



OFFICE OF THE VICE PROVOST -
ACADEMIC PERSONNEL AND PROGRAMS

OFFICE OF THE PRESIDENT
1111 Franklin Street, 10th Floor
Oakland, California 94607-5200

December 19, 2022

EXECUTIVE VICE CHANCELLORS AND PROVOSTS

Dear Colleagues:

I write to provide guidance related to grant effort reporting and how to ensure compliance with our external funding obligations. This guidance is written to ensure that the University will continue to comply with external federal grant compliance regulations as articulated in the Uniform Guidance, 2 Certified Federal Register (C.F.R.) Part 200, and elsewhere.

1. Effort Reporting

The University can only charge wages to a federal award under 2 C.F.R. 200 if the federal awarding agency receives commensurate benefits from the wages charged.¹ Hence, campuses need to take steps now to ensure that only wages (and associated fringe benefits), tuition, and fees for work performed by Graduate Student Researchers or faculty in support of a grant are charged to that grant, and that either effort reports or payroll certifications (as applicable to each campus) are accurate. If campuses are unsure whether work was performed on a grant by a Graduate Student Researcher or faculty member, they should make or move charges (wages, tuition, and fees) for that work on an unrestricted account until the PI (or authorized person) can verify the underlying work and confirm accurate effort reports or accurately certify payroll. PIs who have first-hand knowledge that work was performed on the grant do not need to move those charges off the grant. Shifting funds does not impact pay; it only changes what university account is charged for the expense.

Campuses are responsible for identifying unrestricted accounts. For example, campuses could identify a university-level unrestricted account for this purpose. As appropriate, charges can be shifted back to the grant once additional information is obtained regarding the performance of work or, if allowed, once the work is made up. Campuses that use the

¹ Per 2 C.F.R. Part 200, otherwise known as the “Uniform Guidance,” wages can only be charged to a federal award if the wages are incurred specifically for the performance of the federal award. The “Uniform Guidance” is comprised of the bedrock federal regulations governing the overwhelming majority of federal research funding to the UC. This includes all NIH, NSF, USDA, DOD, and DOE funding.

Direct costs to federal awards, including wages and salaries, must be both allowable and allocable to be chargeable to federal awards under the Uniform Guidance. “Allowable” direct costs include those that are “necessary and reasonable for the performance of the federal award and allocable thereto.” “Allocable” direct costs are those that are incurred specifically for the federal award and that benefit both the federal agency and the University.

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payroll certification methodology may wish to schedule an additional certification for all federal awards covering strike period.

Campuses should work with their Academic Personnel offices to shift funds. Given that these shifts are temporary, it is recommended that changes are made through the salary cost transfer process.

Additionally, federal awards are awarded based on proposed budgets and program plans, and deviations from the agreed-upon budgets and program plans must be approved by the federal awarding agency prior to the deviations occurring as required by 2 C.F.R. 200.308. Campuses should continue to ensure such deviations are approved in advance, as required.

IMPORTANT NOTE: Employees who engage in lawful strike activities are not subject to adverse action as a result of their participation. Adverse action includes, but is not limited to, making appointment decisions based on their participation in strike activity or shifting financial responsibility for fees or tuition remitted by the institution directly to striking student employees due to their participation in the strike. As stated above, PIs may need to shift the expense burden off the grant and onto the campus' budget. Department administrators, PIs, and others with appointment authority are strongly encouraged to review previously provided guidance regarding appointments during this "status quo" period.

2. Default Leave Reporting

Postdoctoral Scholars, Academic Researchers, and hourly Academic Student Employees should continue to submit timesheets and leave reporting through the normal process. Departments should use these time sheets and other standard effort reporting processes to ensure compliance with the Uniform Guidance. As per usual practices, employees who believe that their leave or effort has been incorrectly submitted for November or December should correct previous leave and effort reporting to accurately reflect work performed.

Employees may use PTO, sick, and vacation leave designations consistent with applicable personnel policies and CBA provisions, which define when those leave designations should be used.

Supervisors who have concerns that timesheets have not been accurately reported should consult with their local Academic Personnel office or Labor Relations office.

Additional guidance regarding reporting for Graduate Student Researchers, Academic Student Employees, and Faculty will be provided after the winter break.

Thank you for your cooperation, partnership, and patience during this period.

