On July 1, 1980, State-operated campuses of State University of New York will implement a system of personnel activity reporting, as required by the provisions of Federal Office of Management and Budget Circular A-21 Revised. This document establishes principles for determining costs applicable to research and development, training and other sponsored agreements with the Federal Government. The principles are designed to provide that the Federal Government bear its fair share of these costs. On their side, institutions receiving Federal funds are mandated to keep an accounting of the actual distribution of employee effort. To accomplish this, a new personnel activity reporting system has had to be designed which can keep track of both the State-funded and the Federally-funded portions of employee activity.

The objective of the reporting system is to document personal services rendered by institutional employees directly on Federal agreements or services allocable as indirect costs in support of such agreements. The documentation will be accomplished through an after-the-fact reporting procedure and must account for 100 percent of the activity of these employees for which they are compensated and which they are obligated to perform. Distribution of services by major categories will be reported, not time. For the larger volume research campuses, the basic academic unit for reporting purposes is the department. That is, for any department within which research, training, or other activities are supported by Federal funds, the effort of all staff members who are directly participating on sponsored projects or who perform administrative duties in support of departmental activities must be reported. On the remaining campuses, reporting will be limited to those employees participating directly in Federally-supported activities.

A substantial effort has been devoted to the development of the reporting system, with joint participation by University and Research Foundation personnel. However, successful implementation of this obligation during the coming months will require your direct support at your institution. It is essential that faculty members and other employees on every campus understand that their cooperation is essential for continued success in securing research support and dollars for all kinds of Federally sponsored activity.
As you are aware, the accountability of educational institutions across the country has been questioned by government audit agencies and was one of the factors considered in the many discussions leading to the revision of Circular A-21. It is most important that we be successful in this transition to new procedures for documentation of salary charges to Federal projects, a prerequisite for attaining one of our major goals for the future, increased extramural support for State University programs. Failure to carry this through successfully could result in audit challenges and possible financial penalties, and could adversely affect our attempts to attract expanded research funding.

Detailed guidelines and procedures for the implementation of the Personnel Activity Reporting System (PARS) are being disseminated to campuses through the Fiscal Designees. All questions should be referred to those offices.

The approaching deadline for the implementation of Circular A-21 revised is the culmination of a process which has taken many years. Initial versions published by the Office of Management and Budget were circulated for discussion and comment by all institutions of higher education. I urge you to promote a spirit of cooperation on your campuses.

Thank you for your attention to this important matter.

Clifton R. Wharton, Jr.
Chancellor

This memorandum addressed to:

Presidents, State-operated campuses

Copies for information sent to:

Presidents, Community Colleges
Deans, Statutory Colleges
President Neville
Vice President Cook