PERSONNEL ACTIVITY REPORT SYSTEM

I. REFERENCES


C. President David S. Saxon's letter of January 22, 1980 to Chancellors, Laboratory Directors and Professor Carl Pister, Chairman, Academic Council.

D. Chancellor William D. McElroy's NOTICE of May 29, 1980, to Key Academic Staff and Key Academic and Staff Administrators.

E. UCSD Policy and Procedure Manual (PPM) 150-46 Substantiation of Salary and Wage Charges to Federal Contracts and Grants


G. OMB Circular A-21, Cost Principles for Educational Institutions (Revised), May 8, 1996

II. BACKGROUND

A. Introduction

On March 6, 1979, the Federal Office of Management and Budget issued a major revision of Circular A-21, "Cost Principles for Educational Institutions."

The Circular contained new rules and procedures, effective July 1, 1980, for the substantiation and documentation of direct and indirect payroll costs charged to federal grants and contracts. Two methods were allowed for the documentation of salaries and wages, i.e., monitored workload or personnel activity reports. The two methods were subsequently replaced in the August 3, 1982 revision by general principles and criteria for acceptable methods. The University of California has elected to use the Personnel Activity Report (PAR) System which consists of after-the-fact effort reports accounting for 100% of the effort expended in fulfilling the obligations of the employee’s University appointment.
Approximately 15% of the total University's, and 26% of UCSD's, operating budget comes from federal sources. Continued receipt of these funds is dependent upon compliance with these federal regulations.

B. How The Information Will Be Used

The information obtained from the Personnel Activity Report will be used for three purposes: first, to substantiate effort under federal contracts and grants; second, to provide data for the indirect cost rate calculation and thirdly to provide information for preparation of Federal Institutional Cost Sharing Rates.

Failure to substantiate charges, to confirm actual effort after-the-fact, and/or explain discrepancies may result in the disallowance by federal auditors of costs reported on federal projects.

The information is important in setting future indirect cost rates, which will be heavily influenced by staff Personnel Activity Reports and somewhat by faculty Personnel Activity Reports. The two components of effort reporting that can influence overhead rates are effort spent on sponsored projects (as sponsored projects effort increases, other things being equal, the indirect cost rate decreases) and effort spent on departmental, general and sponsored projects administration (as administration increases, other things being equal, the indirect cost rate increases).

III. POLICY

It is the policy of the University of California that employees of Academic Departments and Organized Research Units who are required to complete a Personnel Activity Report form should do so as accurately as possible and in a timely manner.

IV. PROCEDURES

A. Personnel Activity Report (PAR) Form

The Personnel Activity Report form, Exhibit A, is pre-printed with data obtained from the employee's payroll records. The upper portion of the form lists the accounts and funds charged during the reporting period and the percentage distribution of salaries for each account/fund combination to a total of 100%. The lower portion of the form provides a space for each of four reporting categories, which also must total 100%, and a signature block.

B. Included Individuals

Personnel Activity Reports must be completed for:
1. All employees of academic departments, organized research units and professional schools or colleges in which sponsored projects represent 15% or more of total unit expenditure for instruction, research, and public service. A list of exempt units will be prepared each year by the campus Accounting Office;

2. All Principal Investigators; and,

3. All personnel paid from sponsored projects.

C. Excluded Individuals

Individuals (other than those specified in 2. and 3. above) in the humanities, fine arts, and social sciences departments are effectively excluded from the reporting requirement if their departments are below the exclusion cut-off point. In addition, employees (other than those paid from sponsored projects) in the following occupational groups are excluded from PAR reporting:

1. All title codes in Academic Group 2 (Lecturers)
2. All title codes in Academic Group 4 (Student Assistants)
3. Title Code 3299 (Research Assistant)
4. All individuals working 100% in a Sponsored Project Administration Unit.

D. Frequency of Reporting

All included employees will report each calendar quarter.

E. Production

Procedures for production of the Personnel Activity Report system will include the following steps:

1. The Personnel Activity Report forms will be generated for each employee required to report after each quarter. In order to include as many retroactive payroll adjustments as possible and to reduce the number of required annotations of adjustments, Personnel Activity Report production will be delayed until one additional payroll cycle is completed after the period being reported. The Personnel Activity Report Production Schedule, Exhibit B, indicates the reporting schedule.

2. The Personnel Activity Report forms will be transmitted to appropriate departments for completion. Departments shall establish their own procedures for the distribution of the Personnel Activity Report forms to employees or, where
appropriate a responsible official, for completion and return to the departmental office.

