



## **Kutztown University Policy ACA-066**

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### **Time and Effort Reporting Policy**

#### **A. Purpose:**

The purpose of this policy is to ensure that Kutztown University shall adhere to and comply with the 2 CFR Part 220 (Office of Management and Budget Circular A-21, Cost Principals for Educational Institutions) regulations that require the University to maintain a time and effort reporting system.

#### **B. Scope:**

This policy applies to all Kutztown University faculty members and other Kutztown University employees who perform research, educational services or other activities covered by a grant, contract or other sponsored agreement, which requires effort reporting.

#### **C. Definition(s):**

After-The-Fact Effort Reporting - Kutztown University charges payroll expenses based on reasonable estimates of how it is expected individuals will devote their effort before it occurs. After the work is performed, effort must be reported and certified based on how actual effort was expended during the reporting period.

#### **D. Policy and Procedure(s):**

Kutztown University shall adhere to and comply with the 2 CFR Part 220 (Office of Management and Budget Circular A-21) regulations that require the University to maintain a time and effort reporting system for confirmation of personnel compensation that is either charged directly to or used as a match/cost share for externally sponsored agreements (grants, contracts or other agreements).

Kutztown University uses after-the-fact effort reporting to reflect the percentage distribution of activity expended by employees covered by this policy.

As stated in the OMB Circular A-21 section J10 (Compensation for Personal Services):

*“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.”*

If there are discrepancies between the salary charged to a sponsored agreement and actual effort attributed to that project based on the certified effort report, an adjustment to payroll distribution is necessary. Certification must rely on a reasonable estimate of effort during a specified time period, and when estimating, a degree of tolerance is acceptable and appropriate. Kutztown University recognizes this degree of tolerance to be no more than +/- 5%.

As stated in the OMB Circular A21 section J10:

*“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.”*

Procedure development rests with the Kutztown University Office of Grants and Sponsored Projects. The Office of Grants and Sponsored Projects is available to answer questions regarding this policy and procedure(s).

**E. Effective Date:**

April 2, 2009

**F. Recommended by:**

University Senate

**G. Approved by:**

President F. Javier Cevallos

**H. Last Review**

August, 2009

August, 2010

August, 2011

August, 2012

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