Administering Labor Expenditures on Sponsored Projects

Office of Sponsored Programs
Overview
Position Types

- **Permanent**
  - An employee hired to fill an authorized position on a full-time or part-time basis for an indefinite period of time

- **Temporary**
  - An employee hired on a full-time or part-time basis who has no continuous status (employed at will)
Permanent Positions

• 9-month Academic Year (AY) or 12-month Calendar Year (CY)
  ➢ Faculty
    ✓ Instructional (F0123Z)
    ✓ Research (F0123Z)
    ✓ Administrative (FA012Z)
  ➢ Classified Staff (01234Z)
    ✓ Justification required for sponsored awards
    ✓ Provided at proposal stage

• Review Provost and Human Resources (HR) and Payroll guidelines for hiring

Where Innovation Is Tradition
Temporary Positions

- Submitted via Electronic Personnel Action Form (EPAF) in Banner using pooled position numbers
- Some units will also submit via Upload at the beginning of each semester/term (for GR and SR positions only)
- Faculty Summer Research (SR1234)
  - 9-month faculty hired during summer
- Graduate Research Assistant (GRB123)
- Non-Student Wage (WGA123)
- Student Wage (SW1234)
- See http://hr.gmu.edu/approvals/train_manuals.php for full EPAF procedures
- Review Provost and HR and Payroll guidelines for hiring
**Pooled Position Numbers**

- Each fund is assigned a unique 4 digit letter/ number following the pooled position type prefix
- All temporary employees working on the same fund will share this pooled position number
- Each time they are rehired on this position, the suffix will change
  - 1st appointment: SWA123-00
  - 2nd appointment: SWA123-01
- Pooled positions listed in the award budget are requested by OSP from HR at award set-up
- If the pooled position does not exist, contact OSP to request from HR
- The Pooled Position Lookup Query is located under the Employee Services tab in Patriot Web Self Service
Sample Pooled Position Lookup Query

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<thead>
<tr>
<th>Fund/Org for the given position number</th>
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<tbody>
<tr>
<td>Organization Code 1</td>
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<td>Fund Code 202</td>
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### Pooled Position and code

<table>
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<tr>
<th>Academic Year Faculty Positions:</th>
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<tr>
<td>FV Faculty Overload</td>
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<tr>
<td>PC Faculty Miscellaneous Pay</td>
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<td>PO Adjunct Faculty Teaching</td>
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<table>
<thead>
<tr>
<th>Academic Year Graduate Assistant Positions:</th>
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<tr>
<td>GA Graduate Teaching Assistants</td>
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<tr>
<td>GR Graduate Research Assistants</td>
</tr>
<tr>
<td>GL Graduate Lecturer</td>
</tr>
<tr>
<td>GP Graduate Professional Assistants</td>
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<tr>
<td>RA Resident Assistants</td>
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<table>
<thead>
<tr>
<th>Summer Session Positions:</th>
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<tr>
<td>SR Faculty Summer Research</td>
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<tr>
<td>SF Summer Faculty Teaching</td>
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<tr>
<td>SP Summer Adjunct Faculty</td>
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<td>GS Summer Graduate Teaching Asst.</td>
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<table>
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<tr>
<th>Hourly Wage Positions:</th>
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<tr>
<td>WG Non-Student Wage</td>
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<tr>
<td>WC Work Study</td>
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<tr>
<td>SW Student Wage</td>
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</table>
Fringe Benefit Rates (FY16)

- Fringe is charged automatically where salary is charged
- Rates do not change based on FTE (same for both full-time and part-time)
  - Instructional and Research Faculty — 33.1%
  - Administrative Faculty — 33.1%
  - Classified Staff — 42.9%
  - Adjuncts, Special Pay, Summer Faculty, and Wages — 7.3% (FICA tax only)
  - GTAs and GRAs — 0.0%
  - Student Wages —
    - If taking a full-time class load, are generally exempt from FICA tax
    - If taking less than a full-time class load, are not eligible for the full-time student FICA tax exemption and will be charged the student fringe benefit rate for FICA tax only of 6.90%
What is included in the Fringe Rate?

- Instructional, Research, and Administrative Faculty:
  - FICA Tax
  - Group Health Insurance
  - Group Life Insurance
  - Combined Retirement
  - Workers Compensation
  - Unemployment Compensation
  - Relocation Benefits
  - Training Office
  - Sickness and Disability
  - Commuter Choice Benefit
  - Sabbatical
  - Tuition Remission

- Classified Staff:
  - FICA Tax
  - Group Health Insurance
  - Group Life Insurance
  - Combined Retirement
  - Workers Compensation
  - Unemployment Compensation
  - Relocation Benefits
  - Training Office
  - Sickness and Disability
  - Commuter Choice Benefit
  - Line of Duty Act
  - Tuition Remission
Virginia Labor Law

• “Employers must pay salaried employees at least once a month and hourly employees at least biweekly or twice a month.”
  
