

Personnel Activity Report (PAR)

Instructions

New Mexico Tech Business Office
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In order to comply with requirements outlined under the Uniform Guidance section 200.430, NMIMT continues to maintain a Personnel Activity Report (PAR) system, which consists of after-the-fact effort reporting. In addition to meeting the substantiation requirement, the PAR will be used as a tool to monitor whether functions of various FUNDS have deviated from their originally intended (and coded) purposes.

This document is continually being updated; we would appreciate any information and/or insight that would help us develop stronger policies for NMIMT's research community.

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I. General

The Uniform Guidance Subpart E 200.430 contains the federal requirements for internal controls over certifying time expended on sponsored projects. According to section 200.430(i)(1)(viii), Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to federal awards. Consequently, to demonstrate adequate internal controls, New Mexico Institute of Mining and Technology (NMIMT)'s system must include a process to review after-the-fact charges. Refer to section 200.430(i)(1)(viii)(C). To comply with the requirements, the NMIMT practice is to utilize an after-the-fact effort reporting system, known as the Personnel Activity Effort Certification Report (PAR), to certify that salaries charged, or cost shared to sponsored awards, are reasonable and consistent with the work performed. While effort is initially assigned to specific awards in the payroll system based on anticipated activities, the actual effort expended is then certified by a responsible person with suitable means of verification that the work was performed at the end of the specified reporting period.

In addition to meeting the substantiation requirement, the PAR will be used as a tool to monitor whether functions of various FUNDS have deviated from their originally intended (and coded) purposes.

The PAR represents a six-month summary on how a person's salary was distributed to various activities of NMIMT as represented by a unique Banner FUND.

II. Definitions

A. Uniform Guidance

The federal Office of Management and Budget's issued Code of Federal Regulations Title 2: Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (hereinafter, Uniform Guidance or UG) which establishes principles for determining costs applicable to grants and contracts with educational institutions. Subpart E 200.430 sets forth criteria for acceptable methods of charging salaries and wages to federally sponsored projects. In addition, the UG requires that institutions develop a mechanism to determine or confirm how individuals expend effort during a specified time period. These effort reports must be performed on a regular schedule and must be certified by individuals who have firsthand knowledge of the employee's total effort.

B. Effort

For the purpose of PARs, "effort" is all work performed for compensation and received from NMIMT. Effort is always stated in percentages of total effort that is always equal to 100%, even if the employee works only part-time or for a portion of the reporting period.

C. Volunteered Cost Sharing

Voluntary cost sharing can be either committed or uncommitted.

- Voluntary **committed** cost sharing (VCCS) is defined as effort that was not mandated by the award, but was proposed and accepted by funding agency. VCCS becomes a contractual requirement of the award and must be tracked and documented in accordance with NMIMT's Cost Share Policy. **VCCS must be reported on the PAR.**
- Voluntary **uncommitted** cost sharing (VUCS) differs from contractually obligated cost sharing and is defined as effort above and beyond that which was proposed and accepted by the funding agency. **VUCS is NOT reported on the PAR.**

NMIMT's Cost Share Policy is available on the university's institutional Policies and Procedures Website at [Policies and Procedures at New Mexico Tech](#).

Note: Cost sharing, in more general terms, represents NMIMT's share of funding for a specific sponsored project.

III. Distribution

Personnel Activity Report worksheets are generated semi-annually through the Brioserve database reporting tool and maintained in a PDF format. Once created, they are reconciled to the payroll ledger for the six-month reporting period. Following the reconciliation process, they are disseminated through email or via manual distribution to the responsible departments. The content of the PAR worksheets coincides with all related salaried employee codes within the BANNER payroll system for all cost category functions.

Recipients are required to sign and return the worksheets within 30 to 45 days after distribution. Documents can be returned by mail, emailed, or faxed to the Cost Accounting Office, located in Wells Hall, Restricted Funds Suite. The Cost Accounting Office maintains a tracking log and will contact recipients who do not return the work sheets in a timely manner. In-person collection may be required to ensure full compliance.

IV. Instructions

First, become familiar with the attached definitions of the various activities (see Section VI. in this document). Then, review the salary distribution among various activities.