3. After review and completion, the Data Processing copy of the completed Personnel Activity Report forms will be transmitted to the Accounting Office for key entry. Personnel Activity Report forms should be completed and returned to the Accounting Office within fifteen (15) days of receipt by the department.

4. The system will convert effort to dollars for sponsored project administration and general administration, and compute cost sharing dollars from the sponsored projects effort. This information will be aggregated by department, entered on magnetic tape, and forwarded to the Director of Financial Analysis at Systemwide Administration in accordance with published schedules. This information will be used in the development of the University's indirect cost rate.

5. The original copy of the Personnel Activity Report forms should be retained by the academic department or organized research unit in accordance with record retention schedules for possible review by federal auditors. Exhibit C sets forth a summarized diagram of the Personnel Activity Report system.

F. Completing the Report

The Personnel Activity Report has three sections. Each section is discussed below. If assistance or additional information is needed, contact your campus coordinator in Extramural Funds Accounting at extension 3270.

1. Payroll Distribution Section

Information in this section is divided into two categories: 1) Sponsored Projects, and 2) All Other Functions. A percentage display of the individual's total payroll distribution will be provided for review in this section. A typical display of this information appears below:

Payroll distribution by account and fund number(s) for report period: Percent of salary

Sponsored Projects

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-446210-23876</td>
<td>20</td>
</tr>
<tr>
<td>6-446210-50762</td>
<td>20</td>
</tr>
<tr>
<td>6-446210-25600</td>
<td>10</td>
</tr>
</tbody>
</table>
Assuming that the individual is a faculty member, the information printed out above indicates that 50% of salary received during the three month report period was from sponsored projects.

If there are no federal payroll charges for the report period, the following message will appear on the Personnel Activity Report form:

"University payroll records indicate that there have been no direct salary charges to federal contracts and grants for this report period. However, for your information, those accounts that were charged are listed below."

If the information displayed in the payroll distribution section contains errors, they should be noted by the employee or responsible official directly on the Personnel Activity Report form in the space provided. Such corrections must be supported by payroll adjustments utilizing the Automated Change in Employment Status (ACES) form. Corrections should be fully explained and the dollar amounts specified. Adjustments must take place within 90 days of the date of signature on the Personnel Activity Report form.

Please note that it is the employee's (or responsible official's) responsibility to review the payroll distribution and make annotations to the Personnel Activity Report as required. If the percent of effort in any category is less than the salary shown for the category by 5% or more (particularly for sponsored projects), a payroll expense transfer should be processed, with an explanation for the discrepancy. Sponsored projects effort in excess of salary reported for the category represents cost sharing.

2. Distribution of Effort Section

This section is used to report 100% of the employee’s effort by functional category. Federal regulations are specific as to what activities should be included in each category. Accordingly, it is important that the definitions below be understood clearly by those completing the PAR form. The effort to be reported is that associated with the University appointment. The distribution should not include activities conducted on personal time such as outside consulting. Incidental work (that in excess of normal for the individual) for which supplemental compensation is paid (for example, teaching an extension course),
should not be reported. Because the report relates to the total activity for which the employee receives University compensation, the report should add up to 100% even if the employee has less than a full-time appointment.

The best estimate of percentage of effort, expressed in whole numbers, should be entered for each applicable category in accordance with the following definitions:

a. Sponsored Projects

The percentage of effort spent on research projects that are separately budgeted and accounted for, with the exception of Academic Senate research grants. All effort should be reported REGARDLESS of the amount of salary charges to the project as the excess represents cost sharing on the part of the University. The research may be supported from various sources such as federal, state or local governments or private gifts, contracts or grants.

The research may also be supported by internal funding (or a combination of internal and external funding) provided the projects are separately budgeted and accounted for.

Examples of sponsored projects activity include disseminating sponsored research information via written or oral presentations (on or off campus), thesis advising for students whose topics are a portion of the employee's own formal sponsored research projects, performing administration solely related to specific projects and engaging in sponsored artistic and creative activities such as composing, writing, and creating works of art. For health sciences faculty this category includes jointly conducted research and patient care. Effort devoted to a sponsored research project while on sabbatical leave should be reported in this category.