  Va. Code Ann. 40.1-29

• “Employers that fail to pay wages as required can be fined $1,000 for each violation. They also must pay the wages due.”
  
  Va. Code Ann. 18.2-182, 40.1-29
What can be Directly Charged to a Project?

All four criteria must apply for a cost to be charged directly to a federally sponsored project:

1. **Allowable** under both the provisions of Uniform Guidance and the terms and conditions of the specific award
2. **Allocable** meaning it can be associated to a project with a high degree of accuracy
3. **Reasonable** meaning it reflects what a “prudent person” would pay in like circumstances
4. **Consistently** treated across the University in the same or like circumstances
Confirm Prior to Charging Labor

- Review current funding for all new and existing employees (permanent and temporary)
  - Who is working on sponsored projects?
  - Are any changes needed to the current funding sources, percentage of effort, and/or effort period?
- Send an email to each PI for hiring needs and effort confirmation prior to the start of:
  - Fall semester
  - Spring semester
  - Summer term
Steps for Charging Labor

- Review the budget
  - Are there sufficient funds?
    - Check the fund’s available balance
  - Is the labor budgeted?
    - Check the labor budget line items
- Review the period of performance (POP)
  - Is the effort within the award start and end dates?
- Comply with sponsor and award terms and conditions
  - Review the award document
- Initiate Funding Change Forms (FCF), EPAFs, or Upload for charging appropriate fund(s) in a timely manner
Sample Award Budget

### George Mason University - Proposal Budget Summary

<table>
<thead>
<tr>
<th>Category</th>
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**Fringe Benefits**

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**Subtotal Personnel + Fringe**: $688,457.61

Where Innovation Is Tradition
Sample PI Report Budget

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<td>61900</td>
<td>135,042.00</td>
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Labor Account Codes

- 61100 Faculty Salaries (pooled budget)
  - 61110 Faculty Salaries Full Time
  - 61112 Post Doc Faculty Salaries
- 61200 Administrative Salaries (pooled budget)
  - 61220 Faculty Salary-Administrative
- 61300 Classified Salaries (pooled budget)
  - 61310 Classified Salaries

- 61120 Faculty Salaries Part Time
- 61130 Faculty Special Payments
- 61190 Graduate Assistants
- 61400 Wages (pooled budget)
  - 61410 Wages
  - 61420 Wages-Students Hourly
- 61900 Fringe Benefits (pooled budget)
  - 61940 Fringe Benefit Rate
Labor Account Codes – Unallowable

- Labor account codes for overtime, cell phones, and relocation should not be used on sponsored projects
  - Not allowable in most cases
  - Exceptions should be reviewed by OSP prior to the expenditure and may require sponsor approval
    - 61430 Overtime-Wages
    - 61440 Overtime-Salary
    - 61370 Cell Phone Allowance
    - 61355 Relocation Benefits Taxable
    - 61356 Relocation Benefits Non-Taxable
Labor Account Codes – Leave Payout

- Leave payouts (when an employee separates from GMU) require OSP approval for charging sponsored awards
  - HR will initiate request to OSP
  - After review, OSP will request approval from PI
    - 61320 Faculty Annual Leave Balance
    - 61321 Admin Faculty Annual Leave Bal
    - 61322 Classified Annual Leave Bal
    - 61323 Annual Leave Balance
What is reviewed by OSP?

- All FCFs, EPAFs, and Uploads that include sponsored funds will be reviewed for:
  - Available Funds ($)
  - Available Budget (B)
  - Period of Performance (P)

- FCFs (future pay and reallocations) will be processed in Banner by OSP
  - Review OSP deadlines for submitting FCFs for current pay period

- EPAFs and Uploads will be approved by OSP and processed by HR
  - Review HR deadlines for submitting EPAFs for current pay period
  - Review HR deadlines for submitting Uploads each semester/term (contact college dean’s office for assistance)
Labor Commitments

- When FCFs (future pay only) and EPAFs (GR and SR only) are processed, an encumbrance is created in Banner for the position on the fund(s) the pay will post.
  - PI Report reflects remaining amount to be paid through June 30, which is the end of the fiscal year (FY), on the fund for the salary and associated fringe.
Pre-Award Spending

- Some awards allow for pre-award expenditures to be charged directly
- If the award does not reference allowability of pre-award spending, contact OSP as a request may need to be made to the sponsor
  - Example: Faculty began work on sample collection in anticipation of the award start date
- Should be noted on any paperwork submitted
National Science Foundation Requirements

• Sponsor limit of two months total salary charged to all NSF awards in any one year for senior personnel
  ➢ Exceptions must be written into proposal and/or approved in advance by NSF
  ➢ See http://nsf.gov/pubs/policydocs/pappguide/nsf09_29/aag_5.jsp#VB1a for NSF policy

