

Effort Certification at the University of Southern Indiana

Statement

The University will maintain an effort reporting system and obtain effort certification from employees in compliance with federal regulations. The certified effort reports assure sponsors that funds are properly expended for the salaries and wages of employees working on sponsored projects.

Reason for Effort Certification

Personnel costs represent the single largest expense charged to federally sponsored awards. Accordingly, Federal Regulations (OMB Circular A-21) require the University of Southern Indiana (USI) to maintain an Effort Reporting System which assures that salaries and wages charged or contributed to sponsored project awards for a specific period accurately reflect the time devoted to the project.

This policy applies when all or a portion of an employee's effort is expended on any federal, state, local or privately sponsored agreement.

Who Needs to Know About Effort Certification?

Employees who are compensated in whole or in part by sponsored projects or who are involved with the administration of sponsored projects should be familiar with effort certification. This includes sponsored project administrators and supervisors, deans, chairs, principal investigators, and other sponsored research personnel.

Explanation of University Compensated Effort

Effort is defined as the amount of time spent on a particular activity. It includes the time spent working on a sponsored project in which salary is directly charged or contributed (cost-shared effort).

Individual effort is expressed as a percentage of the total amount of time spent on work-related activities (instruction, research, administration, etc.) for which the University compensates an individual. The effort certification must account for 100% of all effort for which the University regularly compensates the individual during the certification period. Regular compensation excludes activity for overloads and supplemental compensation, such as consulting or external appointments.

University compensated effort must be reasonable, allowable and allocable to the sponsored project in order to be properly charged and certified to the sponsored project. (See the compensation guidelines in the *University Handbook* for more information.)

Effort Certification Reports

The effort report (see FEC Form) will show the total payroll distribution for each employee in terms of salary and percentage. The top portion of the report will show the actual payroll distribution, separating sponsored project activity from non-sponsored project activity.

The bottom section of the report will show the actual effort amounts. The employee and the employee's direct supervisor will be responsible for tracking the employee's effort for each activity and for completing this section of the report. If the actual effort differs from the pledged or committed effort for the report period, the employee should adjust the effort amount and percentage on the report. The employee and the employee's direct supervisor will be accountable for all reported effort.

Distribution of the Effort Certification Reports

USI will report effort on a quarterly basis for all faculty and administrative staff who contribute effort (including cost-share) to a sponsored project activity. The Grant Accountant will distribute the report to each employee at the end of the quarter. The report will be due back to the Grant Accountant 30 days after the end of the quarter.

<u>Quarter</u>	<u>Due Date</u>
July 1- September 30	October 31
October 1 – December 31	January 31
January 1 – March 30	April 30
April 1- June 30	July 31

Calculation of the Effort Percentage

The effort certification report accounts for 100% of all effort for which the University compensates the individual during the certification period. Even where the number of hours of effort the individual expends each week substantially exceeds the "normal" workweek of 35 or 40 hours, effort percentages must be based on total effort, not hours.

Certifying to the Effort Percentage

The certification reports are reviewed by the employee, principal investigator, or responsible official to confirm that all activities (sponsored and non-sponsored) are reported correctly and that the distribution of effort shown on the certification report reflects a reasonable estimate of the percentage of total effort that was spent on each activity. Signing the report confirms that effort, as certified, reasonably represents the effort expended during the period. The report must be completed and returned within the defined deadline.

Who Should Sign the Effort Certification Report?

Circular A-21 requires that the effort be certified at least every six months and that the certification be performed by an individual who has first hand knowledge of all of the employee's activities or by an individual with suitable means to verify the activities.

Below is a summary of who should sign the report:

- If the report is for a faculty member who is the Project Director, the report should be signed by the faculty member and the Department Chair.
- If the report is for a faculty member who is not the Project Director, the report should be signed by the faculty member and the Project Director.
- If the report is for an administrative staff member who is the Project Director, the report should be signed by the staff member and the Department Chair (or direct supervisor for nonacademic departments).

- If the report is for an administrative staff member who is not the Project Director, the report should be signed by the staff member and the Project Director.

Corrections to the Effort Certification Report

It is ultimately the employee's responsibility to track and monitor effort towards all activities. The Grant Accountant and Sponsored Research administrators will help to resolve any effort reporting issues.

Cost Sharing

Cost sharing describes the portion of the cost of a sponsored project that is borne by the University rather than by the external sponsor. The effort not paid for by the sponsor should be reported as cost sharing and should appear on the effort certification report in the "Cost Share" column.

Any commitment of effort referenced in the project proposal or the award document should be reviewed for accuracy as part of the review of the overall effort identified in the certification report.

Procedural Review and Monitoring

Periodically, the Grant Accountant will review the effort reports as well as the reporting process. The reviews will focus on the level of effort proposed, effort charged, and actual effort worked. The review will also verify that the correct personnel are certifying the reports. Any questions regarding this policy should be directed to the Grant Accountant.

Related Information

For additional information and procedures regarding effort certification, see the Faculty Effort Certification (FEC) Form and instructional materials.

OMB Circular A-21: http://www.whitehouse.gov/omb/circulars/a021/a21_2004.pdf