

TEXAS SOUTHERN UNIVERSITY
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Fiscal Affairs

NUMBER: 03.04.05

AREA: Payroll

SUBJECT: Employee Time and Effort Reporting

I. PURPOSE AND SCOPE

This document establishes requirements for recording and reporting employee time during the workday and also, if sponsored projects are involved, for reporting effort. This document applies to all employees of Texas Southern University (university)—faculty, staff and students—regardless of appointment type or the source of funds from which the employee is paid, and is prepared in accordance with state and federal laws and regulations.

II. DEFINITIONS

- A. Certify: To approve expenditure by signing the expenditure document. Such certification ensures that:
1. The expenditure is made for the purpose for which the funds were budgeted;
 2. The procurement process was followed and the documents were prepared in accordance with all state, federal and university guidelines; and
 3. The required funds are available.
- B. Certifying signatory: The university business administrator who has been authorized to approve (i.e., certify) expenditures for a department, project, college or division and whose signature must appear on any expenditure document initiated by that unit.
- C. Effort: The activities, functions or categories to which employees direct their time and energies, including instruction, sponsored projects and departmental administration.
- D. Employee: Any person employed by the university and paid through the payroll system.
- E. Exempt employee: An employee in a position that is not subject to the overtime provisions of the Fair Labor Standards Act. Exempt employees include professionals, administrators, executives and faculty and are paid on a monthly basis.
- F. Monthly employee: An exempt employee who reports time and effort and is paid on a monthly basis.
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- G. Non-exempt employee: An employee in a position deemed non-exempt by the Fair Labor Standards Act and, therefore, subject to the overtime provisions of the FLSA. Non-exempt positions include positions designated as office, clerical, technical, service and crafts and are paid semi-monthly on an hourly basis.
- H. Pay Period ID: The code defining the pay period within the fiscal year, determined as follows:
 - 1. Employees paid semi-monthly: The twice-monthly pay period identification codes will begin with the letters SM (Semi-Monthly) and will be followed by a two-digit number (01 thru 24) assigned to the specific pay period. The numbers repeat from fiscal year to fiscal year.
 - 2. Employees paid monthly: Monthly pay period identification codes will begin with the letters MS (Monthly State) or ML (Monthly Local) and will be followed by a two-digit number assigned to the specific pay period (01 thru 12). The numbers repeat from fiscal year to fiscal year.
 - 3. Students paid semi-monthly: The twice-monthly pay period identification codes will begin with the letters ST (Students) and will be followed by a two-digit number (01 thru 24) assigned to the specific pay period. The numbers repeat from fiscal year to fiscal year.
- I. Payroll Time Report: The form used by employees to regularly report time worked, approved leave or compensatory time taken, other time away from work, categories of work subject to special pay requirements and effort devoted to sponsored projects for cost sharing.
- J. Regular workweek: For the purposes of exempt reporting, Monday through Friday.
- K. Semi-monthly employee: A non-exempt employee, who reports time or effort and is paid on a bi-weekly basis at an hourly rate.
- L. Sponsored project: Restricted funds designated as such through the Banner Finance system, and other funded research programs over which the Office of Research Financial Services has stewardship responsibility.
- M. Supervisor: The person in the department to whom the employee immediately reports and who is responsible for the employee's work assignment and oversight.

III. POLICY PROVISIONS

- A. All university employees are required to account for 100 percent of their time during regularly scheduled workdays in an accurate and timely manner, including time worked, time away on approved leave or compensatory time, and any other

time away or categories of work subject to special pay requirements. Further, federal regulations require that employees who contribute or charge time to one or more major functions or activities report the distribution of their effort to each activity, if one or more involve sponsored projects.