• Responsible Conduct of Research (RCR) training must be completed by all GRA, Post Doc, and Student Wage employees with effort on NSF awards
  ➢ It is recommended that the training is completed prior to the appointment start date
  ➢ See http://osp.gmu.edu/rcr/ for additional information
Processing Pay

Permanent Positions
New Faculty Appointment Guidelines

• Office of the Provost
  ➢ [http://provost.gmu.edu/faculty-appointments/](http://provost.gmu.edu/faculty-appointments/)
    ✓ George Mason University Faculty Handbook
    ✓ Faculty Hiring Proposal (FHP)
    ✓ Appointment Offer Letter templates
    ✓ Additional information/requirements depending on faculty appointment type

• Check with college dean’s office for additional information if applicable
Steps for New Hires

• Position is set-up on an org, never a fund
  ➢ Org should be identified on Position Maintenance Form (PMF): [http://budget.gmu.edu/forms/](http://budget.gmu.edu/forms/)

• Salary will default to an org when hired

• An FCF must be prepared to move the new hire to fund(s)
  ➢ This is not automatic even if you note the fund(s)/ effort distribution on the PMF or FHP
  ➢ Confirm fund(s)/ effort distribution with PI
Steps for Current Employees

• Review unit roster
  ➢ Microstrategy: Permanent Roster - Salaried
• Review current funding
• Check with college dean’s office for buyout or additional information if applicable
• Confirm funding source(s) with PI
• Prepare a FCF if:
  ➢ Funding end date needs to be changed
  ➢ Funding source(s) need to change
## Sample Roster

### Permanent Roster - Salaried

<table>
<thead>
<tr>
<th>Org</th>
<th>Acct LS</th>
<th>Employee ID</th>
<th>Employee Full Name</th>
<th>Position</th>
<th>Suffix</th>
<th>Employee Class</th>
<th>Title</th>
<th>Factor</th>
<th>Pays</th>
<th>Hourly Rate</th>
<th>Actual Percent</th>
<th>Budget Percent</th>
<th>Actual FTE</th>
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<th>Actual Salary</th>
<th>Budget Salary</th>
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Sample Funding Change Form – 9 month

George Mason University Faculty/Staff Department Funding Change Form (Temporary)

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<td></td>
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<tr>
<td>Classification</td>
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<td></td>
<td></td>
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<tr>
<td>Annual Salary or Summer Pay for Period(s) Listed</td>
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<td>Pay per pay period</td>
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</tr>
<tr>
<td>1. Future Pay</td>
<td>☑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Reallocation - complete box to the right</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Reallocation &amp; Future Pay - complete box to the right</td>
<td>☐</td>
<td></td>
<td></td>
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<tr>
<td>New Compensation/Labor Distribution</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td>Fund/Org Activity</td>
<td>%</td>
<td>Funding End Date</td>
</tr>
<tr>
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<tr>
<td>Type</td>
<td>Fund/Org Activity</td>
<td>%</td>
<td>Funding End Date</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>E&amp;G/Ind</td>
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<td></td>
</tr>
<tr>
<td>TOTAL</td>
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</table>

Check One
- Funding is for future pay only - Go to Approvals (Skip Questions 1 & 2)
Sample Funding Change Form – 12 month

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<th># of pay periods</th>
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<tbody>
<tr>
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<tr>
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<td>$20,500.00</td>
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<tr>
<td>E&amp;G/Ind</td>
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<td>0.00%</td>
<td>$0.00</td>
<td>24-Dec-20</td>
<td></td>
</tr>
<tr>
<td>E&amp;G/Ind</td>
<td></td>
<td>0.00%</td>
<td>$0.00</td>
<td>24-Dec-20</td>
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<tr>
<td>E&amp;G/Ind</td>
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<td>0.00%</td>
<td>$0.00</td>
<td>24-Dec-20</td>
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<tr>
<td>E&amp;G/Ind</td>
<td></td>
<td>0.00%</td>
<td>$0.00</td>
<td>24-Dec-20</td>
<td></td>
</tr>
</tbody>
</table>

Total: 100.00%

Check One:
- Funding is for future pay only - Go to Approvals (Skip Questions 1 & 2)
FCF Comments

• If effort is not in the budget or budget line item has insufficient funds, determine if a rebudget is needed (internal or sponsor) and explain where the funds are being rebudgeted from
  ➢ If prior approval is required from the sponsor for a rebudget, contact OSP
• Provide a guarantee org if FCF start and/or end dates are outside POP and note that an extension is expected
• Provide a guarantee org if there are insufficient funds and note that an increment is expected
Reminders

- Only 12-month employees are paid on their permanent position during the summer months
  - Paid over 24 semi-monthly (SM) pay periods (CY)
- 9-month employees are paid 8/25 – 5/24 on their permanent position
  - Paid over 18 semi-monthly pay periods (AY)
  - Permanent position will be placed on leave 5/25 – 8/24 (cannot charge permanent position during summer)
  - Summer salary is charged via temporary assignment (SR pooled position)
  - Salary will default back and charge to hiring org on 8/25
    - Spring funding distribution will not continue after 5/24
    - Summer funding distribution will not continue after 8/24
Changing or Terminating Permanent Positions