If the PAR appears to be an adequate representation, sign and forward it to the attention of the Sponsored Projects Administration (SPA) Department Cost Accounting Office located in Wells Hall. If the PAR appears to be an unreasonable representation of how time was divided among the various activities, indicate (using the "Actual Work Distribution Column") the actual percentages of time spent on the various activities. The revised actual distribution should equal 100%.

Note: The purpose of the PAR is to certify that the amounts charged to various activities are reasonable and consistent with the work performed. This exercise does not have any relation to a 40-hour workweek or any prescribed teaching load. For example, if a faculty member averages 65 hours a week on teaching, research, or administrative matters, then that is considered 100% of his or her activity. If a graduate assistant averages 20 hours per week in that capacity, then that is considered 100% of his or her time. It is not possible to have more than 100%.

If there is an error on the PAR, do not erase or obliterate it or use corrective fluid (e.g., White-Out) on the preprinted form. Instead, footnote the nature of the error and return the form to the Sponsored Projects Administration Department's Cost Accounting Office (CAO). It will be routed to the financial administrator assigned to the FUND to research and initiate corrective actions if necessary.

V. Documenting Cost Sharing

Contractually obligated cost share (proposed and accepted by funding agency) must be documented in accordance with NMIMT's Cost Share Policy. If a voluntary commitment is not met, it represents a potential CAS violation. By virtue of the commitment, the voluntary cost sharing becomes a condition of the award. The consequences may vary, depending on the extent to which the commitment has not been met, and also at the discretion of the sponsoring agency. Section VII of this document provides a flowchart to illustrate proper tracking of effort on sponsored projects. In addition, only mandatory cost sharing or cost sharing specifically committed in the project budget must be included in the organized research base for computing the F&A cost rate. Refer to Subpart E 200.306(a)

Voluntary **uncommitted** cost sharing (VUCS) is defined as effort above and beyond that which was proposed and accepted by the funding agency. The definition of and parameters for VUCS is described in OMB Memorandum M-01-06 dated January 1, 2001 (link <http://www.whitehouse.gov/omb/memoranda/m01-06.html>). This type of cost share is included in the space study, but it is **not recorded on PARs**. The federal government allows VUCS inclusion in the space for allocation purposes while not requiring it to be included in the Organized Research base. Because the federal government is receiving additional free work when faculty or senior researchers work more than they have committed on a project, they see no reason to penalize universities by not allowing the cost recovery of the space (numerator) to be allocated to the benefiting function, or requiring that it be added in the form of a direct allocation to the Organized Research base (denominator).

While Memorandum M-01-06 states that uncommitted effort is not to be included in the research base, it stipulates that "most federally-funded research programs should have some level of committed faculty (or senior researcher) effort, paid or unpaid by the federal government" and that "such committed faculty effort shall not be excluded from the organized research base by declaring it to be voluntary uncommitted cost sharing." This means **that effort that is not compensated** (either voluntarily or as a condition of the award), but is required to perform the scope of work is not VUCS. The effort is contractually implied and must be treated as committed cost sharing and reported on the PAR.

Negative Cost Sharing: If you did not spend as much of your time on a contract or grant as the payroll distribution indicates, then the amount overcharged to the agreement will have to be charged to some other institute account.

Note: This information must be reported in order for NMIMT to ensure compliance with the various federal regulations it is subject to as a recipient of federal funds.

Each employee should complete the PAR. If the employee is not available, then a responsible person with suitable means of verification can confirm that the work was performed. Graduate students must have the Principal Investigator (PI) or Chairperson sign the form. If a staff member or faculty member signs his or her own form, no other signature is necessary.

VI. Activity Definitions

A. Organized Research – (SR)

This category includes effort for research and development activities of the institute that are separately budgeted and accounted for on a specific-project basis, including research cost sharing. Organized research activities include projects sponsored by the federal government and nonfederal agencies and organizations and research projects funded with institute funds.

Organized Research includes research grants, contracts, and cooperative agreements that are sponsored by the federal government and nonfederal agencies and organizations (e.g., states, cities, foundations, corporations, etc.) and administered by SPA. This category includes effort involving the training of individuals in research techniques (commonly called “research training”) where such activities utilize the same facilities and other research and development activities and where such activities are not included in the instruction function. (UG Appendix III (A)(1)(b)(1)).

