



FALL Semester 2014

DATE: March 3, 2015
TO: Business Administrators
FROM: Patrick Clark, Director, GCC
RE: Labor Verification Statement Instructions

The federal Office of Management and Budget Uniform Cost Principles, require periodic confirmation of distributed effort charges. The enclosed employee Labor Verification Statements (LVS) show distributed employee effort for the period indicated above.

Purpose

Labor Verification is a process mandated by the federal government to verify that direct labor charges to or cost shared on Federally sponsored agreements are reasonable and reflect actual work performed. Labor Verification is also required to ensure that facilities and administrative (indirect) charges to federal awards are reasonable. To ensure that the Labor Verification System reasonably reflects actual effort performed, the person certifying the statement must be a person with suitable means of verification of the performance (NOT a business manager). **Signed Labor Verification Statements are considered legal documents in which an individual attests to the accuracy of the effort spent on sponsored projects.**

Deadline for Return

All original forms must be reviewed for accuracy and completeness. If the forms are correct, they must be signed, dated and returned to Government Cost Compliance, ML 0225, **on or before Friday April 17, 2015**. Department heads, Deans, and the Provost's office will be copied on escalated late notices.

Failure to return signed LVS within the requested time frame may prompt Federal audit scrutiny of the University and your department, so GCC includes the following excerpt from UC's Effort Reporting Policy as a reminder **"Failure to certify effort or labor verification within the date parameters specified may result in disciplinary action and postponement of pending proposals and a reduction of the unit's F&A return".**

By reviewing the LVS right away, you can more quickly identify errors on a timely basis thus preventing future LVS corrections or late cost transfer rejections.

If there are any questions, please contact Janet Brown at 558-2604 or email at brown2jt@uc.edu. Also, please refer to the FAQ's on the GCC website <http://www.uc.edu/af/budgetfinsvcs/gcc.html>

Content

- ❖ LVS forms are generated for each employee with sponsored award-related salary charges (not including fringe benefits), either directly or cost-shared, during the period noted.
- ❖ Certain wage types are EXCLUDED from this form, including **OEXC** (extra compensation) which is verified with separate documentation, as well as several wage types that are consider outside of an employee's institutional base salary, such as **AWD** (award), **OBNS** (bonus), **OROY** (royalty payments), **OADL** (additional pay), and others.
- ❖ **Work Study** is also considered "non-sponsored". When an employee's only federal award is work study, an LVS will not be generated. Where there are sponsored sources in addition to work study, the work study charge is included with the employee's "Non-Sponsored" effort.

Reporting Periods

LVS forms are generated for each academic semester. Regardless of classification and/or contractual agreement, all employees with sponsored award-related salary charges are included.

Verification

❖ Review and Correction

- Review each LVS against the appropriate grant budgets and the LH100E report from BW. If significant corrections (**as a guideline, at least plus or minus 5 % of the total effort on the project**) are necessary, take the following steps.
- Initiate the process of the PCR/CTR. Indicate on the LVS the dates the PCR/CTR was initiated.
- After the changes have taken place in the HR system, a revised reprint of the LVS will be generated by GCC. Reprints will be sent in PDF format via email.
- The department will verify that the LVS is now correct and present it to the PI for signature.
- When the amount/percentages are correct and the PI has signed, return the certification to GCC.

NOTE: PREVIOUSLY CERTIFIED EFFORT MAY BE MOVED TO A DEPARTMENTAL FUND, HOWEVER IT MAY NOT BE MOVED TO A GRANT.

❖ Signature Criteria

- PI or Faculty signature certifying verification is obtained only after the LVS is correct and a clean LVS is available. Thus, if a change is needed to be made by PCR/CTR, the signature will be obtained **after** the revised LVS is received in the department.

- **Type 1:** Statements are grouped by project (SAP grant number), rather than by employee. They include the effort for every employee who worked on a particular grant during the period. The PI, whose name appears at the top, signs one time for the entire group. There is an additional section on the bottom of these statements that displays full-time faculty effort on the project. This is for the PI's reference, as the PI does not certify for these employees.
- **Type 2:** Statements are for full-time faculty and most academic director positions (i.e. President, Provost, Deans, Dept. Heads, and Directors Academic). They appear similar to the statements you have seen in the past, and cover 100% of the effort for each employee. These statements are routed to the home department of the employee, who should sign and date accordingly. Please note that there is now only one signature line on each statement to eliminate any confusion.
- **Type 3:** Statements are limited to one per department. This statement covers the non-sponsored effort (referred to as "all other" effort on past statements) for part-time faculty, staff, and students who worked on sponsored programs. In the past, the "all other" section for part-time faculty, staff, and students was signed by an individual (often the department BA) to certify that the amount listed was a reasonable estimate of time spent on non-sponsored activities. This will still be the case, but now, the effort for all part-time faculty, staff, and students will be covered by this single statement, and the non-sponsored effort for these employees will be certified on the Type 1 Statement described above.
- If the designated signatory is unavailable due to extended absence, separation, or an unforeseen circumstance, the Department Head, Dean, or other representative with suitable means of verification may certify the statement. The representative certifying the statement must include his/her title next to the signature.
- We will also accept an e-mail from the PI referencing the employee by name, academic year and semester, the percentage of effort being certified for each grant listed and attached to the LVS.
- If there is a question about who should sign, please contact **Janet Brown at 558-2604** or brown2jt@uc.edu.
- **ONLY ONE SIGNATURE IS REQUIRED!**
- **Statements with a missing signature or date will be returned to the department and considered "not received".**
- **Statements with CTRs pending on the LVS due date are considered "late" and may receive escalated late notices, up to the Provost's office.**