• Human Resources and Payroll
  ➢  http://hr.gmu.edu/forms/
    ✓  Faculty Transaction Form (FTF)
    ✓  Classified Transaction Form (CTF)
    ✓  Faculty Separation Form (FSF)
    ✓  Classified Separation Form (CSF)

• Ensure forms are submitted well in advance to the effective date of the change/termination to avoid payroll adjustments

• If a PI, Co-PI, or Senior Personnel on a sponsored project is leaving GMU, notify OSP as soon as possible
  ➢  Sponsor notification may be required
Processing Pay

Temporary Positions - Faculty Summer Research
Summer Research Pay

• Maximum summer salary is 33% of 9-month faculty AY salary (divide base pay by 3)

• Summer salary includes pay for all appointments at GMU (summer research, teaching, and stipends for administrative duties)
  ➢ “Faculty may be paid no more than one third of their prior academic year salary for all summer work, regardless of funding sources.”

  George Mason University Faculty Handbook – 3.3 Summer Salary

• SR amount per pay period should not exceed AY amount per pay period

• Summer salary is not benefited (only 9-month position)

• Check with college dean’s office for additional information if applicable

• Review details of appointment with PI
Summer Research Pay: Example 1

• Dr. Smith is only working on sponsored research during the summer
• Three months of summer pay was budgeted on fund 203XXX
• What is the maximum amount the faculty can be paid?
  ➢ Dr. Smith’s 9-month AY base salary (8/25 – 5/24): $90,000
  ➢ Max summer salary: $90,000 / 3 = $30,000
  ➢ Amount per pay period for AY: $90,000 / 18 = $5,000
  ➢ Max amount per pay period for summer: $30,000 / 6 = $5,000
  ✓ Cannot be paid $30,000 in 1 month ($30,000 / 2 = $15,000)
Summer Research Pay: Example 2

- Dr. Smith has budgeted three months of summer pay for sponsored research on fund 203XXX
- Dr. Smith is also teaching one summer course
- What is the maximum amount the faculty can be paid from sponsored funds?
  - Dr. Smith’s 9-month AY base salary (8/25 – 5/24): $81,000
  - Amount for teaching summer course: $8,100
  - Max summer salary: $81,000 / 3 = $27,000
  - Max to be paid off award: $27,000 - $8,100 = $18,900
  - Max amount per pay period from award: $18,900 / 6 = $3,150
Summer Research Pay: Example 3

- Dr. Smith’s base AY salary is $120,000
- Dr. Smith is also paid a $10,000 AY stipend as the department chair
- Dr. Smith is going to be paid a $2,000 summer stipend as the department chair
- Summer pay for sponsored research was also budgeted on fund 203XXX
- What is the maximum amount the faculty can be paid from sponsored funds?
  - Max summer salary: $120,000 / 3 = $40,000
  - Max to be paid off award: $40,000 - $2,000 = $38,000
  - Max amount per pay period from award: $38,000 / 6 = $6,333
SR EPAF Comments

- Include fund number
- If summer research effort is not in the budget or budget line item has insufficient funds, explain where the funds are being rebudgeted from
- Provide a guarantee org if summer research start and/or end dates are outside POP and note that an extension is expected
- Provide a guarantee org if there are insufficient funds and note that an increment is expected
- Include calculation for summer pay:
  - AY base salary = $
  - AY per pay period = $
  - 1/3 of AY (maximum total summer pay) = $
Canceling a SR Appointment

- Use when an entire SR appointment needs to be canceled prior to the start of the appointment.
- Select the Early Termination SR EPAF approval category.
- The termination effective date is the same as the start date of the appointment.
- To ensure that payment is not received for 1 day, include a comment stating “Cancel entire appointment.”
- HR must receive EPAF in time to stop payment before payroll is processed (at least 3 business days before the last day of the pay period).
Early Termination of an SR Appointment

• Use when a SR appointment needs to be terminated prior to the originally planned end date
• Select the Early Termination SR EPAF approval category
• The termination effective date should be the last day worked
  ➢ Banner will prorate the earnings for the pay period if the termination date is not the last day of the semi-monthly pay period
• HR must receive EPAF in time to stop payment before payroll is processed (at least 3 business days before the last day of the pay period)
Processing Pay

Temporary Positions - GRA
GRA Eligibility

- Eligibility requirements for AY:
  - Full-time graduate student must be enrolled in 6 credits or more
  - Part-time graduate student must be enrolled in 3 credits or more

