



United States
Department of
Agriculture

National Institute
of Food
and Agriculture

Time and Effort Reporting

Session 50

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Tim Nesbitt, New Mexico State University

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Agenda

- Purpose of Session
- NIFA Monitoring Standards – Maggie Ewell
- Institutional Perspective – Changes to be compliance with Uniform Guidance – Tim Nesbitt
- Discussion



Purpose of Today's Session

- To articulate NIFA's standards when conducting monitoring and oversight
- To jointly discuss how Universities and NIFA can partner to ensure adequate internal controls around time and effort reporting to meet standards
- Work together to identify needed tools, training, or other follow up



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NIFA Monitoring Standards

Maggie Ewell
NIFA



NIFA Monitoring Standards

In conducting reviews, NIFA will examine grantee records to ensure:

- System of internal controls is adequate to:
 1. assess the sufficiency of ensuring payroll costs are properly charged.
 2. determine whether there are records to support the distribution of an employee's salary among different federal awards or other activities



Monitoring Standards cont'd

3. budget estimates are reconciled against actual activity
4. there is a process to review interim charges after the fact and make needed adjustments
5. that matching funds are following the same policies and procedures as federal funds



Allowances for Institutions of Higher Education

- Split appointments (i.e., teaching, research, service, and administration) are often inextricably intermingled in an academic setting
- A precise assessment of factors that contribute to costs is not always feasible, nor is it expected



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However...

Records must support the distribution of an employee's salary among specific activities or cost objectives if the employee works on more than one Federal award



NIFA Expectation

- Reasonable assurance that the payroll costs charged to NIFA awards are accurate, allowable, and properly allocated across multiple awards or activities



What does this look like?

- Prescribed measurement method
 - Consistent across staff classifications
- Documented in policies and procedures
- Ties back to Time and Effort Report



Additional Standards

- Process to review budgeted estimate against actual work (effort)
 - THIS IS A CHANGE UNDER THE UNIFORM GUIDANCE
 - Previously, budgeted estimated were sufficient and reconciliation not mandatory for IHEs



Additional Standards cont'd

- Process to review interim charges after the fact and make any needed adjustments
- Salaries and wages charged to match must be supported in the same manner as salaries and wages charged to the federal award



NIFA findings

- Unable to conclude payroll allocations for split appointments are accurately or inaccurately charged to NIFA grants
- Unable to validate that system of internal controls includes a review process to ensure charges based on actual effort vs. budgeted estimates



NIFA findings

- Unable to find sufficient internal controls to reasonably assure that amount charged to federal awards are accurate, allowable, and properly allocated.



NIFA recommended corrective actions

- Internal policy include:
 - 1) guidance on how the percentage of effort expended on Federal awards is to be ***measured, documented,*** and reported;
 - 2) a requirement that effort reporting forms are reviewed and certified by the employee,



NIFA recommended corrective actions

Internal policy include:

- 3) a designation of staff member positions that are accountable for the review and certification of time and effort reports and documentation; and
- 4) a description of the procedures/documentation to be used in the review and certification process.



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Institutional Perspective

Tim Nesbitt, New Mexico State University



Institutional Perspective

- Clearly, the existence of a certified personnel activity report alone does not constitute compliance with 2 CFR 200.
- NIFA requires personnel activity reports, including prescribed certifications, or equivalent documentation that support the records required by the guidance.
- It is the position of this institution that the appropriate persons to monitor the records are the principle investigator (P I) AND appropriate administrative overseer(s).
- Therefore the key challenge is to raise the level of awareness and responsibility through training.



Institutional Perspective

- Percentage of effort is to be **measured** by monthly review and acknowledgment of salary distribution by each employee charged directly to restricted source of funds.
- Percentage of effort is **documented** by monthly subsidiary listing of all charges for personnel services charged to all restricted accounts.
- Percentage of effort is **reported** by inclusion in university official accounting system including the formal electronic effort report.



Institutional Perspective

- Measurement & Documents
 - A signed affirmation that a P I and supervisor have reviewed the detail of personnel service costs charged to a restricted and any related unrestricted (cost share) account
 - The affirmation states that the personnel service costs charged fairly reflect the expenditure of effort on an employee by employee basis
 - Reviewed and corrected where needed on a monthly basis
 - This procedure is included in the policy and procedure manual in a section defining “appropriate internal controls”



Institutional Perspective

ADEQUATE INTERNAL CONTROL

- Define the specifics of the system of internal control in place that substantiates adequacy.
- Formalize the system of internal control by including it in institutional policy and procedure.
- Mandate participation in training programs offered throughout the fiscal year to ensure proper notification of the policies and procedures.
- Routinely monitor for compliance.



Institutional Perspective

- Provide training to P I's related to MONTHLY accounting reports. ATTENDANCE IS MANDATORY
- Emphasize the importance of monitoring personnel service costs charged to restricted (grant and contract) accounts.
- Emphasize the procedure to correct inaccuracies found in a MONTHLY reconciliatory review.
- Demonstrate the link between the monthly accounting reports and the Personnel Activity Reports (Effort Reports).



Institutional Perspective

- Training provided jointly by college level and central level professional staff.
- Additional training provided to departmental level support accounting staff.
- **NO EXCEPTIONS** to a policy that prohibits the movement of personnel service costs beyond a 90 day period.



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Institution Discussion



Records

- What are your records?
 - Written policies and procedures
 - Guidance/training
- How do you ensure allocability?
- How do you measure?
- How do you ensure consistency?



Effort reporting

- University systems vs College systems
 - Are there additional Internal Controls?
 - Are there additional Policies and Procedures?
- How do you address split appointment constraints?
- What type of documentation do you use?



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Working together

- Tools
- Training
- Other needs?



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Questions?



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Thank you!



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