

Smithsonian Institution Office of Sponsored Projects

Time and Effort on Sponsored Projects

Smithsonian employees (Federal and Trust) contribute to Sponsored Projects with their time and effort. Labor is charged to Sponsored Projects according to the following grid.

Funding Instrument	Source of Labor	
	Federal Employee	Trust Employee
Service Contract	Reimburse the appropriation fund using SI-3725, Inter-Unit Reimbursement form**.	Charge payroll directly to the award with a PAMD form. Reimburse the trust fund using SI-3725, Inter-Unit Reimbursement form** when the PAMD form is an undue burden.
Cost Reimbursable Contract		
Nonfederal Grant		
Federal Grant	Not Allowable	

** The transfer must go to the location of the actual payroll expense (i.e. fund type 000, 401). In this way, the payroll expense and the reimbursement will be matched in the same fund type. SI staff will not receive additional pay for project activity. Units will follow the costing methodology used to develop proposals to the sponsors. The payroll report is required backup.

KPMG and DCAA auditors annually audit Sponsored Projects with a high level of scrutiny for the above application of labor. The auditors have questioned expenses and business practices in the past, and that review resulted in an audit finding in 2005. Audit findings become a part of the Smithsonian financial statement, and must be provided to Smithsonian sponsors for review. OSP is tasked by the Smithsonian to help units avoid audit findings so that sponsors will not refuse to make future awards to the Smithsonian, disallow costs on existing awards, or charge penalties to units.

The audit finding was for not providing support documentation to substantiate the amount of repayment for federal employee's time. The audit finding required the Smithsonian to change business practices to adequately document transfers prior to completing the transfer.

The Smithsonian can comply with the auditors requirements and prevent a similar audit finding by using form SI-3725 accompanied by the SI Payroll Cost Report containing the actual payroll costs. After the salaries post, the Payroll Cost Report will identify the salary amount for each employee, the payroll period, and the fund from which the employee is paid. All or a portion of the salaries may be reimbursed proportionate to the time each employee performs duties on the project. Federal funds must be reimbursed for Federal time and Trust funds must be reimbursed for Trust time. The Smithsonian is unable to reimburse Federal salaries to a Trust account because that action would result in a double charge to the federal government. When preparing the SI-3725, ERP class code 2526 Other Professional Services, will be used to post reimbursements.

Attachments: SI form 3725 sample

FROM (PURCHASE) CHARTFIELDS

ITEM NO	FUND	BUD REF	DESIGNATED CODE	DEPARTMENT ID	ACCOUNT	CLASS	PROGRAM	PROJECT ID	ACTIVITY ID	AMOUNT
1	803		66XXXX	400000	6999	2526	4120			
2										
3										
4										
FROM DEBIT TOTAL										➔

TO (SALE) CHARTFIELDS

ITEM NO	FUND	BUD REF	DESIGNATED CODE	DEPARTMENT ID	ACCOUNT	CLASS	PROGRAM	PROJECT ID	ACTIVITY ID	AMOUNT
1	000	200X	088803	400000	6998	2526				
2										
3										
4										
TO CREDIT TOTAL										➔

ITEM NO.	DESCRIPTION OF SUPPLIES OR SERVICES
1	
2	Reimburse the appropriated fund for Tom Smith, Patty Holder, and Marty Wise labor costs to the Research Integrity Sponsored Project (see attached labor report)
3	
4	

PURCHASE (FROM) APPROVED BY	
NAME	DATE
ORGANIZATION	PHONE NUMBER

SALE (TO) APPROVED BY	
NAME	DATE
ORGANIZATION	PHONE NUMBER

INSTRUCTIONS FOR SI-3725
INTER-UNIT REIMBURSEMENTS

Please read the following instructions before filling out the information. Questions on the preparation of the SI-3725 should be addressed to the Office of the Comptroller, Financial Analysis and Reporting Division, 750 Ninth Street, N.W., Suite 5100, Washington, D.C. 20560.

NOTE: SUBMIT ORIGINAL WITH SIGNATURES TO OC. RETAIN ONE (1) COPY FOR UNIT PURCHASING FILE. PROVIDE ONE (1) COPY TO SELLER.

1. TRACKING #

Each SI unit should designate an individual to be responsible for assigning the unit's internal tracking number on electronic forms. The Tracking Number is a 15-digit code to be placed in the upper right-hand corner of the forms. The 15-digit code is comprised of a 4-digit Year, a 6-digit Department ID, and a 5-digit sequential number (such as 00001, 00002, etc.) An example of an appropriate Tracking Number would be "2003-146700-00001." Although the Tracking Number is 15-digits in length, the first electronic form prepared by the assigned unit staff member can be saved on his/her computer and will require only the last set of numbers to be updated each time a new form is issued.

2. This form must be approved by both the purchaser and the seller or it will not be processed by the Office of the Comptroller (OC).
3. Original printed form should be circulated for signatures of purchaser and seller. Once all appropriate signatures are obtained, copies should be made for purchaser and seller.
4. **Payroll reimbursements may not be processed with this form.**
5. Because of federal requirements, and for year-end report consolidation purposes, transactions must be consummated and reported in the same fiscal period. See year-end closing schedule.
6. Submit this form to the Office of the Comptroller, Financial Analysis and Reporting Division, Victor Building, 750 Ninth Street, N.W., Suite 5100, Washington, D.C. 20560.