

Lebanese American University
Compliance Program for United States Sponsored Programs & Procurement Contracts
Timekeeping and Sponsored Program Effort Reporting

1. PURPOSE

The purpose of this Policy is to establish standards and guidelines regarding timekeeping and Effort Reporting for Awards and FAR Contracts, as those terms are defined below. For purposes of this Policy, unless stated otherwise, use of the term Award includes Subawards and Award Subcontracts, and the term FAR Contract includes FAR Subcontracts.

2. Terms and Definitions

2.1 The following terms shall have the meanings indicated below for purposes of this Policy, regardless of whether the terms are capitalized:

- 2.1.1 Administrative Personnel - Personnel providing non-technical support that benefit LAU activities or objectives, generally. For example, although not an exclusive list, non-technical support includes clerical support, accounting and financial management functions, and personnel management.
- 2.1.2 Agreements Officer – The individual designated as such by the Awarding Agency. This individual is the Government official authorized to execute and modify Awards on behalf of the Government and the Awarding Agency. This individual may also be referred to as the Grants Officer.
- 2.1.3 Award – U.S. grants, cooperative agreements, and any other Federal financial assistance from an Awarding Agency. These are agreements that would be subject to [2 CFR Part 200](#), if entered into after December 26, 2014.
- 2.1.4 Award Subcontract – A subcontract issued under an Award strictly for the purchase of property or services needed to carry out the performance of the Award. This term does not include an agreement that qualifies as a Subaward (i.e., an agreement to actually carry out part of the Award scope of work
- 2.1.5 Awardee – The recipient of an Award directly from an Awarding Agency.
- 2.1.6 Awarding Agency - The Government department or agency that solicits and enters into an Award or a FAR Contract.
- 2.1.7 Contracting Officer or CO – The individual designated as such by the Awarding Agency. The Contracting Officer is the official authorized to execute and modify FAR Contracts on behalf of the Government and the Awarding Agency.

- 2.1.8 Costs – All costs incurred in connection with an Award or FAR Contract, charged directly or indirectly to an Award or FAR Contract, and/or which LAU claims as part of a Cost Share for an Award.
- 2.1.9 Cost Objective - As defined in applicable regulations, is a program, function, activity, award, organizational subdivision, contract, or work unit for which Cost data are desired or required and for which LAU takes steps to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A Cost objective may be a major function of LAU, a particular service or project, an Award, a FAR Contract, or an indirect cost activity (as defined in [2 CFR 200.414](#)).
- 2.1.10 Cost Principles - The Government statutes and regulations that govern the treatment and accounting of Costs related to Awards and FAR Contracts. U.S. statutes and regulations that govern the treatment and accounting of Costs related to Awards and FAR Contracts. For example, there are laws and standards in the Cost Principles that specifically identify which Costs may be charged to an Award or FAR Contract for the payment or reimbursement by the Government. However, Cost Principles can apply even if the costs are not being charged to an Award or FAR Contract. For example, the Cost Principles are relevant to the development and support for pricing of certain FAR Contracts and the Cost Share, if any, of Awards.
- 2.1.11 Cost Share or Cost Sharing – Some Awards are cost sharing Awards, which means LAU will only be paid or reimbursed an agreed-upon portion of its costs to perform the Award. The portion not paid with Government funds is the Cost Share.
- 2.1.12 Department head – most senior individual in a specified department authorized to fulfill executive and oversight functions in their specific department..
- 2.1.13 Direct Cost – Any cost that can be specifically and accurately identified with a particular Award, FAR Contract, or other activity. Examples of Direct Costs include, but are not limited to, certain equipment, certain salaries, and independent contractor costs.
- 2.1.14 Effort Reporting - The process LAU uses to document and map an accurate percentage of an individual's efforts to its Sponsored Programs and other projects. Effort reporting applies only to a certain group of LAU individuals (generally, faculty, other professionals, and graduate students paid an IBS) and is not used for or required from employees that officially track and submit their time on LAU hourly timesheets.