- Eligibility requirements for Summer:
  - Students do not need to be enrolled during the summer
  - Must be a graduate student in the Spring semester continuing as a graduate student in the upcoming Fall semester
  - If a graduate student in the Spring semester graduates from GMU, cannot be a GRA for Summer (hire as a wage for Summer)
  - If a newly admitted graduate student in the upcoming Fall semester, cannot be a GRA for Summer (hire as student wage for Summer)
GRA Guidelines

• Office of the Provost
  ➢ http://provost.gmu.edu/graduate-student-appointments/
    ✓ Graduate Student Support Guidelines
    ✓ Compensation Rates
    ✓ Appointment Offer Letter template
    ✓ Subsidized Graduate Student Health Insurance (SGHI) information

• Check with college dean’s office for additional information if applicable

• Review details of appointment with PI
GRA Hours

• Maximum AY hours (total of all appointments)
  ➢ 20 hours per week
  ➢ Up to 40 hours per week during breaks
• Maximum Summer hours (total of all appointments)
  ➢ Up to 40 hours per week if not enrolled or working at another job
• Hours must be included in appointment offer letter
• Hours per day/per pay based on hours per week for Banner:

<table>
<thead>
<tr>
<th>Weeks (not entered in Banner)</th>
<th>Hours per Day (entered in Banner)</th>
<th>Hours per Pay (entered in Banner)</th>
</tr>
</thead>
<tbody>
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<td>2</td>
<td>21.67</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>10.83</td>
</tr>
</tbody>
</table>
GRA Pay Dates

- **Academic Year**
  - Full AY: 8/25 – 5/24 (18 semi-monthly pay periods)
  - Fall semester only: 8/25 – 1/09 (9 semi-monthly pay periods)
  - Spring semester only: 1/10 – 5/24 (9 semi-monthly pay periods)

- **Summer**
  - 5/25 – 8/24 (6 semi-monthly pay periods)
GRFA EPAF Personnel Dates

• In order to properly report and pay GRAs, consideration must be given to their actual physical start and end dates.

• In instances where the GRA begins and/or ends work on a date other than the start or end date of a semi-monthly pay period, the GRA record should properly reflect this situation.

• Personnel Dates in the EPAF should be used to note the actual work dates for the GRA.

• Pay will not be prorated based on personnel dates.
  ➢ Consideration should be made to the salary for a GRA appointment when work will begin after or end before a pay period start/end date.
Example: Personnel Dates

• Project Period of Performance:
  ➢ September 1 – May 15

• GRA will work during the AY
  ➢ EPAF Start Date: 8/25
  ➢ EPAF End Date: 5/24
    ✓ EPAF Personnel Start Date: 9/1
    ✓ EPAF Personnel End Date: 5/15
GRA EPAF Comments

• Include fund number
• Include personnel dates and explanation for use
• If GRA effort is not in the budget or budget line item has insufficient funds, explain where the funds are being rebudgeted from
• Provide a guarantee org if GRA start and/or end dates are outside POP and note that an extension is expected
• Provide a guarantee org if there are insufficient funds and note that an increment is expected
Canceling a GRA Appointment

• Use when an entire GRA appointment needs to be canceled prior to the start of the appointment
• Select the Early Termination GRA EPAF approval category
• The termination effective date is the same as the start date of the appointment
• To ensure that payment is not received for 1 day, include a comment stating “Cancel entire appointment”
• HR must receive EPAF in time to stop payment before payroll is processed (at least 3 business days before the last day of the pay period)
Early Termination of GRA Appointment

• Use when a GRA appointment needs to be terminated prior to the originally planned end date
• Select the Early Termination GRA EPAF approval category
• The termination effective date should be the last day worked
  ➢ Banner will prorate the earnings for the pay period if the termination date is not the last day of the semi-monthly pay period
• HR must receive EPAF in time to stop payment before payroll is processed (at least 3 business days before the last day of the pay period)
Processing Pay

Temporary Positions - Wages
## Wage Position Types

<table>
<thead>
<tr>
<th>Student Wage (SW)</th>
<th>Non-Student Wage (WG)</th>
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<tbody>
<tr>
<td>Primary relationship is the pursuit of an academic degree while working part-time</td>
<td>Primary relationship is to provide a service in exchange for wages</td>
</tr>
<tr>
<td>If enrolled as a full-time student, fringe rate not charged (FICA exempt)</td>
<td>Wage fringe rate charged</td>
</tr>
<tr>
<td>Student fringe rate charged if enrolled as a part-time student (not FICA exempt)</td>
<td></td>
</tr>
<tr>
<td>Every payroll is compared with Registrar’s List – if not a full-time student, student fringe rate is charged</td>
<td>Full-time students hired as wage employees will be charged fringe</td>
</tr>
<tr>
<td>Terminate as SW when graduated, rehire as WG</td>
<td>Terminate as WG, rehire as SW if employee becomes a student</td>
</tr>
</tbody>
</table>
Wage Guidelines

