

# BRANDEIS UNIVERSITY POLICY

Policy: Effort Reporting Policy

Responsible Office: Office of Financial Affairs and Treasury Services

Responsible Official: Senior Vice President for Financial Affairs

Effective Date: June 1, 2014

Revision Date: Feb 25, 2021

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### Policy Statement

As a recipient of federal funding Brandeis University is required to comply with the Office of Management and Budget Circular *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“*Uniform Guidance*”) as well as other federal requirements for certifying effort expended on sponsored awards. Brandeis University requires all individuals who receive federal sponsored funding to comply with University policies and sponsoring agency regulations regarding the proposing, charging, and reporting of effort on those awards.

University faculty and staff are expected to charge their time to sponsored awards commensurate with the committed effort expended on all activities they perform. Payroll charges to sponsored awards, and cost sharing recorded for faculty and staff, serve as the initial data points for the University’s effort reporting system.

### Purpose of Policy

The [Uniform Guidance Subpart E §200.430](#) contains the federal regulatory requirements for internal controls over certifying time expended on sponsored projects. The University utilizes an after-the-fact effort reporting system to certify that salaries charged, or cost shared to sponsored awards, are reasonable and consistent with the work performed. The individual’s effort is first assigned to specific awards in the payroll system based on anticipated activities. Actual effort expended on each project is certified by a responsible person with suitable means of verification that the work was performed, generally the principal investigator, at the end of specified reporting periods. The effort certification should be a reasonable estimate of how time was expended. [Section §200.430](#) states, “It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs [Institutions of Higher Education], a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.” The Semi-annual Effort Certifications are the primary means for

complying with the federal regulations relating to effort certification.

## **Applicability**

All individuals involved with the administration and conduct of federally sponsored award activities, including central and departmental sponsored project administrators, principal investigators, and other research personnel must comply with this policy. Adherence to this policy is required for all effort related to federally sponsored awards as well as any non-federal awards where the non-federal sponsor requires effort reporting.

## **Roles and Responsibilities**

Effort reporting is a federal compliance requirement. There are many individuals involved in this process and each one has a role in ensuring that certifications are accurate and completed on time.

### Principal Investigator (PI)

- Understand their own as well as their staff members' (non-faculty personnel) levels of effort committed, charged and reported on all applicable awards
- Review and certify their individual Semi-annual Faculty Effort Certification
- Communicate significant effort changes to the department administrator
- If applicable, formally request, be delegated to another individual who has sufficient technical knowledge and/or is in a position that provides for suitable means of verification that the work was performed
- Review salary charges on awards on a routine basis with grant manager and identify any effort-related changes and communicate with administrators to post corrections if needed
- Recertify and sign if effort changes are made after a statement has been certified
- Ensures compliance with this policy and personnel under the PI's direction are familiar with the effort reporting policy

### Department Administrator

- Assists and responds to effort management and reporting questions by PI's
- Ensures accurate planning and confirmation of effort.
- Ensure payroll is consistent with certified effort by completing salary reallocations and documenting cost sharing.
- Monitor effort commitments, salary charges, and cost sharing on all applicable awards
- Communicate to the Office of Research Administration any changes that require sponsor notification and/or approval
- Review salary charges with PI/faculty member and post any salary distribution updates and/or corrections in a timely manner
- Check effort certifications for accuracy during the review period
- Monitor that effort certifications are completed within the certification period

### Department Chair

- Reviews and certifies time and effort reports for faculty who are on sabbatical
- Responsible for reviewing and considering the reasonableness of their faculty or employee committed effort for proposals submitted, and verifying IBS is used.

### Office of Research Administration (ORA)

- Reviews committed effort in award documents
- Communicate significant changes in effort to sponsors

### Sponsored Programs Accounting (SPA)

- Maintain the University Effort Reporting Policy
- Ensures that individuals provide timely and accurate data and reporting in support of effort reporting and salary certification.
- Responsible for preparing and distributing effort confirmation reports semiannually
- Providing guidance on requirements and procedures as needed
- Provide effort reporting training, guidance on requirements, and oversee University-wide compliance with the University Effort Reporting Policy
- Reviewing and approving any necessary journal entries to correct payroll.

