

UC Santa Barbara
Policies
Issuing Unit: Contracts & Grants

Policy 1655
Date: July 1, 1973

UNDER REVIEW
CONTACT OFFICE OF RESEARCH

SUBSTANTIATION
OF SALARY AND WAGE CHARGED TO U.S.
GOVERNMENT CONTRACTS AND GRANTS

I. PURPOSE AND SCOPE:

Job time records must be maintained for all staff employees whose salaries are charged to Federal contracts and grants. Monthly "after-the-fact" reviews of employee time charged to Federal agreements must be conducted by department chairman for all academic employees whose salaries are charged to Federal contracts and grants. This procedure describes the records and reports which must be prepared and maintained to substantiate the salary and wage costs of University employees which are charged directly to U.S. Government contracts and grants.

II. REFERENCES:

- A. U.S. Office of Management and Budget (OMB) Circular No. A-21.
- B. University of California Business and Finance Bulletins:
 - 1.G-6, Substantiation of Salary and Wage Charges to U.S. Government Contracts and Grants.
 - 2.G-5, General Assistance Time Reporting.
 - 3.G-23, Records Retention Program for Financial Documents Pertaining to Government Contracts and Grants.
 - 4.IA-101, Internal Control Standards Departmental Payrolls.
- C. University of California Policy and Procedure Manual for Contract and Grant Administration, Appendix B.
- D. UCSB Research Circular, No. 6-73, Policy on the Substantiation of Salary and Wage Charges to U.S. Government Contract and Grants.

III. PROCEDURE:

- A. Staff Personnel:
 - 1. Basic substantiation of salary and wage costs charged directly to U.S. Government contracts and grants include:
 - a. Employment Certification, University Form U1600.
 - b. Change of Employment Status, University Form U1601.

c. Payroll Time Sheet University Form U421.

2. The forms noted above must be supported by either a Daily Attendance Record Form, PR 1730), for all staff, or a Payroll Report Form, Acct. 2R for all hourly rated employees.
3. Data accumulated on these forms are to be used as a basis for the payroll distribution of monthly salary costs of the individuals concerned. It is recommended that a separate Daily Attendance Record Form or a Payroll Report Form be maintained for each-account to be charged.

B. Academic Personnel:

1. Basic substantiation of salary and wage costs charged directly to U.S. Government contracts include:
 - a. Employment Certification, University Form U16W.
 - b. Change of Employment Status, University Form U1601.
2. These forms must be supported by a monthly "after-the-fact" review of salary and wage charges reported on the monthly Distribution of Payroll Expense, PR070A to assure that the time of academic employees, including graduate students (Title Codes 1000-3999), charged to individual Federal agreements is consistent with the actual distribution and performance of workload within the department.

C. Responsibilities:

1. Directors, Department Heads or equivalent academic officials are responsible for making the monthly "after-the-fact" review of salary and wage charged for academic employees, and certifying their accuracy with their signature. Discrepancies noted as a result of the review must be reported promptly to the Accounting Officer by forwarding appropriate adjustment documents (DPC 9 entitled Request for Transfer of Payroll Expense and/or Change of Employment Status Form U1601), to accomplish proper adjustment of the accounting and employee earnings records.
2. Directors, Department Heads or Principal Investigators are responsible for certifying to the accuracy of staff personnel Daily Attendance Records and/or Payroll Report Forms.
3. Any delegations by Directors, Department Heads or Principal Investigators to other academicians must be in writing, with a copy to the Accounting Office.
4. Accounting Officer is responsible for:
 - a. Keeping Department Heads and Principal Investigators advised of the supporting documents required to substantiate salary and wage payments charged directly to U.S. Government contracts and grants.

- b. Transmitting the monthly Distribution of Payroll Expense, PR070A, and the adjustment of accounting records as prescribed in paragraph I I I .C.1. above.
- c. Conducting periodic reviews of departmental records.

D. Records Retention:

- 1. The Department or Organized Research Unit is to retain detailed time records supporting the Payroll Time Sheet (e.g., daily attendance and job time records) for audit review for five years.
- 2. Accounting Officers are to retain the original copy of the Payroll Time Sheet (Form U421) for audit review for five years or as determined by the specific contract/grant.

Please direct questions about these policies to Meta.Clow@vadmin.ucsb.edu. For questions or comments regarding the format of the above information, please contact webcontact@ucsbuxa.ucsb.edu.

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