• Human Resources and Payroll
  ➢ http://hr.gmu.edu/welcome/parttime.php
  ✔ Wage Welcome Letter
  ✔ Employment Forms

• Check with college dean’s office for additional information if applicable

• Review details of appointment with PI
Wage Hours

- As a state agency, GMU is required to limit wage employee (non-student and student) hours to 29 per week on average and no more than 1,500 per year for all jobs at GMU.
- The standard measurement period will be from May 1 to April 30.
- Additional information on the Affordable Care Act can be found at: http://hr.gmu.edu/workforceplanning/ACA_FAQ.php.
- Hours per day/per pay based on hours per week for Banner:

<table>
<thead>
<tr>
<th>Weeks (not entered in Banner)</th>
<th>Hours per Day (entered in Banner)</th>
<th>Hours per Pay (entered in Banner)</th>
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<tbody>
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<td>1</td>
<td>10.00</td>
</tr>
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</table>
Wage EPAFs

- Must use wage approval category with termination date for sponsored funds
- Include a distinctive title for position
  - Helps employee know which timesheet to use in Patriot Web if they hold multiple positions at GMU
- Wages are paid on the bi-weekly (BW/26) pay schedule
- Auditors may want to make sure the pay is comparable to others doing the same job
Wage Timesheet Approval

- Timesheet Approver needs to verify hours
  - Must have first-hand knowledge of work (PI/ Direct Supervisor)
  - Timesheet is the payroll certification for the employee
  - Timesheet approver’s department will incur a $100 fee for any bi-weekly wage timesheet not properly approved by the deadline
    - Fee cannot be charged to sponsored projects
    - Highly recommended that approvers name a proxy for both planned and unplanned absences
    - See [http://hr.gmu.edu/payroll/documents/TimesheetChargesFAQ.pdf](http://hr.gmu.edu/payroll/documents/TimesheetChargesFAQ.pdf) for additional information
Wage EPAF Comments

- Include fund number
- Brief job description
- Estimate maximum hours to be worked or maximum pay expected to earn
- Timesheet approver name, G number, and position number
- HR approval (obtained prior to submission) if pay rate is higher than $35 per hour
- If wage effort is not in the budget or budget line item has insufficient funds, explain where the funds are being rebudgeted from
- Provide a guarantee org if wage start and/or end dates are outside POP and note that an extension is expected
- Provide a guarantee org if there are insufficient funds and note that an increment is expected
Early Termination of Wage Appointment

- Use when a wage appointment needs to be terminated prior to the originally planned end date
- Select the appropriate Early Termination wage EPAF approval category
- The termination effective date should be the last day worked
- HR must receive EPAF in time to stop payment before payroll is processed (at least 3 business days before the last day of the pay period)
Overtime Pay

- Not an allowable charge on most sponsored projects
- More than 40 hours reported in a 1-week period
  - Sunday-Saturday
  - Total of all appointments
- Will be paid 1.5 times the regular hourly rate
  - Example: If employee works 42 hours in week 1 and 38 hours in week 2 for a total of 80 hours, overtime pay will be processed for week 1
Cost Share for Labor Expenditures
Tracking Labor Cost Share

- Review award budgets for labor cost share
  - Labor not charged directly to a sponsored project
- Confirm cost share effort with PIs
- Identify org where cost share effort is charged
  - Included on proposal routing form
- Submit FCF with activity code(s) to track effort associated with sponsored project(s)
  - Activity codes are assigned to sponsored projects during award set-up and included in OSP award letters
    - 00 followed by last four digits of fund number for federal award activity code
    - 99 followed by last four digits of fund number for non-federal award activity code
    - SC followed by last four digits of fund number for salary cap activity code
Sample Cost Share Budget

<table>
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<tr>
<th>George Mason University - Proposal Budget Summary - Cost Share</th>
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<tbody>
<tr>
<td>Coeus Number: 0000</td>
</tr>
<tr>
<td>Proposal Number: 11</td>
</tr>
<tr>
<td>Proposal Title:</td>
</tr>
<tr>
<td>Investigator:</td>
</tr>
<tr>
<td>Sponsor: Police County Prevention Department</td>
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<tr>
<td></td>
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<tr>
<td>Senior Personnel</td>
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<tr>
<td></td>
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<tr>
<td>Faculty Salary: Academic Year</td>
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<tr>
<td>Cost-Share 2.51</td>
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<tr>
<td>$3,009.23</td>
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<tr>
<td>Faculty Summer Salary</td>
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<td>Cost-Share 3.34</td>
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<td>$2,386.68</td>
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<tr>
<td>Fringe Benefits</td>
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<tr>
<td>$1,208.52</td>
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<tr>
<td>$1,208.52</td>
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<tr>
<td>Subtotal Personnel + Fringe: $6,604.43</td>
</tr>
<tr>
<td>Total Cost Share: $8,321.58</td>
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Sample Cost Share FCF

George Mason University Faculty/Staff Department Funding Change Form (Temporary)

