CU-Boulder Accounting & Business Support (ABS)
Policy and Procedure

Electronic Personnel Effort Reporting System (ePERS)

Effective: December 1, 2012

Replaces: *Electronic Personnel Effort Reporting System (ePERS)* dated June 3, 2008

Approved: Laura Ragin, Campus Controller

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1 Introduction

The purpose of this policy is to facilitate administration of the electronic Personnel Effort Reporting System at the University of Colorado at Boulder (CU-Boulder). Regular and routine effort reporting is a requirement for recipients of federal awards as a means of attesting to the appropriateness of salaries and wages charged to the contract or grant. Sponsoring agencies require reasonable assurance that labor costs charged to a sponsored project reflect the actual effort expended on the project.

OMB Circular A-110 also requires that any committed cost sharing effort on a sponsored project is expended and accurately recorded.

2 Policy Statement

Accurate effort reports are crucial to fulfilling award obligations and the University of Colorado uses an online after-the-fact certification system called the electronic Personnel Effort Reporting System (ePERS) to provide accurate and reasonable documentation to the sponsoring agency regarding the distribution of effort expended by an employee on a sponsored project. To confirm that the distribution of actual payroll costs represents a reasonable estimate of the work performed by the employee during the period, the ePER must be certified by the employee or by a responsible official in a position of authority with respect to the employee who has suitable means of verification that the work was performed as stated on the ePER. Examples of such positions include Principal Investigator, Director, Chair, or Dean. It is not permissible for a departmental support person, such as an administrative assistant, program assistant, or office manager, to certify the ePER.

In addition, CU-Boulder shall comply with federal cost principles and regulations, and applicable university policies and procedures to ensure accurate and timely effort reporting. **ePERs must be certified within 120 calendar days from the initial ePER email notification.**

3 Pertinent Regulations

OMB A-21

Office of Management and Budget (OMB) *Circular A-21*, Section J.10.c.(2), *Compensation for personal services* states, "After the fact Activity Records: ...will reflect an after the fact reporting of the percentage distribution of activity of employees [and]...will reasonably reflect the activities for which employees are compensated by the institution..."

Compensation for Personal Services includes all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. OMB *A-21*, Section J.10.a. states that salary and wage costs are allowable if:

1. The amount of compensation is supported and documented
2. The compensation conforms to the established policies of the institution
3. The institutional policies are consistently applied

OMB A-110

Office of Management and Budget (OMB) *Circular A-110* defines cost sharing as that portion of a project's costs not borne by the federal government. A-110, Subpart C.23, *Cost Sharing or matching* states, "All contributions...shall be accepted as part of the recipient's cost sharing or matching when such contributions...are verifiable from the recipient's records."

In the context of the ePER System, cost sharing is that effort expended towards a sponsored project that is not compensated by the actual award dollars received from the sponsoring agency. Cost sharing commitments are documented as a percent of effort on sponsored projects and represent a percentage of pay. Cost sharing must comply with the ABS *Cost Sharing* policy.

4 Definitions

Effort is work. It is the amount of time spent by an employee on a particular activity during a certain period of time, expressed as a percentage of the total time worked by the employee during that same period. For example, in the case of an employee who holds a .50 FTE appointment, 100% of her/his effort will equal 20 hours per week. During one week, s/he spent 15 of her/his working hours on a particular sponsored project, and the other 5 of her/his working hours doing administrative tasks in the General Fund. Thus, this employee has spent 75% of her/his effort on the sponsored project and 25% of her/his effort on work in General Fund.

Salary and wages distribution is the apportionment of an employee's salary and wages to more than one sponsored agreement or other cost objective. Initially, the distribution of salaries and wages is based upon payrolls documented in accordance with the generally accepted practices of colleges and universities. Ultimately, the salary and wage distribution must reflect how the employee actually spent his/her time and effort as reflected and certified on the ePER. The method used to accomplish this payroll distribution must also distinguish the employee's direct cost activities (sponsored projects) from the employee's indirect cost (F&A) activities (university responsibilities).

5 Procedures

5.1 General

Effort reports are generated each semester based upon payroll distribution entered into the Human Resources Management System by departmental payroll personnel, and upon cost sharing effort commitments entered into the Finance System by Sponsored Projects Accounting (SPA). Effort reports cover the following periods:

January 1 – May 31	Spring Semester
June 1– August 31	Summer Semester
September 1 – December 31	Fall Semester

An electronic Personnel Effort Report (ePER) is created for faculty, staff, or graduate students who received any amount of salary from a sponsored project, and/or had committed cost sharing on a sponsored project. These reports are generated by employee name, and made available for electronic certification in the university portal shortly after the semester ends. After delivery to the portal, the ePER information is updated every night thus capturing any changes to the semester's payroll distribution, even after the ePER has been certified.

The Office of University Controller (OUC) sends email notifications when ePERs are ready for certification or re-certification in the portal. The OUC is also responsible for maintenance of the ePER system, delivery of ePERs to the portal, and electronic storage and retrieval of ePERs.

Effort reports are *not* generated for hourly employees because the effort of hourly employees is considered to be certified through the time collection process.

