University Practices related to Personal Services

According to University practice, when employees are paid, the costs related to their fringe benefits are calculated based on the approved fringe pool rate and charged to the same fund(s) their salary is paid from. As a general statement, it can be assumed that charges for personal services related to grants and contracts will follow regular University practice. Following is a summary of how various types of leave and separation payments are handled by the University as a whole and related to grants and contracts specifically, with references to grant regulations. Section references below are from OMB Circular A-21 which provides guidance related to compensation of personal services.

Normal paid absences such as annual leave, sick leave, etc. are also charged to the fund(s) which an employee’s normal pay is charged. According to section J.10(f)(1) this method of allocating costs is allowable "provided such costs are allocated to all institutional activities in proportion to the relative amount of time or effort actually devoted by the employees." This is also in compliance with OMB Circular J.10.b. (2)(e) which specifies the criteria for acceptable methods of payroll distribution (time-effort reporting.) Within this section, it is stated, "Short term (such as one or two months), fluctuations between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term, such as an academic period." It would follow that adjustments for longer term fluctuations, including leaves for a longer period of time, would need to be reflected in the employees’ time effort report and could result in a portion of their time not being allowable on a grant or contract as originally estimated in the budget.

According to Missouri State University Human Resource Policy G7.02-10 - Grievance Procedures, in certain circumstances, employees may be suspended either with or without pay, as determined appropriate by the University, pending the outcome of the grievance procedure. According to University practice, if the employee is suspended with pay, then the fund(s) their salary is normally paid from will continue to be charged. However if an employee has been working on a grant, it is our opinion that if the suspension is due to lack of performance, mismanagement of duties or improper actions, this constitutes an exceptional situation and the costs of the related leave would not be allowable on the grant or contract. Also in support of this opinion, because of the potential length of time involved in the grievance procedures, which could stretch beyond the two month period referred to in J.10.b. (2)(e) above and because the employee is not putting forth any effort on the grant or contract during the time they are suspended, the time off form would need to be adjusted accordingly and payments made during the suspension would not be allowable on the grant or contract. It is also our opinion that these costs should not be charged to the fringe pool fund, but would need to be charged to another University fund. This opinion is supported by our consultant who help prepare and negotiate our facilities and administrative and fringe rates and who have insight into proper allocation of costs to grants and contracts and fringe pools.

When an employee leave the University, accrued vacation leave and a portion of accrued sick leave in the case of retiring individuals, is not charged to the fund they were paid out of during their employment, but rather the University fringe pool fund is charged. This same methodology is used in relation to employees who have been charged to a grant or contract during their employment.

At certain times, employees of the University are eligible for retirement incentive programs. In the past, the related costs have been designated to specific areas of the University, typically at the college and administrative levels - although they could possibly be charged to the fund(s) they were paid from formerly. If an employee has been working on a grant or contract, it would not be allowable for these costs to be charged to the grant or contract fund.
Effort Reporting

Op8.08 Effort Reporting

A Semester Effort Report should be completed by each individual (faculty, professional staff or graduate assistant) who has been involved with an externally sponsored program (grants/contracts) and should account for 100% of a person's effort. Employees paid on an hourly basis are not required to complete the form. Graduate assistants working on a grant/contract should complete a form monthly, while faculty and professional staff should do so on a semester basis.

Effort reports should be filed with the Grants & Contracts office in Financial Services. Monthly reports are due by the 15th of the following month. Semester reports will use reporting periods which coincide with pay periods and are due by the dates listed below:

<table>
<thead>
<tr>
<th>Semester</th>
<th>Period</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall</td>
<td>08/01 - 12/31</td>
<td>January 15</td>
</tr>
<tr>
<td>Spring</td>
<td>01/01 - 04/30</td>
<td>June 15</td>
</tr>
<tr>
<td>Summer</td>
<td>05/01 - 07/31</td>
<td>September 15</td>
</tr>
</tbody>
</table>

The following explanations and a Sample Semester Effort Report have been provided to aid in completing this form.

Actual Time

- The percent of actual effort worked on all sponsored and university activities should be recorded in whole numbers.
- The percent of actual effort for all accounts listed (including both sponsored and university activities) MUST be 100%.
- In cases of extended leave, please refer to University Practices Related to Personal Services. (linked)

100% Effort

- 100% effort is defined as the effort expended to accomplish the set of activities encompassed by Missouri State University appointments regardless of the actual number of hours expended on those activities.
- 100% effort is not defined as a single, standard number of hours or days per week, since it will likely be different for each faculty/staff member and may vary during the year.
- The number of hours implicit in an individual faculty member's 100% must be reasonable and supportable to department, school, university and external reviewers if requested.
Sponsored and University Activities

- Sponsored activities should include time spent on all sponsored programs during the reporting period.
- Instructional activities should include time spent on teaching or preparing for classes.
- Institutional/Administrative activities should include time spent related to administration, public service or internal research projects.

If you have questions concerning the completion of an effort report, you may contact the Senior Grants and Contracts Accountant in Financial Services.