Also included in Organized Research are university research projects funded with institute funds, which are separately budgeted, administered and accounted for by Research and Economic Development (R&ED) (e.g., the Geophysical Research Center) (UG Appendix III (A)(1)(b)(2)).

Additionally, research cost sharing that is committed and obligated and directly related to an organized research project should be included in the research base. This definition does **not** include VUCS.

Finally, organized research projects are defined as projects that:

- Require a proposal or other application to obtain funding,
- Have a defined scope of work associated with the project,
- Anticipate a "deliverable" result, and
- May require that periodic financial and progress reports be submitted to the sponsor.

B. Other Sponsored Activities (SO)

This category includes effort for programs and projects financed by federal and nonfederal agencies and organizations that involve the performance of work other than instruction and organized research. Examples of Other Sponsored Activities are sponsored training grants, public service projects and public service conferences. Sponsored training refers to specific instructional or training activities established by grant, contract, or cooperative agreement that is not research training (training of individuals in research techniques) that qualifies as Organized Research. (UG Appendix III(A)(1)(c))

C. Instruction (IN)

This category includes all teaching and training activities of an institution. Except for research training separately budgeted for and classified as Sponsored Projects, this term includes all teaching and training activities, whether they are offered for credit toward a degree or certificate or on a non-credit basis, and whether they are offered through regular academic departments or separate divisions, such as a summer school division or an extension division.

Departmental research is also considered part of instruction. Departmental research effort is funded from budgets that are not restricted to a specific project which includes, but is not limited to, bridge funding for researchers in between research projects and start-up funding. It does not include research activities that meet the definition of Organized Research (UG Appendix III (A)(1)(a))

D. Other Institute Activities (OA)

These activities include auxiliary enterprises such as the operations of residence halls, dining halls, student unions, intercollegiate and intramural athletics, bookstores, faculty housing, student apartments, guest houses, theaters, public museums, community relations and development, and other similar auxiliary enterprises. It also includes student-related activities such as counseling and career guidance, student advising, student publications, financial aid, admission, the registrar, student health services, and commencement—these activities are considered Student Administration and Services. Additionally, lobbying and marketing (defined as the unsolicited promotion of NMIMT) effort should be coded as Other Institute Activity (Appendix III (A)(1)(d)).

E. Operations & Maintenance (OM)

This category includes effort that has been incurred for the administration, supervision, operation, maintenance, preservation, and protection of institute facilities. Effort includes facilities management administration, building and grounds maintenance, vehicle maintenance, campus safety, campus planning, health safety training programs, waste collection and disposal service, environmental health and safety testing, custodial service and utilities (including electricity), chilled water, steam, natural gas, and water as well as the maintenance of the utility and distribution systems for non-auxiliary buildings (UG Appendix III (B)(4)).

F. Library (LI)

The Library category includes effort that directly supports the operation of the library (UG Appendix III (B)(8)).

G. General Administration (GA)

This category includes effort incurred for the central administration or institutional support of the institute. This administration and support is provided by the Board of Regents, the President's Office, the Vice Presidents' offices, the Business Office, Budget & Analysis, the Department of Human Resources, the Purchasing Department, the Post Office, and other administrative service departments (UG Appendix III (B)(5)).