- 2.1.15 FAR Contract – Any contract awarded to LAU by an Awarding Agency for the acquisition of goods or services and that is subject to the FAR. Except in very limited circumstances, all contracts awarded by the Government for the acquisition of goods and services, as opposed to providing financial assistance, are subject to the FAR.
- 2.1.16 FAR Subcontract – A subcontract issued under a FAR Contract for the purchase of property or services needed to carry out the performance of the FAR Contract.
- 2.1.17 Federal Acquisition Regulation or “FAR” – The regulations in Title 48 of the Code of Federal Regulations ([and found here](#)) implementing uniform policies and procedures for acquisitions by Government executive agencies. The FAR is the primary set of regulation for this purpose, but Government agencies can issue their own acquisition regulations to supplement the FAR.
- 2.1.18 Government – The federal government of the United States of America.
- 2.1.19 Indirect Cost – Costs that are incurred for and benefit multiple activities, including those not directly related to Awards or FAR Contracts, and cannot be readily identified with a specific Award or FAR Contract. Examples of Indirect Costs include, but are not limited to, facilities and administrative costs and depreciation.
- 2.1.20 Institutional Base Salary or “IBS” - The annual compensation paid by LAU for a faculty/staff member’s employment or appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for LAU.
- 2.1.21 LAU –refers to the Lebanese American University.
- 2.1.22 Prime Contractor – The recipient of a FAR Contract directly from an Awarding Agency.
- 2.1.23 Principal Investigator – key personnel on an award or contract as specified in the award/contract document, or prime researcher on a research related award.
- 2.1.24 Sponsored Program – A program funded at least in part with an Award or Subaward.
- 2.1.25 Subaward – An agreement issued under an Award by the Awardee to a Subawardee, or made from one Subawardee to another, to carry out part of the performance of an Award. It does not include an agreement by which an Awardee or

Subawardee merely purchases property or services needed to carry out the Award. See Policy [“Procurements, Subawards, and Subrecipient Monitoring”] for further explanation of the differences between a Subaward and an Award Subcontract.

- 2.1.26 Subawardee or Subrecipient – Recipient of a Subaward.
- 2.1.27 Uniform Requirements – the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award at [2 CFR Part 200, as supplemented by applicable agency supplements, including, for example, 2 CFR Parts 600 \(Department of State\) and 700 \(USAID\)](#).

3. RESPONSIBILITY

- 3.1 It is the responsibility of LAU and its departments, faculty, staff and all individuals working on sponsored programs to fully comply with this Policy. It is imperative that each person with such responsibility reviews, understands, and complies with this Policy. Violations may result in severe consequences to LAU and all individual violators.
- 3.2 The Office of Grants and Contract is responsible for the maintenance and general oversight of the Policy in particular:
 - 3.2.1 Coordinating with Human Resources and Finance Department to properly educate all LAU faculty, staff, and other employees on the Policy and its purpose;
 - 3.2.2 Updating the Policy as necessary to address changes in applicable Awards, FAR Contract, and/or regulations;
 - 3.2.3 Oversee the implementation of the Policy through coordination with Human Resources and Finance Department.
- 3.3 Any questions concerning this Policy should be directed to the following, in this order:
 - 3.3.1.1 Your [supervisor];
 - 3.3.1.2 Director-Office of Grants and Contracts.