- B. Each employee, with the exception of non-benefits eligible adjunct faculty, shall sign and date their time sheet to affirm its accuracy and submit it to the supervisor for approval.
- C. Reporting or approving time incorrectly may subject the employee to disciplinary action up to and including termination and criminal prosecution.
- D. Each Payroll Time and Effort Report must be approved by the employee's supervisor (or designee, in the supervisor's absence) to determine whether the employee accurately reported leave usage, and in the case of non-exempt employees, to determine that hours worked were accurately reported. Time and effort reports of principal investigators paid from contract and grant cost centers must be approved by an individual who can verify that the work was performed by the principal investigator. Time and effort reports of all other persons paid from contract and grant cost centers must be approved by the principal investigator and an individual who can verify that the work was performed by the other person if the principal investigator cannot do so. A Dean may appoint a responsible party in their college to certify the time sheets of non-benefits eligible adjunct faculty. By certifying, the responsible party is attesting that the non-benefits eligible adjunct faculty member is performing the duties for which they have responsibility.
- E. State law requires that regular, full-time employees work a minimum of forty (40) hours per week, unless on an approved leave. Normal university hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. Employees are required to work whatever hours are necessary to satisfactorily accomplish their jobs. Within the workweek, department managers have the prerogative of staggering normal working hours for employees, provided that regular, full-time employees work a minimum of forty (40) hours per week and that the office remains open and staffed Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m.
- F. Supervisors of non-exempt employees are required to complete, sign, and submit a Payroll Time Report to Payroll detailing time worked and time to be charged for approved vacation, sick leave, or other periods not at work during regularly scheduled workdays. If the non-exempt employee devotes time and effort to one or more sponsored projects in addition to another activity, effort distribution must also be reported on the appropriate form.
- G. Supervisors of exempt employees, with the exception of non-benefits eligible adjunct faculty, are required to complete, sign, and submit a Payroll Time Report to Payroll. They are also responsible for recording time to be charged for

approved vacation, sick leave or other balances. Exempt employees who have otherwise worked an average of forty (40) hours in a workweek, do not need to record vacation or time away from work. Any variations of work schedules need to be approved by their supervisor. If the employee does not work forty (40) hours a workweek, absences must be recorded as the appropriate type leave, to comply with state law. If the exempt employee devotes time and effort to one or more sponsored projects in addition to another activity, effort distribution must also be reported on the appropriate form.

- H. Each monthly and semi-monthly employee is responsible for reviewing the information carefully on the Payroll Time Report and indicating the accuracy as determined in each department. If the employee does not agree with the time and effort information provided, resolve any differences prior to the department submitting the report to Payroll.
- I. Each Payroll Time Report must be approved by the head of the department or chairman of the division (or designee, in the superior's absence). The approval authority must be an individual with knowledge of 100 percent of the employee's activities.
- J. Payroll Time Reports are submitted to Payroll by the deadline indicated in the heading of the form, to ensure timely and correct payment and leave accounting. Only original time and effort reports may be submitted; fax copies will not be accepted. Payroll publishes and distributes an annual calendar reflecting deadlines for all pay periods. The time and effort reports for non-benefits eligible adjunct faculty will be retained at the college and may be certified by a cover memo or other similar document listing each such faculty member. Retention requirements for adjunct faculty members are the same as for account verifications.
- K. Departments shall maintain copies of each Payroll Time Report submitted to Payroll and are responsible for regularly reconciling time records with Banner to ensure that employees are paid accurately for the time approved by the supervisor.
- L. Departmental time records shall be maintained as specified in the records retention policy for the university.
- M. College/division administrators are responsible for ensuring that Payroll Time Reports are submitted within the time frame required and that time records (as well as the related expenditure records) are maintained and reconciled within their areas of responsibility. The preparer's supervisor or higher authority must approve reconciliations. Additionally, the college/division administrators are responsible for assuring that employees working on sponsored projects have completed the mandatory training on effort reporting.
- N. University departments have the discretion to use time clocks and to require that departmental non-exempt employees clock in and out. When a department

requires use of a time clock, a non-exempt employee who does not clock in or out as required may be subject to disciplinary action up to and including termination. The department is required to pay the employee for all time worked. When there is no time clock record to document time because the employee did not clock in or out, the burden is on the employee to prove the actual time worked. Departments with time clock requirements are responsible for reconciling time records with time clock records prior to submission to Payroll.

