Spring 2013 Semester Effort Reports or PARs

Effort Reports or Personnel Activity Reports (PARs) provide auditable documentation that salary charges from the payroll system on sponsored projects and other sources of funds represents a reasonable estimate of the effort expended on the projects and other university activities. The estimates are expressed as a percentage of total effort performed on university activities. These certifications are required by federal regulations contained in OMB Circular A-21.

As part of our ongoing reviews of internal controls and business processes under the Agency Risk Management and Internal Control Standards (ARMICS) program of the Controller’s Office, we reviewed all effort reports or PARs for the Fall Semester of 2012 to assess our overall level of compliance with effort reporting requirements contained in Circular A-21. Based on this review we will be contacting (via email) departments where changes are needed to ensure improved compliance with the Spring 2013 Semester PARs which were issued on July 1, 2013.

We wish to make you aware of several important changes which were applied to the Spring 2013 PARs:

- Due to the analysis performed, you may notice a reduction in the number of PARs generated for your department. Only employees who meet ONE OR MORE of the following criteria will receive a PAR.
  1. Employee salary or wages were paid from at least one fund associated with a federal, state, local or private grant or contract.
  2. Employee had some portion of salary or wages paid from a mandatory cost sharing fund.
  3. Employee has some portion of salary or wages paid from an allocable (cost pool 99) fund, in departments which routinely receive externally funded sponsored projects.

In addition, below are important reminders for completing PARs:

- Certification of effort and the allocation of effort should be completed by the Principal Investigator or the individual faculty, staff or student performing the effort. Only under exceptional circumstances should a responsible official such as a business manager or department head certify effort on behalf of faculty or staff. Federal regulations require that responsible officials have suitable means of verification that the work was performed.
- PARs measure effort as a proportion or relative percent of total effort performed for university activity, rather than in terms of hours, weeks or months. The total effort in the Activity Summary Section should always add up to 100%.
- Accuracy is of utmost importance in certifying PARs. PARs are issued approximately 45 days after the end of the semester to allow time for funding transfers to be
processed before PARs are created. After faculty, staff, or principal investigators have completed their review of the payroll charges on the PARS and made an assessment of how that compares to their effort performed for the semester, they should be able to make any necessary allocations of non-sponsored effort (if applicable), and be ready to certify the PAR. (See the link below for more detailed instructions on how to complete a PAR).

- When certifying effort it is important that faculty and staff sign the appropriate line – there are two choices. If all payroll percentages are correct for sponsored projects and related mandatory cost sharing, then the individual faculty or staff should sign below the following certification:

  “YES, I confirm that the summary distribution of activity represents a reasonable estimate of the effort expended by me during the stated period”

However, if additional funding changes are needed because the payroll percentages do not accurately reflect a reasonable estimate of the effort performed, then the individual faculty or staff should sign underneath the following certification statement:

  “NO, I am returning this personnel activity report because the payroll data is not correct. A retroactive pay change has been submitted, and documentation of the change is attached.”

Once the retroactive funding changes have been posted to the Banner Human Resources system using the Labor Redistribution process, the corrected salaries will be used to create a Retro – PAR, which the faculty or staff can then certify as being correct.

Obviously, signing the second line indicating that additional funding changes are needed is not ideal because it is NOT a certification that the effort is correct. The correct effort certification will be delayed until the Retro Par is created for this semester and is certified as being correct by the individual faculty, staff, or student who performed the work or the Principal Investigator. Faculty and Principal Investigators should proactively work with their departmental fiscal staff to ensure all payroll funding changes are made before the end of each semester so that effort on PARS can be certified as correct without further corrections being needed.

Please note that retroactive funding transfers must be done in accordance with requirements for timeliness and adequacy of documentation and justification required in Policy 3255 “Cost Transfers on Sponsored Projects” and are subject to applicable approvals by the Office of Sponsored Programs.

**Deadlines for completion of PARS for Spring 2013:**

- Accurate and complete Spring 2013 semester PARs are due back to OSP no later than August 9, 2013.
- Retro-PARs should be returned to OSP no later than September 10, 2013.

Instructions for completing PARs and PARs Activity definitions can be viewed by going to: [http://www.co.vt.edu/Financial.Reporting/cost.accounting/effort.reportinginstructions.pdf](http://www.co.vt.edu/Financial.Reporting/cost.accounting/effort.reportinginstructions.pdf)
Please forward these instructions to the faculty in your department to assist in their completion of their PARs.

If you have questions about effort reports or your PARs please contact Divya Amin at amind@vt.edu or call 1-0950.