H. Departmental Administration (DA)

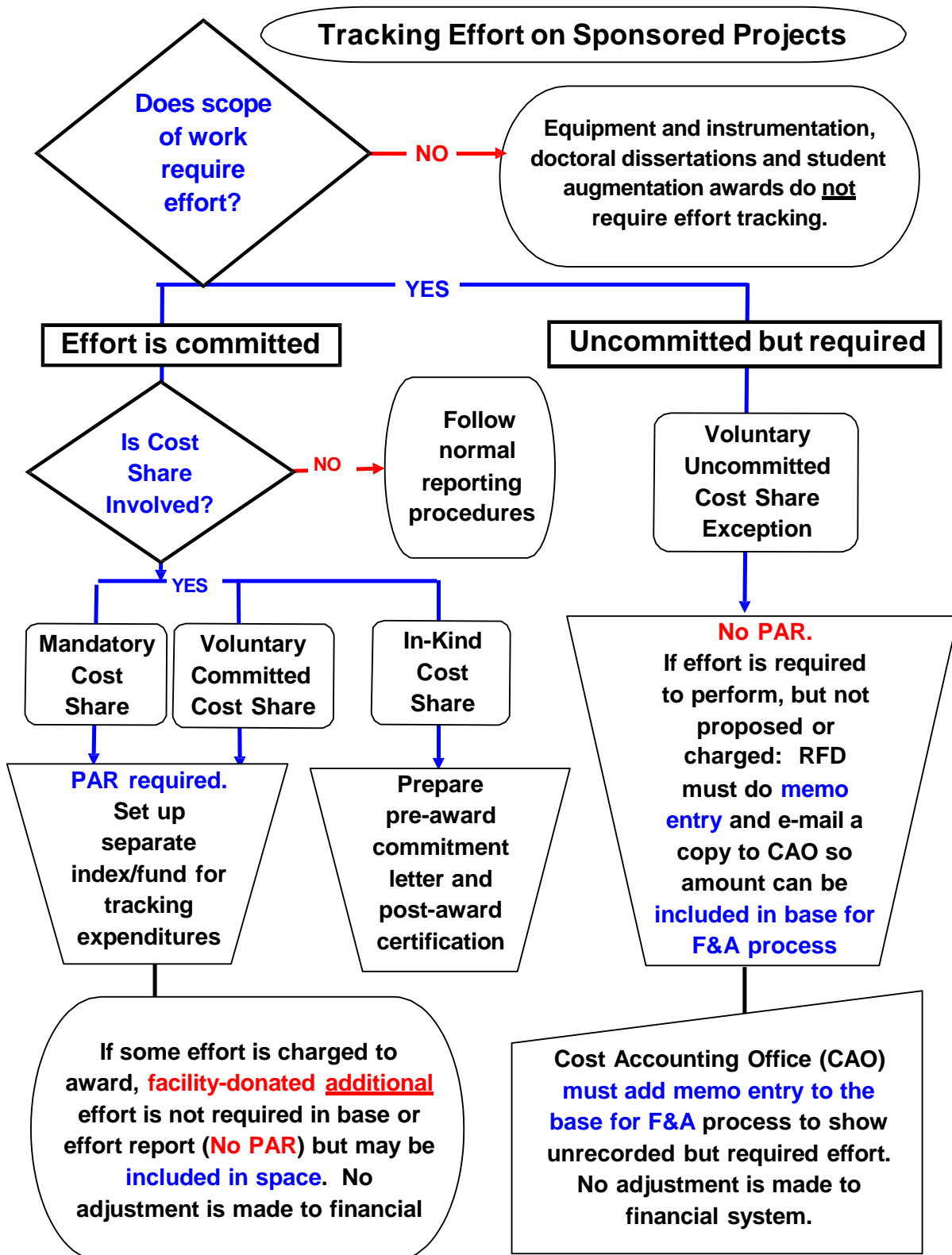
Effort in this category includes administrative and supporting services that benefit common or joint departmental activities or objectives in academic departments and divisions and organized research units. It includes the **general activities** performed in academic departments to support instruction and research. Examples include duties such as serving as department head, recruiting, and grant and contract proposal preparation for solicitation of outside sponsors. This does not include marketing or business development (UG Appendix III (B)(6)).

I. Research Administration (SP)

This category includes effort incurred for the administration of sponsored projects, such as preparation and submission of proposals, contract negotiation, fiscal management, financial report preparation, billings and collections, and cost accounting functions. This category does not include direct activities of employee-related effort on a sponsored project (UG Appendix III (B)(7)).

This category for effort is limited to that incurred by SPA and that part of R&ED that oversees university research. Departmental research oversight by R&ED should be coded to Instruction.

VII. Tracking Effort on Sponsored Projects (Flowchart)



VIII. References

Code of Federal Regulations Title 2: Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

Office of Management and Budget. (OMB) *Circular A-21–Memoranda 01-06 dated January 5, 2001.*
“Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs.”