IV. PROCEDURE

- A. Departments shall maintain accurate time records on all departmental employees, including copies of the Payroll Time Report and copies of leave requests.
- B. Faculty members are required to report all sick leave if the absence occurs during the normal workday, even if no classes are missed.
- C. Signatures:
 - 1. The employee is responsible for confirming the report to affirm the accuracy of reported time and leave taken, as required by the department. When reporting extended sick leave, faculty development leave, family and medical/parental leave or in any case when the employee is unable to sign the time sheet, a copy of the approved form, a memo or some other form of documentation must accompany the time sheet. In such cases, "See attached" shall be noted on the line for the employee signature. (This is not required for sick leave pool because the hours are transferred to the employee's sick leave). Except in cases of special leave approved in advance, immediately upon return, the employee shall sign a Leave Form and a copy of the time sheet originally submitted, and re-submit it to Payroll, making any corrections that may be necessary in accordance with this document. (When changes are made, the supervisor must approve the revised time report.) When this is done, it should be noted clearly that this is a duplicate and/or corrected time sheet for a period already reported.
 - 2. The employee's supervisor shall verify the accuracy of the time reported by reconciling the submitted time report with departmental records (copies of leave request forms or memoranda) and, if a time clock is used, with time cards. The supervisor shall approve the time sheet by signing it in the space provided. If the supervisor is not available, or if approval has been delegated to another, that approval signature shall be appropriately noted on the time report. A copy of a memo providing delegation of approval to anyone other than the immediate supervisor shall be provided to the college/division administrator, to Payroll (and to the Provost/Senior Vice President for Academic Affairs when faculty is involved). The approval

authority must be an individual with knowledge of 100 percent of the employee's activities.

3. When an employee is employed by more than one department, the employee's supervisors in all departments are responsible for coordinating time sheet preparation to ensure proper approvals and submission in a timely manner.
 4. Semi-monthly time reports also require the approval of the departmental certifying signatory. Departments are responsible for verifying time reported on time reports prior to submitting them to Payroll for processing.
- D. As soon as the employee's Personnel Action Form (PAF) is processed through Human Resources and Payroll, and assignment information is complete in the payroll system, system-generated timesheets will be distributed for each pay period. Until receipt of a pre-printed time report, all information must be provided on a blank time report, either by printing legibly or typing.
- E. For most employees, the primary department is the one in which the employee is employed. When an employee is employed by more than one university department, one department must be assigned as primary department. This is normally the one in which the highest FTE is assigned.
- F. Time reporting categories and codes relevant to semi-monthly and monthly employees are listed on the time report. Employees shall use the appropriate codes to record the time worked and leave taken. When reporting family and medical leave (FMLA), parental leave or workers' compensation leave, time should be reported using the time code for sick leave, vacation, compensatory leave or leave without pay; in addition, the type of leave shall be noted along with the number of hours for that type leave. Time away from the office as a witness on the university's behalf, to attend conferences and other work-related training shall be reported as time worked, not as leave time.
- G. Holidays are not to be reported on the time sheet.
- H. Employees are responsible for tracking their own leave balance and ensuring that leave is available. If the type of leave reported is not available, leave will be charged as follows:
1. If sick leave is unavailable, time will be charged to vacation. If vacation time is not available and the leave qualifies as under FMLA, the leave will be granted as leave without pay. Otherwise, at the end of the FMLA period, it is at the discretion of management to either grant leave without pay or terminate the employee.
 - a. For non-exempt employees:

- i. If vacation is unavailable, time will be charged to compensatory time earned at 1.5.
 - ii. If compensatory time is unavailable, time will be charged to unpaid leave.
- b. For exempt employees: If vacation is unavailable, absences of one full day or more must be reported as, and charged to, unpaid leave, unless the employee has accrued compensatory time, which was approved in advance by the supervisor.
 - i. if the exempt has approved compensatory time, it will be charged at 1.0.