4. SCOPE / APPLICABILITY

As set forth above, each employee has the responsibility to accurately track and report effort expended on Sponsored Programs and FAR Contracts. However, the method for doing this differs depending on the type of faculty and/or staff and the project, as generally described below:

4.1 For Awards and Sponsored Programs, the following categories of employees will report effort using the Activity Report and Certification attached to this Policy (“Effort Reporting”):

4.1.1 Exempt staff or faculty are required to fill a certification of effort as per attached template. Exempt staff and faculty are ones that earn a fixed remuneration irrespective of the number of hours within the approved job description fulfilled per month and therefore do not qualify for overtime;

4.2 All other employees, non-exempt staff, involved with Awards, and all employees charging time to FAR Contracts (including faculty and salary-based employees), must utilize hourly time sheets. Non-exempt staff must fill a timesheet as per attached template. Non-exempt staff are employees who typically are paid a salary based on the number of hours served in a particular month, or a fixed monthly salary but are eligible for overtime pay and/or deductions if the number of fulfilled weekly/monthly hours is not met.

5. STATEMENT OF POLICY

5.1 As set forth in and required by the applicable Cost Principles, salaries and wages charged to an Award or FAR Contract directly, indirectly, and as part of Federal share or Cost Share, must be accurately tracked, recorded, and allocated in order to comply with this Policy, its Procedure, applicable laws and regulations, and Award or FAR Contract terms and conditions. All faculty, staff, and other employees must completely, accurately, and timely record and verify individual timekeeping and effort records for this purpose.

5.2 This Policy and the Procedure implementing this Policy provide strict guidelines regarding the recording, submission, and review process for time sheets and Effort Reporting to ensure that all time and effort related to Awards and FAR Contracts are accurate, allowable, and allocable.

6. RECORDING HOURLY TIME

This section of the Policy provides guidance for non-exempt employees that record time on an hourly basis using LAU’s hourly time sheet (see Section 4 above). The full set of procedures applicable to this Policy and timekeeping are set forth in the Procedure referenced below. However, there are some basic guiding principles.

6.1 All time must be recorded personally by the non-exempt employee using LAU-approved time sheets, and must be recorded with a time clock or other permanent mark or ink. For example, pencils may not be used. Corrections must be made in ink, initialed by the non-exempt employee and the non-exempt employee’s supervisor.

6.2 The time sheet must include all hours worked on a daily basis. Absences should be recorded upon your return to work. There should be only one time sheet per non-exempt employee per reporting period. If individuals are working on multiple Federal awards/contracts, a consolidated timesheet should be used covering the time allocation on each Award/FAR Contract clearly distinctly. The timesheet must be filled daily, if not, at least on a weekly basis.

- 6.3 All hours must be recorded in quarter hour increments.
- 6.4 Non-exempt staff must sign, date, and submit time sheets for supervisor approval on a monthly basis and the supervisor must approve (sign and date) the time sheets and certify that to the best of her or his knowledge the non-exempt employee worked the reported hours. All timesheets must be submitted to the corresponding supervisor within the first two working days of the subsequent reporting period, and then to the Office of Grants and Contracts for review within the same period. Time sheets will be submitted to Finance Department on a monthly basis no later than the second working day of the subsequent reporting period after the review of the OGC. Approvers, i.e. supervisors, must have first-hand knowledge based on established reporting lines (manager/sub-ordinate relationship), physical space sharing, when applicable (approvers share offices with reporting employee), regular briefings including meetings, debriefs, and other sources such as computer generated information. The Office of Grants and Contracts will submit the sheets to the Finance Department for processing no later than the second working day in the subsequent reporting period and the Finance Department will complete their review no later than the fourth working day in the subsequent period. If the reporting month is June, then the subsequent reporting period is July.
- 6.5 Non-exempt employees will have access and control over their time sheet until submitted to Finance Department for processing within the first four working days in the subsequent reporting period. Non-exempt employees will not have access to their time sheets to make edits once they have been submitted for the month. Any warranted changes after submission must be made by the supervisor.

7. EFFORT REPORTING FOR AWARDS AND CONTRACTS

This section of the Policy provides guidance and standards for recording and supporting the Costs of personal services charged to an Award using Effort Reporting. LAU's Effort Reporting system documents salaries charged to Awards based on time and effort reports for each person whose salary is charged to an Award. All Costs charged to an Award, directly, indirectly, or as Cost Share must be supported by records that accurately reflect the effort in order for the Costs to be allowable. Accordingly, all recordation of effort to be charged to or used in any way for an Award must fully comply with the [Uniform Requirements](#), as described in this Policy.