### **Procedures**

#### Summary

An individual employee, whether faculty, staff or trainee, will complete certification semiannually. Uniform Guidance sets forth the standards for the effort certification process. The regulations require that institutions have a payroll distribution system that allows salaries paid under federal grants to be properly allocated so that verification can be made by the institution that individual salaries paid under federal awards are appropriate to that award. This document sets forth the policy and procedures for complying with these requirements.

#### Method and Timing

Brandeis University employs an “after-the-fact” effort reporting system for exempt individuals that provides the principal means for certifying that the salaries charged or contributed to sponsored projects reasonably reflects the actual amount of effort expended on a project.

University PIs/faculty members and other academic appointees who have effort charged to federal awards must certify salary on a semiannual basis. The University has two effort reporting periods: January 1st to June 30th and July 1st to December 31st. As soon as possible after the end date of the reporting period, the University will generate effort certification reports which are to be completed and returned within 30 calendar days of receiving the report. Faculty members are required to sign their own certifications, with limited exceptions.

PIs/faculty members are required to review their certifications and determine whether the percentages reasonably reflect the committed effort expended and the work performed on each sponsored award and the aggregate effort associated with “all other activities” displayed on the certification. Variances of up to and including 5% of the faculty member’s salary for the period being certified are allowable and do not require an adjustment or recertification. Variances over 5% should be corrected, in compliance with the Cost Transfer Policy, prior to final approval of the certification. PIs/faculty members should complete their certification.

#### Committed Effort

Faculty are expected to apply some level of effort to sponsored projects on which they are listed as the PI or as Key Personnel. Most PI’s and Key Personnel have other responsibilities for teaching and/or other administrative responsibilities. Therefore, it is not usually feasible to commit to 100% research effort. Individuals with University responsibilities outside of sponsored agreements shall be precluded from committing and charging 100% of their time to sponsored projects.

#### Certifying Effort Reports

Certification report must be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed.

Effort certification reports are signed by the principal investigator, employee or other 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 the percentage of total effort that was spent on each activity. Sponsors of funded research may impose further conditions or restrictions. For example, grants awarded by the Department of Justice require that both the employee and a supervisory official having firsthand knowledge of the employees' work sign and approve effort reporting certifications.

In all cases, the certification must be signed by the individual who has suitable means of verification of work performed. In certain situations, an administrative official can certify on behalf of the individual, provided there is documentation of verification that the work was performed as shown on the effort report. The administrative official must complete the Brandeis University Suitable Means Checklist (Appendix A) to confirm that the official meets the applicable requirements required for verification and has direct knowledge of the work performed.

The effort report must account for all effort for which the University compensates the individual as part of his or her IBS. The effort percentages must be based on total effort, not hours and must total 100% effort for the reporting period.

Per Federal regulations, the certified effort report must provide a reasonable representation of the actual work performed by the individual during the reporting period. It must be certified by the employee, principal investigator or responsible official(s) using suitable means of verification that the work was performed. In cases where a portion of the work was performed in more than one department, the home department is responsible for certifying the report.

The effort certification report accounts for 100% of all effort for which the University compensates the individual. Even where the number of hours of effort the individual expends each week substantially differs from the normal work week of 40 hours, effort percentages are based on total effort, not hours.

In accordance with Uniform Guidance, time and effort reports should reflect only the activity for which an individual is regularly compensated by the University. External consulting or other outside professional activities should not be considered when assessing an individual's total effort.

#### Cost Sharing

Faculty members who have expended effort on a sponsored project, but whose salary has not been directly charged to a sponsored account must identify the percent of effort involved and adjust the other account(s) accordingly on the "adjustment" line of the effort report. This is considered "Cost Sharing" and must be identified for inclusion in the calculation of the research base from which the facilities and administration rate is developed.

Mandatory – Mandatory cost sharing is required by the sponsor as a condition of obtaining the award.

Voluntary – Voluntary cost sharing includes resources, whether personnel or otherwise, offered by Brandeis in a proposal budget that are not a specific sponsor requirement. When cost-sharing is included in a proposal budget and the project is awarded by the sponsor, the cost-sharing becomes "Committed" and, therefore, a contractual obligation

For both Mandatory and Voluntary Committed Cost Sharing, the Cost Sharing is a binding commitment that must be provided and tracked in a consistent manner in accordance with this policy.