b. Sponsored Projects Administration

The percentage of effort spent on administrative work benefiting several sponsored projects which cannot be directly identified or charged to individual sponsored projects. This category is to be used by faculty and professional employees only. Non-professional employees working outside of a unit established to administer sponsored projects (e.g., Contracts and Grants Administration, Extramural Funds Accounting) may not report any portion of their effort as SPA. The administrative effort of non-professional employees should be reported in other appropriate indirect effort categories (i.e., General Administration or Instruction and Departmental Research/Other Institutional Activities).
Examples of sponsored projects administration include the preparation of both successful and unsuccessful bids or proposals (including continuation and renewal proposals) on federal and non-federal sponsored projects, the review of extramural support proposals by unit heads, research facility administration, and effort devoted to campus or departmental committees dealing with sponsored projects matters.

c. General Administration

The percentage of effort spent on administrative duties which benefit general University objectives, as contrasted to those which support the department and college. Examples of activities in this category include:

1. service on or in support of the Academic Senate and its committees;

2. service on or in support of campus-wide or University-wide committees or task forces.

d. Instruction and Departmental Research/Other Institutional Activities

In that separate reporting is no longer required for effort other than categories a., b., and c. above, all residual effort is reported as Instruction and Departmental Research/Other Institutional Activities. (Departmental Administration is reported here since there is now a fixed indirect cost rate for that category.) Formerly distinct reporting categories now included in Instruction and Departmental Research/Other Institutional Activities are:

1. Instruction and Departmental (Non-Sponsored) Research

   The percentage of effort on any of the following activities:

   a. Teaching

   All teaching activities, scheduled and unscheduled, offered for credit and non-credit either through regular academic departments or summer sessions. This category also includes sponsored instruction, i.e., training grants. For health sciences faculty the teaching category includes patient care which is an integral part of regular academic duties and is not part of a sponsored project. Examples of activity include class preparation,
lecturing, tutoring, review of independent study, supervising laboratory course work, supervising graduate students and teaching assistants, preparing and administering examinations, grading papers, maintaining office hours for student contact, and performing other administrative activities that directly support teaching.

b. Advising and Counseling
Assisting students with educational, financial, or personal problems that are related to their roles as students. Examples of activity include advising on course requirements for programs and course scheduling, career counseling, writing recommendations, recruiting students, registering students, conducting orientation programs, and performing other student-oriented, non-course-related activities.

c. Course and Curriculum Development
Developing new courses (including objectives and instructional materials for courses to be taught in the future), new techniques, as well as course or curriculum reviews and development of evaluation procedures.

d. Departmental (Non-Sponsored) Research
Research that is not separately budgeted and accounted for, and that is carried out essentially within departmental budgets. Academic Senate research grants are included in this category. Examples of activity include writing or developing new proposals (for non-sponsored research), supervising the research of graduate students, thesis advising, disseminating non-sponsored research information via written or oral presentations (on and off campus), attending seminars, professional meetings, and continuing education programs, as well as engaging in artistic and creative activities such as composing, writing and creating works of art which are discipline-related.

e. Sabbatical Leave
All activities engaged in while on sabbatical leave should be reported in the Instruction and Departmental Research/Other Institutional Activities category except those activities which pertain to a sponsored project.
f. Staff Employees  
Effort in support of the activities described above should be reported in this category.

2. Departmental Administration

The percentage of effort spent on administration related to planning and directing the programs of a department, school or college that cannot be identified as solely benefiting research projects, instructional activities or public service. Any administrative effort that can be directly related to specific sponsored projects must be reported in that function and cannot be reported as Instruction and Departmental Research/Other Institutional Activities. Departmental administration includes such activities as:

a. administering academic and staff personnel policies;

b. planning programs, centers, and Organized Research Units;

c. academic and staff recruitment;

d. budget management and preparation;

e. space and workload distributions; and

f. organizing department and/or interdepartmental seminars.

3. University and Public Service

The percentage of effort spent on community action and service programs, sponsored public service projects such as the Agency for International Development (AID), as well as other service activities in which the employee acts in a professional capacity. Examples of activity include advising colleagues, reviewing and editing literature, reviewing proposals, making presentations not related to research projects, duties as an officer in professional organizations, service on non-University panels, review boards, commissions, etc. This category excludes private consulting and non-professional community activities.

4. Other

In those instances where there is an activity which does not appear to belong in one of the listed categories, it should be reported on line 4 and described in the NOTES section. Effort
devoted to activities that are recharged or otherwise reimbursed should also be reported in this category.