- 7.1 Charges to Awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:
- 7.1.1 Be supported by internal controls that provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
 - 7.1.2 Be part of LAU's official records;
 - 7.1.3 Reasonably reflect the total activity for which the exempt staff/faculty is compensated, not exceeding 100% of compensated activities;
 - 7.1.4 Cover both Award and non-Award activities compensated by LAU;
 - 7.1.5 Comply with LAU's established accounting and personnel policies; and

- 7.1.6 Support the distribution of the employee's salary or wages among specific activities or Cost Objectives.
- 7.2 An exempt staff/faculty Effort Reporting is certified based on after-the-fact reporting. LAU expects as much accuracy as reasonably possible when reconciling salary charges to actual effort. Interim charges based on estimates or established budgets must not be made except if these charges are temporary in nature, limited in time, verified and certified at a later stage. All charges must be based on actuals.
- 7.3 Each effort report must be completed and certified in a timely manner consistent with the same procedures applicable to timekeeping under section 6. All faculty members (whether or not the principal investigator) whose salary is charged to an Award are required to certify their individual effort report. The same person must also certify that the effort reported by exempt personnel under their supervision and directly charged to an Award is accurate and reflects the effort actually contributed.
- 7.4 For exempt individuals, total effort equals 100% of the effort for which they are engaged by LAU. For faculty, the LAU duties that comprise total effort are determined by the faculty appointment letter, as modified.
- 7.5 General responsibilities:
 - 7.5.1 The principal investigator understands and complies with the requirements for effort recording. He/she certifies his or her effort and all other non-faculty personnel for the Award(s).
 - 7.5.2 The Department Head coordinates the activities of the department, including providing input regarding committed effort. He/she monitors committed effort and ensures that effort reports are complete and accurate.
 - 7.5.3 The Office of Grants and Contracts, the assigned grants officer, will monitor the general compliance and effectiveness of effort reporting, including overall compliance with the requirements for timely submission and certification.
 - 7.5.4 The Finance Department assists the Office of Grants and Contracts with monitoring overall compliance with charges to the Awards, including assistance tracking compliance with Cost Share through sending regular reminders to all assigned individuals working on a Federal award irrespective of their compensation allocation (Federal or Fon-federal).
- 7.6 Completed effort reports must be forwarded to the appropriate person in the Office of Grants and Contracts.
- 7.7 Effort reports and certification must be kept in the department records in accordance with all applicable recordkeeping requirements.

8. REFERENCES

- 8.1 Please refer to the following regulations and documents for further details regarding the above Policy:

- 8.1.1 [2 CFR 200.306](#)
- 8.1.2 [2 CFR 200.336](#)
- 8.1.3 [2 CFR 200.400 et seq.](#)
- 8.1.4 [FAR Subpart 31.3](#)
- 8.1.5 Code of Ethics
- 8.1.6 Financial Policy
- 8.1.7 Personnel Policy
- 8.1.8 Record Retention and Audits Policy
- 8.1.9 LAU Policies for United States Sponsored Programs and Contracts - Compliance Program for Financial Assistance Awards
- 8.1.10 LAU Policies for United States Sponsored Programs and Contracts - Costs and Cost Accounting
- 8.1.11 LAU Policies for United States Sponsored Programs and Contracts - Records Retention and Audits

9. ATTACHMENTS

- 9.1 Non-exempt staff time sheet
- 9.2 Exempt staff and faculty effort certification

Effective Date:

The foregoing Compliance Program for United States Sponsored Programs & Procurement Contracts: Timekeeping and Sponsored Program Effort Reporting was adopted by the Board of Trustees on September 6 & 7, 2018 and is effective as of September 7, 2018.