Sincerely,



Douglas Haynes

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Vice Provost
Academic Personnel and Programs

cc: President Drake
Provost and Executive Vice President Brown
Chancellors
Chief of Staff Kao
Academic Council Chair Cochran
Academic Council Vice Chair Steintrager

Compliance with Federal Awards FAQ

1. What strategies can we use to ensure compliance with federal grants that have an end date between 11/14/22 and 12/31/22 (i.e., the last day that work can be performed is between 11/14/22 and 12/31/22)?

There are several strategies that campuses can deploy to ensure compliance with grant terms and conditions that end during this period. First, campuses can rely on the firsthand knowledge of PIs or approved delegates to verify effort. For example, if PIs worked with their students throughout the course of the strike or otherwise know that they performed their research duties over the course of the strike, then they can verify effort on the grant in the normal course.

If PIs do not know if work was performed over the course of the strike, then they should move those charges to an unrestricted campus account until more data can be gathered in January of 2023. In determining whether tuition and fees should be shifted, campuses should review the guidance below to determine whether tuition and fees are an allowable cost.

After more information is obtained, charges can be moved back to the grant if the original charges were incurred within the grant performance period. Cost transfers must generally occur within 120 days from when the original charge was incurred. All reconciliations must generally occur within 120 days of the end of the grant period, or as specified in individual awards. PIs are encouraged to check in with their Sponsored Projects Offices to verify their grants' end dates and reconciliation periods.

2. Does this guidance shift costs to student employees?

No. The compliance guidance and these FAQs discuss compliance with federal terms only.

3. What portion of wages and tuition should be shifted off the grant?

In determining what wages should and should not be charged to a federal grant, campuses should first rely on the first-hand knowledge of the PIs. If PIs worked with their students throughout the course of the strike or otherwise know that they performed their research duties over the course of the strike, then they can certify effort and charges on the grant in the normal course.

If PIs do not have knowledge of whether the work was performed, then they should move charges off the grant. For wages, charges should be moved based on the percentage of effort associated with days missed due to the strike.

For tuition and fees, charges should be moved based on whether the number of days missed (or days that cannot be verified) would drop the student below the threshold for tuition and fee remission for the underlying grant. Typically, that threshold is .25FTE, although each campus will need to review its own policies to determine the threshold for full and partial tuition and fee remission. Tuition and fees may be charged to the underlying grant if the student is eligible for such benefits consistent with campus policies and the charges are otherwise consistent with the award terms. If tuition and fees cannot be charged to the grant, charges should be moved to an unrestricted account until more information can be gathered.

Note that if the tuition and fees threshold is .25 FTE, then graduate students with .45 to .49FTE appointments would still qualify for tuition and fee remission even if they were on strike from November 14th through the end of winter break.

4. How do we address charges for student who work on multiple grants?

Consistent with the guidance above, wages, tuition, and fees should be shifted to another account if PIs cannot verify the underlying effort. The amount of wages, tuition, and fee charges shifted should be based on the appointment percentage for each grant and the effort associated with each day based on that percentage. For example, a student with a .10 year long appointment on a grant is assumed to work approximately .8 hours a day. Assuming that person was on strike for 23 days, the student missed 18.4 hours or 8.8% of the overall .1 appointment on the grant.

5. Will future guidance be issued?

Yes. Guidance will be issued in early 2023 regarding leave reporting mechanisms.

6. What should campuses with monthly payroll certification processes do?

Campus should follow their normal payroll verification processes. However, PIs and approved delegates should only report based on their knowledge of whether the work was performed – they should not ask students about their strike activities or leave. If there is not enough information to verify payroll, then campuses are encouraged to wait to submit certifications until additional guidance is provided in January, and as stated above, campuses should move charges off the grant as necessary.

7. What is an example of a reasonable way to calculate a daily effort percentage?

One way to calculate a daily effort rate is to take the appointment FTE, and multiply it by the hours per year for full time employees – 2088. That equals the expected hours per year for that employee. Divide that number by 52 weeks in a year and then divide by 5 to get a daily rate. In determining days missed, only count workdays. Do not count holidays or weekends.

8. What does this mean for Postdoctoral (Postdocs) Scholars and Research Assistants (RAs)?

PIs and approved delegates should use their normal processes to verify effort for Postdocs and RAs. The effort and leave reporting processes for these employees has not changed.