5.2 ePER Certification

Certification of the ePER is the process of logging into the ePERS channel in the portal, examining the distribution of effort for accuracy, entering the effort figures, and providing an electronic signature on the ePER. Certification of the ePER asserts the accuracy of how effort was expended during the semester. When neither the employee nor a person with first hand knowledge of the employee's work can access the ePER in the portal, Sponsored Projects Accounting (SPA) will provide a paper copy to be certified and returned.

SPA will notify Principal Investigators (PI) about uncertified effort for his or her project(s) and if these remain uncertified, SPA will notify the department Chair or Director. SPA has the authority to move to the Departmental Administration Indirect Cost Recovery (DA-ICR) FOPPS any salary expense from projects for which corresponding effort has not been certified within the required 120 day timeframe.

5.3 Payroll Expense Transfers (PET)

Once payroll has been certified to a particular project, SPA will approve a PET that moves that payroll to another project only as an exception. Such transfers require documentation that adequately justify a change in the previous certification and must comply with the ABS *Cost Transfer* policy. If a payroll transfer moves salary that is greater than 180 days old, the PI must provide a written statement to SPA that explains how this benefits the project receiving

the expense, why this project did not receive the charges when they first occurred, and why it took so long to initiate the transfer.

Biweekly timesheets represent the official effort record for an hourly employee. If a PET is submitted that transfers salary expense of an hourly employee whose time and effort are recorded with biweekly timesheets, the PI must submit a statement explaining why the effort on the original SpeedType(s) is no longer valid. Once approved by SPA, the original timesheet must be amended to ensure that information accurately reflects the SpeedType(s) supporting the employee's wages. This can be accomplished by either attaching the PI's statement to the original timesheet or by using the "cancel and rebuild" function in My.Leave for justification of this change.

If a PET is submitted after the semester has ended that affects an ePER not yet certified, the payroll distribution changes will be reflected on the uncertified ePER. Once an ePER is certified, however, any changes to that ePER resulting from a PET will require the entire ePER to be recertified.

Note: It is recommended that employees with a complex distribution of effort, or employees who might have difficulty in recalling the allocation of their effort among activities during the course of a semester, maintain a record of their activities to assist them in completing their effort reporting with reasonable accuracy.

5.4 ePER Summary Reports

A variety of Summary Reports present ePER information by campus, department, and PI and are available in the university Reporting System. These reports can be run online by anyone with Finance System access. The use of these reports by PIs and departmental administrators is encouraged in order to verify ePER accuracy and monitor certification status. Step-by-step guides are available for each of these reports.

The *ePERS Summary by PI* report summarizes the semester's effort for all the projects for which the PI is responsible and lists all individuals who must certify effort on the respective projects. These reports are delivered to the PI's portal shortly before the initial email notifications are sent out for semester ePERs.

5.5 Monitoring and Compliance

Prior to June 2006, paper-based Personnel Effort Reports were used to certify effort. SPA stores and maintains these forms for retrieval and compliance purposes. Under the ePER system, SPA runs periodic reports to:

1. Monitor timely ePER certification
2. Verify that the distribution of effort matches what was approved by the sponsor
3. Review the reasonableness of the effort reported on the ePER
4. Ensure that cost sharing effort commitment is fulfilled.

A-110, Subpart C, Paragraph .60 through .62 states that recipients who materially fail to comply with the terms and conditions of federal awards may be subject to penalties by the awarding agency, including:

1. Temporary withholding of cash payments
2. Disallowance of all or part of the cost of the activity not in compliance
3. Wholly or partly suspending or terminating the current award
4. Withholding further awards for the project
5. Taking other remedies that may be legally available.

Other legally available remedies to the federal sponsoring agency include, but are not restricted to:

1. Designating the award Recipient (i.e. the University) as a High Risk Organization
2. Applying special terms and conditions to awards, such as requiring *pre-reviews* of sensitive items
3. Requiring the recipient to do a Corrective Action Plan
4. Subjecting the recipient to special monitoring
5. Eliminating streamlining initiatives such as the university's ability to do internal budget revisions and no-cost extensions.

CU-Boulder may also impose penalties. For example, the Office of Contracts and Grants may refuse to prepare a budget revision or to issue a no-cost extension on a grant that has not adhered to regulations concerning spending, reporting, etc.

University of Colorado Administrative Policy Statement on *Reporting Fiscal Misconduct* establishes the procedures and responsibilities for reporting and resolving instances of known or suspected fiscal misconduct. With respect to the ePER System, fiscal misconduct occurs when an employee:

1. Knowingly falsifies effort information reported on the ePER
2. Attempts to influence another employee, particularly one who is in a subordinate position, to falsely enter or falsely confirm effort reported on the ePER.

6 References and Resources

Cost Sharing Policy ABS Policy and Procedure

Cost Transfer Guidelines/Procedure Graduate School Procedural Statement

ePER SkillPort training

OMB *Circular A-21*, particularly Appendix J.10, Compensation for personal services

OMB *Circular A-110*, particularly Subpart C.23, Cost Sharing or matching

my.CUinfo portal where ePERs are available for certification: CU Resources tab > Business Applications > ePERs link.

Fiscal Misconduct Reporting Administrative Policy Statement

Step-by-step guides: *Certifying ePERs; ePER Summary by PI Report; ePER Summary by Org Report; Uncertified ePERs by Org or Campus, Supervisor Certification of ePERS for Employees.*