

NUMBER: FINA 3.12 (formerly BUSF 3.12)
SECTION: Administration and Finance
SUBJECT: Contracts and Grants: Personnel Activity Reporting System
DATE: December 18, 2006
REVISED: November 19, 2015
Policy for: All Campuses
Procedure for: All Campuses
Authorized by: Vice President for Finance and Chief Financial Officer
Issued by: University Finance - Contract and Grant Accounting

I. Policy

To meet the Federal standards in the Office of Management and Budget Circular A-21 applicable to universities and colleges (see <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>), the University uses the Personnel Activity Reporting System for all departments which have personnel involved in contract and grant activities. Administered by the Contract and Grant Accounting Office, this system has been approved by the U.S. Department of Health and Human Services, the University's cognizant Federal audit agency. The University of South Carolina will follow procedures consistent with the requirements of the State of South Carolina Code of Laws, State of SC Regulations, Federal Guidelines and University policy as applicable.

II. Procedure

The distribution of salaries and wages must be supported by personnel activity reports. See <http://www.cga.sc.edu/timeeff.php> for time and effort web reporting instructions.

A. Personnel activity reports have the following requirements.

1. Personnel activity reports will reflect the distribution of activity expended by employees covered by the system.
2. The reports will reflect an after-the-fact reporting of the percentage of activity of each employee. Estimates made before the services are performed may be used initially, provided that such charges are promptly adjusted if significant differences are indicated by activity reports.
3. Each report will reasonably reflect each employee's total activity for which the employee is compensated and which is required in fulfillment of his or her obligations to the institution. The report will reasonably reflect:

- a. the percentage of activity applicable to and chargeable to each sponsored agreement;
 - b. activity required to meet mandatory cost sharing;
 - c. activity applicable to each mandatory cost sharing;
 - d. activity applicable to each indirect cost sharing;
 - e. activity applicable to other cost categories.
4. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period, each report should be printed and signed by the employee or by a responsible official(s) using suitable means of verification that the work was performed.
 5. For professorial and professional employees, the reports will be prepared each academic period or no less frequently than twice a year based on the Time and Effort/Activity Report for the Academic Term. For other individuals, the reports will be prepared no less frequently than monthly based on the Time and Effort Monthly Update Report and will coincide with pay periods.
 6. 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 a personnel activity report provided that they are signed in accordance with "4" above.

B. Time and Effort Monthly Update Report

The Time and Effort Monthly Update Report is distributed by department and shows by employee, the amount and percentage salary charged to each account for the past month (an after-the-fact reporting of the percentage of activity of each employee).

1. This report will show only base pay distribution on employees who are considered to be professional or professional in accordance with OMB Circular A-21.
2. The preliminary distribution of workload expressed in dollar amounts and percentage based on the monthly salary is initially established by the staffing pattern as indicated on the employer's Personnel Action form which authorizes the salary and may be modified for future months by Personnel Action forms.
3. The Time and Effort Monthly Update Reports are available via the web to the departments around the tenth day of each month for verification and corrections.
 - a. The certification must be completed and the forms returned to Contract and Grant Accounting within thirty (30) days if a correction is necessary.
 - b. If there is a correction on the report, the report will be verified by Contract and Grant Accounting and sent to Human Resources or Payroll to make the appropriate redistribution of salary expenditure.
 - c. When there is a significant change (+ or - 5%) in the current distribution and the change reflects a permanent change of distribution of effort, additional Personnel Action forms will be required to affect this change into the system (i.e., summer period or during the base period of

employment). When the change is less than + or - 5% in the current distribution, but the responsible official considers it significant, a change may be advisable.

4. The report does not include hourly work (student and non-student), overtime, shift differential or honoraria payments. The charges are available from the payroll system and are reflected on the time cards of the individual or separately supported personnel documents. The Time and Effort Data will be consolidated on an academic term basis for use in the Activity Report used for recapturing indirect cost data.
5. This report will show only individuals who are turn-around personnel and have had some part or all of their pay paid from a sponsored project or cost shared to a sponsored project.

C. Time and Effort/Activity Report for the Academic Term

The Time and Effort/Activity Report for the Academic Term shows by employee the amount and percentage of salary charged to each account for the past academic term.

1. This report will show only the base pay distribution of employees who are not subject to the Federal Hour and Wage Laws.
2. The distribution will reflect all changes made on the Time and Effort Monthly Update Report and should reflect the correct distribution for the academic term.
3. The report will consolidate all changes made for the period, reflect the total base salary paid for the year and the percentage charged to account during the academic year.
4. This report will include all personnel who are in departments which have sponsored agreements and are not subject to the Federal Hour and Wage Laws.
5. The Time and Effort/Activity Reports for the Academic Term are sent to the departments around thirty (30) days after the end of the academic term for verification and correction. The confirmation must be completed and the form returned to Contract and Grant Accounting by the date specified on the report.
6. The academic terms as defined by this report are as follows:
 - Spring semester -- January 1 through June 30
 - Fall semester -- July 1 through December 31

D. Time Cards

Time Cards are distributed to each individual on a weekly basis and show the percentage of salary charged to each account for the pay period (an after-the-fact reporting of the percentage of activity on each employee).

1. This report will show only the total distribution on employees who subject to the Federal Hour and Wage Laws.
2. The Time Card provides a section to reflect any changes in the payroll distribution (Distribution Section).

- a. Where there is a significant change (+ or - 5%) in the current distribution and the change reflects a permanent change of distribution and effort, a new personnel document should be sent to the Personnel Department.
 - b. Where the change affects only the week reported, the change should be noted on the time card so that an appropriate payroll journal entry can be made.
3. At the end of the week when the work is performed, Time Cards are sent to the department, which distributes them to the employees for signature; the responsible official confirms the work by signature.

E. For additional information, call Contract and Grant Accounting.

III. Reason(s) for revisions

Change is needed due to division reorganization and name change.