#### Summer Effort for Faculty with Nine Month Appointments

Faculty compensated for nine-month academic appointments are permitted to expend up to an additional three months of summer effort on one or more sponsored projects in the period beyond the academic year. Additional salary is calculated based upon the faculty members IBS for the nine-month academic appointment

and is subject to sponsor policies and approval of the Department Chair/Dean.

#### Salary Cap

Certain sponsors impose a limit or “cap” on the annual rate of pay that may be charged. Using the IBS for the academic year, the difference between the effort expended on the sponsored program and the sponsor salary cap is designated as cost sharing.

The effort associated with any salary above a sponsor-imposed salary cap shall be considered Mandatory Cost Share of effort and be considered a part of the employee’s 100% effort.

#### Changes to Effort Certification

Actual effort should be closely monitored throughout the life cycle of each award and significant changes to planned effort distributions should be made as soon as they become known. A 5% or greater change in effort of an employee’s total effort is considered a significant change that must be adjusted. If the effort percentage on the certification is not a reasonable representation of the employee’s actual effort, a Payroll Accounting Adjustment should be submitted and attached to the effort report in order to effect the change in effort. When submitting a Payroll Accounting Adjustment for a prior reporting period, the corrected time and effort report for the period which the correction is being made is required.

If a Payroll Accounting Adjustment is required, it must be completed as soon as possible. However, if the salary distribution error is identified more than 90 days after the general ledger report is distributed showing the incorrect salary charge then the Payroll Accounting Adjustment must also contain an explanation for the delay and have approval as set forth in the University Cost Transfer Policy.

### **Definitions**

Committed Effort – Committed Effort is the amount of effort approved by a sponsor in an award, regardless of whether salary support is requested for the effort.

Effort – Effort is the time spent on any activity by an individual, expressed as a percentage of the individual’s total University effort.

Effort Certification – Effort Certification is the process by which effort expended on sponsored programs is documented and certified.

Institutional Base Salary (“IBS”) – IBS is the total base compensation an individual receives annually, whether the individual’s time is spent on research, teaching, administrative or other activities.

Key Personnel – Key Personnel means the Principal Investigator and other individuals who contribute to the development or execution of a project in a substantive, measurable way, whether or not they derive salary from the sponsored award.

Principal Investigator (PI) – Principal Investigator is the individual primarily responsible for a sponsored award. The Principal Investigator is primarily responsible for the design, direction, oversight, conduct and successful completion of the sponsored project, and for managing any collaborative relationships.

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### **Regulatory Resources**

OMB Uniform Guidance, 2 CFR 200:430

[https://www.ecfr.gov/cgi-bin/text-idx?node=se2.1.200\\_1430&rgn=div8](https://www.ecfr.gov/cgi-bin/text-idx?node=se2.1.200_1430&rgn=div8)

## Appendix A



### **Brandeis University Suitable Means Checklist**

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”), requires certification of labor effort contributed by employees on Federal awards to reasonably reflect the actual labor effort contributed by the employee to meet the objectives of the award. The effort reporting system must provide for after-the- fact confirmation of employee activity by the employee conducting the work being reported or by an official that is in a position to know whether the work was performed.

The policy of Brandeis University is that only the individual that produced an Effort Report, or the PI of the grant charged can certify Effort Reports. An administrative official can certify on behalf of the above, provided there is documentation of verification that the work was performed as shown on the effort report. Completing the Suitable Means Checklist indicates how the certifier meets this requirement and provides supporting documentation for audit purposes.

The Effort Report for (name): \_\_\_\_\_ for the period ending \_\_\_\_\_ was certified using the Suitable Means indicated below. Please check all that apply.

- Department Activity records or workload reports
- Detailed appointment calendar
- Lab Schedule
- Productivity Reports
- Teaching Schedules
- Confirmation of effort (i.e. email) from Employee/PI who is traveling and unable to sign Effort Report
- Program or progress reports
- Minutes from weekly or monthly meetings
- Other – please describe:

Please note that “per budget” or “for budgeting purposes” are not explanations for suitable means. Also, in the event of an audit, you may be asked to produce the items you have checked above.

Signature \_\_\_\_\_ Date \_\_\_\_\_ Ext \_\_\_\_\_