cost Transfer to the Business Office upon identifying the error.