V. PAYROLL TIME REPORT

- A. The employee shall verify the correctness of the personal data furnished on the Payroll Time Report (Addendum A) by the payroll system; corrections must be made on the Payroll Time Report. Prior to availability of a system-generated time sheet, the employee shall fill in the required information, with the assistance of the department business administrator or administrative assistant.
- B. For Semi-Monthly time reporting, the number of hours is reported to the nearest fraction.
- C. For each assignment, the number of hours of vacation or sick leave shall be noted appropriately. For other leave, the description and code from the list of time reporting categories shall be furnished, along with the hours taken, or it shall be noted in the Remarks section if no relevant leave code is provided.
- D. For each assignment for which the exempt employee is paid from a non-sponsored project cost center and devotes effort to a sponsored project (i.e., cost sharing), the percentage of effort and the appropriate category of activity must be reflected in TAE% Effort section of the quarterly Time and Effort Certification report (NWRTECR). More information on effort is furnished in Section VII below.
- E. The employee must sign and date the time and effort report.
- F. The employee's supervisor approves, verifying the accuracy of the time reported and, where necessary, leave availability, and dates the approval.
- G. An approval signature other than the supervisor's signature is provided under "OTHER APPROVAL (if required)."

VI. EFFORT REPORTING FOR EMPLOYEES DEVOTING TIME/EFFORT TO SPONSORED PROJECTS

- A. The quarterly Time and Effort Certification report (NWRTECR) constitutes the primary basis for reimbursement to the university by the federal government of salaries applied directly to sponsored research, sponsored instruction, and other sponsored activities, as well as the basis for certain costs that are reimbursed as indirect cost. This report also provides the means of reflecting activity devoted to sponsored projects while the individual is being paid from institutional (i.e., non-sponsored project) funds (i.e., cost sharing).
1. Federal regulations stipulate that this quarterly report will reflect the nature of activity on which effort is expended by each employee covered by the system. While most employees will make a single entry, employees who devote effort to many institutional functions, i.e., teaching and work on sponsored projects may be required to complete more complicated reports.
 2. Each report will reflect after-the-fact certification of 100 percent of the activity for which the employee is being compensated and which is required in fulfillment of the employee's obligations to the institution. The report will reflect reasonable estimates of the percentages of effort devoted to instructional activities, contract and grant activities, cost-sharing, and in some cases to departmental administration, as defined in Section VII, B below.
- B. Definitions to be used to report effort, if effort is expended on more than one activity and one is a sponsored project:
1. Instructional activities include time expended in the support of instruction. For the reporting of time and effort, instruction means teaching and training activities other than research training (which is classified as organized research), including the following:
 - a. Instructional teaching assignments, including direct student contact teaching assignments, special problem and research courses, and other equivalent direct instructional duties.
 - b. The development of new course syllabi for current courses or for new courses within the department or college.
 - c. Departmental advising.
 - d. Un-sponsored research/professional development, including effort devoted by faculty to research projects that are not supported by some type of sponsored project agreement or separately budgeted or accounted.

2. Sponsored project activities include those activities for which time and effort is directly charged to a sponsored project cost center(s), and which are budgeted and accounted for separately. Included in this category are sponsored projects funded by external sponsors, as well as those that are funded by the university. The activities include sponsored research, research training, public service, and educational service.
 3. Cost sharing includes time and effort contributed (devoted, but not directly charged) to sponsored projects that are funded by external agencies, while the individual is being paid from institutional funds.
 4. Departmental administration includes time expended on those administrative and supportive services that benefit common or joint departmental activities. They exclude expenses directly identified with an instruction function or an activity classified as sponsored research or other sponsored activities.
- C. Each employee paid from a sponsored project cost center or devoting effort to a sponsored project must know the cost center number(s) from which paid and/or to which effort is devoted, since projects are represented only by the COA number on the quarterly report.
- D. The time and effort of an employee will be reported as the activity for which the program is budgeted, unless the time report provides a different distribution.
1. A faculty member paid on a state instructional cost center during the academic year is budgeted as instruction. Therefore, if the faculty member devotes effort to a sponsored project, the percentage of effort must be indicated on the the quarterly time and effort report.
 2. The time and effort of an exempt staff employee paid from a state fund account is normally recorded as departmental administration, and by definition, is not generally allowable as a cost-shared effort to individual sponsored projects. However, if the exempt staff employee is paid from a non-state fund account and effort is devoted to a sponsored project, a distribution must be indicated on the time report as cost sharing.
 3. A non-exempt employee paid from a non-sponsored project who devotes time to a sponsored project shall report the distribution of effort made to the sponsored project cost center as cost sharing on the biweekly time sheet.
 4. The Office of Research Financial Services should be consulted when the activity for which the program is budgeted is not known and when direction in reporting cost sharing is required.