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</table>

**Job Information**

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</tr>
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<td>Campus/Location</td>
<td>Last Name</td>
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<tr>
<td>Position Number</td>
<td>Middle Name</td>
</tr>
<tr>
<td>Job Title</td>
<td>Title</td>
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<tr>
<td>Classification</td>
<td>Salary</td>
</tr>
<tr>
<td></td>
<td>Pay Period</td>
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**Funding Change Reason**

- 1. Future Pay
- 2. Reallocation - complete box to the right
- 3. Reallocation & Future Pay - complete box to the right

**New Compensation/Labor Distribution**

<table>
<thead>
<tr>
<th>Type</th>
<th>Fund/Org Activity</th>
<th>%</th>
<th>Funding End Date</th>
<th># of pay periods</th>
</tr>
</thead>
<tbody>
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<tr>
<td>Fund</td>
<td>Instruction</td>
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<td>$4,750.00</td>
<td>9-Jan-20</td>
</tr>
<tr>
<td>Fund</td>
<td>Instruction</td>
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</tr>
<tr>
<td>Fund</td>
<td>E&amp;G Ind</td>
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<td>9-Jan-20</td>
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<td>Fund</td>
<td>E&amp;G Ind</td>
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<td>9-Jan-20</td>
</tr>
</tbody>
</table>

**Check One**

- Funding is for future pay only - Go to Approvals (Skip Questions 1 & 2)

**TOTAL**

| %    | 50.00% | 50.00% | 100.00% | OK |

**Check One**

- Funding is for future pay only - Go to Approvals (Skip Questions 1 & 2)
Salary Cap Cost Share

• 12-month CY and 9-month AY faculty who exceed the salary cap for NIH and DOJ awards:
  ➢ SC activity code with org must be included to track the cost share portion on FCF

• For faculty summer research:
  ➢ Create 2 EPAF positions (contact college dean’s office for assistance)
  ➢ First EPAF for position on project
  ➢ Second EPAF for position on org with SC activity code in comment
  ➢ Submit FCF after summer pay has posted to add SC activity code
Reallocation of Labor Expenditures
Changing Employee Effort

- **Permanent Positions**
  - Process a FCF to revise future pay
  - If pay was already charged to the wrong funding source(s), process a FCF to correct (reallocation)

- **Temporary Positions**
  - Early terminate employee from current temporary appointment via EPAF
  - Hire employee on new temporary appointment via EPAF
  - If pay was already charged to the wrong funding source(s), process a FCF to correct (reallocation)
  - Process an EPAF Correction Form for other adjustments requiring a manual correction from HR

  ✓ [http://hr.gmu.edu/forms/](http://hr.gmu.edu/forms/)
## FCF vs. EPAF Submission

<table>
<thead>
<tr>
<th>Position Type</th>
<th>Future Salary</th>
<th>Reallocation of Salary Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Positions: 12-month &amp; 9-month Faculty &amp; Staff</td>
<td>Faculty/Staff FCF</td>
<td>Faculty/Staff FCF</td>
</tr>
<tr>
<td>Temporary Positions: Faculty Summer Research</td>
<td>SR EPAF or Summer Upload</td>
<td>Faculty/Staff FCF</td>
</tr>
<tr>
<td>Temporary Positions: GRA</td>
<td>GRA EPAF or Fall/Spring/Summer Upload</td>
<td>GA FCF</td>
</tr>
<tr>
<td>Temporary Positions: Wages</td>
<td>WG or SW EPAF</td>
<td>Wage FCF</td>
</tr>
</tbody>
</table>
Reallocation FCF Comments

• Include a detailed reason for the reallocation if moving on or off sponsored projects
  ➢ What happened and why?
• If moving onto a federally sponsored project, answer questions 1 & 2
• Include any other information that may be needed for OSP review
Sample Reallocation FCF
## Sample Reallocation FCF

### Check One

- **☐** Funding is for future pay only - Go to Approvals (Skip Questions 1 & 2)
- **☐** All Funding is on orgs (1xxxx) or non-federal projects (2xxxx) - Go to Approvals (Skip Questions 1 & 2)
- **☒** Funding change is to reallocate salary paid < 120 days from effective date of funding on a federal project (2bxxxx) – Answer Q1 & Q2
- **☐** Funding change is to reallocate salary paid 120 days or more from effective date of funding on a federal project (2bxxxx) – Answer Q1 & Q2 and answer both questions on a Cost Transfer Form

### 1) Why was the salary charged originally to the sponsored project or non-sponsored org from which it is being transferred?

Portion of PI salary temporarily charged to indirect org while awaiting new award to arrive.

### 2) Why does the salary belong to the sponsored project to which it is being transferred?

New award letter was received 2/26/20 and set-up on fund 202. Effort related to NASA award was for initial data collection during this time.

