

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Level of Effort Reporting

1. Ref.: [2 CFR Part 200.430](#)

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3. Originating Office/Agency: Office of Management and Budget

4. Key Words: Federal award; certification of effort; matching; cost sharing; personnel activity report; personnel action form; after-the-fact reporting

Scope

This document sets forth Eastern Washington University (EWU) requirements on certification of effort expended on Federal awards administered by the institution. These requirements apply to all faculty, staff, or students who have salaries that are charged to a Federal award, who contribute effort to a Federal award, as cost sharing or matching, but are not paid with federal funds, and/or who are involved in certifying the effort of those individuals who are paid by or contribute time to a Federal award.

Background

[2 CFR Part 200](#) – *Uniform Administrative Requirements, Cost Principles, and Audit, section 200.430 Compensation for Personal Services*. Time and effort reporting is required to meet the Federal mandate of certifying that the salaries associated with a Federal award are accurate, allocable, and reasonable. Level of effort reports must meet the Standards for Documentation of Personnel Expenses identified in [section 200.430](#).

Requirements

All salaries and wages charged to a Federal award, including Federal pass-through received as subrecipient agreements to Eastern Washington University, must be documented in a manner consistent with the requirements of the Uniform Guidance ([2 CFR Part 200](#)). The Principal Investigator (PI) or Project Director (PD) is responsible for certifying the activity and effort for which an employee has been compensated after-the-fact. EWU utilizes a monthly report called a Personnel Activity Report (PAR) to certify the effort of all non-hourly employees. EWU Grant and Research Development staff provides training to all PIs or PDs with Federal awards that fall into this category on the procedures for this reporting process.

Procedure

Individuals receiving Federal funding for their salaries or whose salaries are being used as matching or cost sharing on a Federal award must complete a monthly Personnel Activity Report (PAR) (certifying the level of effort) form in order to comply with the Uniform Guidance ([2 CFR Part 200.430](#)).

Each employee's PAR reflects how the total compensation for each month was allocated among index/fund codes and the type of activity. The "Total Activity" is NOT in relation to EWU's in-load or overload percentages, which are also expressed as full time equivalent, or FTE, but instead reflects the percentage of "total compensation received for the month."

Who must complete the PAR?

1. Employees whose salaries are paid directly either in full or part from a Federal award or from Federal pass-through funds. The Office of Grant and Research Development (OGRD) will determine at the beginning of the grant award whether the PI/PD and their staff are subject to this reporting requirement.
2. Charging salary on Federal awards for upper management is rarely allowed. This includes dean level positions and above. Therefore, there is no expectation that these individuals would complete a PAR.
3. Employees whose salaries are committed as cost sharing as part of a Federal award (i.e. paid from non-Federal sources but contributing time to a Federal award program).

Who does not need to complete a PAR?

When a Federal award employs hourly employee/students, their time sheets are considered documentation for level of effort reporting in lieu of the PAR forms.

Cost Sharing

Cost sharing represents that portion of the total project costs of a Federal award that are not borne by the Federal government. The university or other non-Federal third parties pays these costs.

If an individual's salary is listed as a cost sharing or matching commitment on a Federal award, the OGRD will send a "Cost-Sharing Effort Inquiry Request" form to the PI. The PI needs to complete this form according to the dollar amounts specified in the approved Federal award listing the start and end dates of the project, the index the employee is being paid from, the percentage of time being contributed to the Federal award, and the Federal award's index. The OGRD uses the information on this form to prepare the monthly PAR forms for the individuals who are contributing cost sharing.

If student time is used as cost sharing, copies of their time sheets may be used as documentation of time worked instead of preparing a PAR form.

Cost sharing/matching funds are subject to an audit to the same degree as funds received from Federal awards. Funds from one Federal award cannot be used as cost sharing on another Federal award.

PAR Review and Certification Process

The OGRD generates the Personnel Activity Report (PAR) forms by the month and sends them to all personnel paid on Federal awards.

When the employee receives the PAR, he/she must:

1. Review the form for accuracy and sign it certifying that the information accurately reflects how their time was spent.
NOTE: If the actual percentage of time spent on the Federal award differs from that listed on the PAR, the employee should revise the percentage(s) on the PAR to reflect the actual percentage of time spent on each activity. If a revision is made, the OGRD staff will assist in having the employee's HR Payroll Action Form (PAF) modified to reflect the actual effort percentages. Payroll distributions to each Federal award are done initially based on budget estimates but may need to be adjusted to agree with the PAR for the final payroll distribution.

2. Give the PAR to their direct supervisor to sign and the PI/PD if they are not the same person. When the PI/PD completes a PAR for himself/herself, he/she must have the department chair or unit head sign the form.
3. Return the form to the OGRD within 30 days to ensure compliance with audit requirements. If the form is not returned within 30 days, the dean and department chair will be notified of the delinquency via email. After an additional 10 days, a second email notification will be sent to the employee, dean, and department. If the report remains delinquent, the Executive Director of the OGRD will follow up directly with the program principals to ensure that the report is submitted. In some cases expenditure authority for Federal funds may be suspended until the effort reporting requirements are met.
4. If the employee is no longer employed with EWU, the PI/PD or department chair will need to indicate, "Resigned" or "No longer employed" on the signature line and the PI/PD or the department chair will need to sign the second line.

The OGRD records the receipt of all PAR forms and retains these documents according to the university's record retention schedule, seven years from the end of each fiscal year.

Summary Points

- EWU uses an after-the-fact reporting system for level of effort reporting.
- PARs are based on Personnel Action Forms (PAFs) and actual payroll reports.
- PARs must account for 100% of employees' compensated time.
- PARs are generated on a monthly basis.
- Each PAR corresponds to two pay periods.
- PARs must be signed by the employee or by another responsible individual with knowledge of the employee's activity when the employee is unavailable to sign.
- Time sheets are acceptable effort reporting records for hourly employees.
- PARs and the university level of effort certification process may be audited at any time.