- E. The percentage of effort reported must always total 100 percent, regardless of the employee's total percentage FTE.
- F. If an employee is paid from more than one account, and effort actually expended is not reflected in the budgeted distribution, the proper effort distribution for that budget must be furnished for each assignment on the time report.
- G. The employee and the PI associated with each sponsored project distribution must certify the accuracy of the labor distribution reflected on the quarterly report. If there is a discrepancy or change is required to the effort reflected, the employee will mark through the distribution stated and assign the correct percentages. In addition, a reallocation form to correct the distribution is required.
- H. The reallocation form must be completed by the researcher and must be signed by both the researcher and the PI. This form will be required to be attached to front of the quarterly time and effort certification report and must be returned to the Office of Research Financial Services for re-distribution through the payroll system.

VII. PAYROLL TIME REPORT CORRECTION/ADJUSTMENT FORM

- A. It is important to report time and effort carefully to avoid the necessity of making retroactive corrections. Retroactive changes in distribution may be warranted in the following exceptional situations:
 - 1. When necessary to correct clerical and data entry errors.
 - 2. When subsequent information is received indicating an incorrect original entry.
- B. The following retroactive changes and transfers will not be approved:
 - 1. When insufficient reasons and explanation are provided.
- C. Corrections to time and effort only:
 - 1. If a supervisor or a department/college business administrator in the course of reconciliation discovers a discrepancy between departmental records and the employee's time sheet before the time sheet is submitted to Payroll, the supervisor shall resolve the discrepancy with the employee. If time constraints preclude discussion with the employee, the supervisor may make revisions to the time sheet by lining out carefully and initialing the change. The supervisor shall then provide a copy of the revised time sheet to the affected employee.
 - 2. When it is necessary to make corrections as provided in Section VII.A. to time reported in a previous time period, a copy of the time sheet as submitted must be used. The erroneous material must be lined through

carefully and correct information provided and initialed by the person making the change.

3. Time reported should never be corrected by adjusting time reported in a subsequent period. The corrections should never be made using correction fluid. The revised time sheet requires the same approvals as the original time sheet. The corrected time report, corrected as noted above, must be attached to a time report correction/adjustment form (Addendum B) available from the payroll office. It must be signed by the employee and have the same signatures as the original time report. A full justification for the request must be included, and the appropriate approval signatures must be obtained prior to forwarding to the Payroll office for processing.

VIII. REVIEW AND RESPONSIBILITY

Responsible Party: Chief Financial Officer

Review: Every three years, on or before May 1

IX. APPROVAL

Kenneth Huewitt

Chief Financial Officer

A. H. L.

President

Date of President's Approval: 11/13/2017

X. REFERENCES

Fair Labor Standards Act
OMB Circulars A110 and A21
General Appropriations Act

Addendum B: Time Sheet Correction/Adjustment Form

Print Form

Texas Southern University

TIMESHEET CORRECTION/ADJUSTMENT FORM

EMPLOYEE INFORMATION

Employee Name: _____
Last First Payroll End Date

T Number: _____ Department : _____ Date: _____

ADJUSTMENT INFORMATION

Reason for Adjustment:

Addendum C: Reallocation Form