<table>
<thead>
<tr>
<th>Approvals</th>
<th>Date</th>
<th>To be used by OSP ONLY. Reviewer:________</th>
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</thead>
<tbody>
<tr>
<td>Submitter/Initiator (Print Name, Signature)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Miller</td>
<td></td>
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<tr>
<td>Principal Investigator</td>
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<td></td>
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<tr>
<td>Jane M. Smith</td>
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<tr>
<td>Dean/Director</td>
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<tr>
<td>Mark Taylor</td>
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<tr>
<td>Dept Head</td>
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<tr>
<td>Ann Jones</td>
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<tr>
<td>Sponsored Programs (if applicable)</td>
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<tr>
<td>Budget Office (if applicable)</td>
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<tr>
<td>Provost (if applicable)</td>
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</table>

<table>
<thead>
<tr>
<th>Grants</th>
<th>Amounts</th>
<th>$</th>
<th>B</th>
<th>P</th>
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<tr>
<td>202</td>
<td>$1,791.57</td>
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<td>222</td>
<td>$895.83</td>
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</table>
Cost Transfers for Labor Expenditures
Cost Transfer Policy

- Ensure compliance with federal policies and guidelines related to the transfer of expenses to federally funded sponsored projects
- Defined as a transfer of expenses to a federally funded sponsored project for a transaction previously recorded elsewhere
- All cost transfers must be approved by OSP
- See [http://universitypolicy.gmu.edu/policies/cost-transfer-policy/](http://universitypolicy.gmu.edu/policies/cost-transfer-policy/) for full policy details
Reasons for Cost Transfers

• The federal government recognizes that there are instances when it is appropriate to transfer expenditures to a federally sponsored project if:
  ➢ There is sufficient justification
  ➢ The transfer is done in a timely manner

• Appropriate reasons include:
  ➢ Allocate costs that benefit more than one project
  ➢ Reallocate planned effort to reflect actual effort
  ➢ Correct erroneously charged expenses
  ➢ Transfer pre-award costs

• Should occur infrequently
Cost Transfer Approval

- Cost transfers will only be approved in extenuating circumstances such as the following:
  - A new sponsored fund was created under the same sponsored award with concurrent budget periods and no restrictions on carryforward between funds
  - Award set-up delayed because of late award notice (transfer of costs incurred elsewhere need to be done within 60 days of the establishment of new fund)
  - Failure of another department or central office to take corrective action (submitting department should show documentation indicating continued follow-up efforts)

- The following are not considered appropriate extenuating circumstances:
  - Administrative oversight
  - Absence of PI or departmental staff
  - Shortage of staff
  - Lack of experience of staff
Cost Transfer Form

- Form is not required if the transfer is 119 days or less from the effective date of the FCF to the date received in OSP.
- Form is required if the transfer is 120 days or more from the effective date of the FCF to the date received in OSP.
  - Form should provide a clear and detailed explanation for the cost transfer.
  - Sufficient supporting documentation should be included.
Fiscal Year End Deadlines

- GMU fiscal year ends June 30th
- Controller will post a memo prior to fiscal year end with cut-off dates for processing cost transfers
- Transfers that involve payroll charges incurred after the deadlines outlined in the memo will require prior approval from the Controller before processing
- OSP will review all prior fiscal year transactions that impact sponsored funds before submitting request to Controller
- Additional information and/or documentation may be requested for the prior fiscal year transactions
Best Practices

- Expectation that all PIs and responsible departmental staff charge the correct sponsored project initially
- The PI or designee with direct knowledge of the sponsored project must review and monitor the sponsored project on a regular basis to ensure:
  - Expenditures are charged appropriately
  - Errors are identified in a timely manner
  - Appropriate corrective actions are taken within the specified timeframe
Monitoring Labor Expenditures

• Review 1st pay for each employee at the beginning of each semester
  ➢ Look at the list of personnel charged to each sponsored project
    ✓ Is the pay correct?
    ✓ Are new hires are in the system?
    ✓ Is anyone missing?
    ✓ Do you need to move anyone off of the sponsored project?
    ✓ Have any terminated employees been paid in error?
    ✓ Confirm any missed pays were processed
    ✓ Confirm all reallocations were processed

• Correct errors in a timely manner
• Monitor budget lines/balances
Reconciliation

- Regular reconciliation and review/ monitoring of sponsored project expenditures will eliminate the chance for disallowed cost transfers
  - University Policy 2114 requires that all sponsored funds be reconciled at least every two months, but monthly reconciliation is strongly encouraged
Unacceptable Practices

- At no time should sponsored project funds be used as a holding account for charges that are known to belong elsewhere
- Not monitoring/reconciling projects
- Rotation of charges among projects
- Charging projects based on available budget
- Charging budget, not actual amount
- Charging projects in advance of when cost is incurred
- Charging indirect costs as direct costs
- Describing a cost as something other than what it is
Questions?

Contact:

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afucciba@gmu.edu