3. Confirmation Section

The Personnel Activity Report form is to be signed by the employee or a responsible official with first-hand knowledge of the work performed by the employee. A responsible official may be a department chair, principal investigator, departmental business officer or supervisor depending on the circumstances involved (e.g., a responsible official for an academic employee must also be an academic employee). The federal auditors probably will interview "responsible officials" to determine whether or not they have "first-hand knowledge" of the work performed. Accordingly, responsible officials may be held responsible for any disallowances which occur if first-hand knowledge cannot be demonstrated. Therefore, "responsible officials" should not sign Personnel Activity Report forms for employees working at off-site locations unless the employee's activities are documented carefully.

For nonprofessional employees it is desirable, if feasible, that the employee's supervisor certify the effort on the Personnel Activity Report form rather than the employee. Only in instances where the employee's supervisor does not have first-hand knowledge of 100% of the employee effort, should the employee sign the form.

4. Corrections

Please note that the employee or responsible official certifying should review the payroll percentages printed on the report to determine if they are correct. If any of the percentages are incorrect by (plus/minus) 5% or more, particularly on Sponsored Projects, corrections should be annotated by the employee or responsible official on the Personnel Activity Report form in the space provided. Effort reported for Sponsored Projects in excess of salary charged to all sponsored projects normally represents cost-sharing. A Payroll Expenditure Transfer should be processed to correct errors and it should be attached to the completed Personnel Activity Report. Corrections should be explained fully and the dollar amounts specified. Adjustments must take place within 90 days of the date of signature on the Personnel Activity Report form.

G. Important Points

Although complete instructions and definitions are contained in the preceding sections, certain points merit special emphasis:

1. Reporting of Effort
Federal regulations recognize that the various and often related activities of academic personnel frequently cannot be measured with a high degree of precision and that reliance must be placed on reasonably accurate approximations. It should be noted the estimates of effort must be expressed in percentages of total effort and not in hours worked.

2. Consistency of Records

*Personnel Activity Reports* will be audited by the Department of Health and Human Services and any discrepancies between the *Personnel Activity Report* and other effort data, such as appointment forms of work assignments, will make it difficult for the University to recover costs applicable to sponsored projects. Evidence of perfunctory completion of the *Personnel Activity Report* will jeopardize the University's relationship with federal contracting and granting agencies.

3. Differentiating Between Departmental Research and Sponsored Projects

This is a difficult but important step in completing the *Personnel Activity Report*. Federal regulations require separate reporting of effort devoted to sponsored projects and effort devoted to non-sponsored (departmental) research. The federal definition of sponsored projects includes all projects that have a separate account in the University's accounting system with the exception of Academic Senate research grants. This includes not only projects funded by the federal government, but also those funded with state, private, and University funds, such as research at Agricultural Experiment Stations, Cancer Research and the California Water Resources Program.

4. Reporting Administrative Effort

Reporting Administrative Effort Administration is the residual effort remaining after all direct efforts have been identified. Any administrative effort that can be directly related to instruction and departmental research, to departmental administration, to specific sponsored projects, or to University and public service, must be reported in the appropriate functions and cannot be reported as General or Sponsored Projects Administration. Administrative effort that cannot be related directly to instruction and departmental research, departmental administration, specific sponsored projects, or University and public service is by definition an indirect cost and must be reported as General or Sponsored Projects Administration. For example, service on a departmental library committee or a laboratory management committee is reported as Instruction and Departmental Research/Other Institutional Activities; service on the campus library committee is reported as General Administration. Although processing a laboratory payroll
could in theory be allocated to each of the sponsored projects using the laboratory, such fine distinctions are difficult to quantify. Therefore, such activity is more appropriately reported under the category Instruction and Departmental Research/Other Institutional Activities.

5. Reporting Effort in Sponsored Projects Administration Units

Employees who work 100% in a Sponsored Project Administration Unit will not receive a Personnel Activity Report form. Employees that are split funded with salary charged both to a Sponsored Project Administration Unit and to an account where effort is reported will receive a Personnel Activity Report form. For academic and professional employees effort applicable to a Sponsored Project Administration Unit should be reported under Sponsored Projects Administration. This category is to be used only by faculty and professional employees. For nonprofessional employees, effort applicable to a Sponsored Project Administration Unit should be reported under the Instruction and Departmental Research/Other Institutional Activities category.

6. Reporting Effort in Organized Research Units

Effort that can be related directly to specific research projects should be identified as Sponsored Projects. Effort that cannot be so identified should be reported as Instruction and Departmental Research/Other Institutional Activities. If, for example, 75% of the effort of an employee of an Organized Research Unit is devoted to a sponsored research project and 25% to the other projects in the unit, the employee should report 75% effort as Sponsored Projects and 25% as Instruction and Departmental Research/Other Institutional Activities on the Personnel Activity Report.

V. RESPONSIBILITIES

A. It is the responsibility of Chairs of Academic Departments and directors of Organized Research Units to insure that their units comply with the requirements of the Personnel Activity Report System.

B. It is the responsibility of the Accounting Officer to coordinate the Personnel Activity Report System.
EXHIBIT A

UNIVERSITY OF CALIFORNIA
PERSONNEL ACTIVITY REPORT

EMPLOYEE NAME: ____________________________
TITLE: ____________________________
DEPARTMENT: ____________________________

EMPLOYEE NUMBER: ____________________________
REPORT PERIOD: ____________________________

NOTES

100%

TO BE COMPLETED BY EMPLOYEE OR RESPONSIBLE OFFICIAL

ESTIMATED DISTRIBUTION OF EFFORT FOR REPORT PERIOD:

1. Sponsored Projects ____________________________
2. Sponsored Projects Administration* ____________________________
3. General Administration ____________________________
4. Instruction and Department Research/ Other Institutional Activities ____________________________

TOTAL 100%

*TO BE COMPLETED ONLY BY FACULTY AND OTHER PROFESSIONAL EMPLOYEES NOT ELIGIBLE FOR PREMIUM OVERTIME.

CONFIRMATION BY ___ EMPLOYEE ___ RESPONSIBLE OFFICIAL

I certify that this report is a reasonable estimate of the actual effort expended on each sponsored project and each category of effort for the period reported.
CONTRACTS AND GRANTS (RESEARCH)
Section: 150-66 EXHIBIT A
Effective: 07/01/1984
Supersedes: 01/01/1981
Review Date: TBD
Issuing Office: Office of Contract and Grant Administration

_________________________  ____________________________
Signature / Date

_________________________
Title

ORIGINAL COPY TO BE RETAINED BY DEPARTMENT
CONTRACTS AND GRANTS (RESEARCH)
Section: 150-66  EXHIBIT B
Effective: 07/01/1984
Supersedes: 01/01/1981
Review Date: TBD
Issuing Office: Office of Contract and Grant Administration

**EXHIBIT B**

**PERSONNEL ACTIVITY REPORT**
**PRODUCTION SCHEDULE**

<table>
<thead>
<tr>
<th>QUARTER</th>
<th>REPORTING PERIOD</th>
<th>PRODUCED</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 month Faculty and Staff</td>
<td>9 month Faculty</td>
<td>November</td>
</tr>
<tr>
<td>Summer</td>
<td>July August September</td>
<td>***</td>
</tr>
<tr>
<td>Fall</td>
<td>October November December</td>
<td>Fall Quarter February</td>
</tr>
<tr>
<td>Winter</td>
<td>January February March</td>
<td>Winter Quarter May</td>
</tr>
<tr>
<td>Spring</td>
<td>April May June</td>
<td>Spring Quarter August</td>
</tr>
</tbody>
</table>

*** Summer Research - Approximately June 15 - September 15
**EXHIBIT C**

**OVERVIEW OF THE PERSONNEL ACTIVITY REPORT SYSTEM (PAR)**

| A. 1. Develops PAR computer programs | Office of the President | J. 1. Receives data aggregated by department  
| B. Prints PAR forms | Administrative Mini-Computer Facility | J. 2. Uses data for indirect cost development  
| C. 1. Distributes PAR forms and Control List to academic departments and Organized Research Units | Campus Accounting Office | H. 1. Reviews PAR forms  
| | | 2. Provides follow-up  
| | | 3. Resolves problems  
| | | 4. Enters PAR data into PAR database  
| | | 2. Specifies departments which are excluded because sponsored projects is less than 15% of their annual expenditures  
| D. Distributes PAR forms to faculty, staff and responsible officials. | Academic Departments and Organized Research Units | G. 1. Receives completed PARs from faculty and staff  
| | | 2. Checks PAR forms against Control List to determine which have not been returned  
| | | 3. Follow up on all unreturned PARs, employees who have direct salary charges to Federal grants or contracts.  
| | | 4. Reconciles PAR data with departmental payroll records  
| | | 5. Initiates payroll adjustments as required  
| | | 6. Forwards second copy of PARs and Control List to the campus Accounting Office |
7. Retains original PAR copy with original signature for adult purposes.

E. 1. Completes PAR forms
    2. Notes errors
    3. Signs PAR form confirmation section.

Faculty, Staff, and Responsible Officials

F. Returns forms to academic department within 10 days