

BRANDEIS UNIVERSITY POLICY

Policy: University Effort Reporting Policy

Responsible Office: Office of Financial Affairs and Treasury Services

Responsible Official: Senior Vice President for Financial Affairs, Director, Sponsored Programs
Accounting

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Policy Statement

Brandeis University maintains systems and procedures for documenting the distribution of activity to individual sponsored agreements in compliance with federal regulations as defined by the Office of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions. Federal regulations require that the University have a system in place for certifying salaries and wages associated with federally sponsored agreements. It is the policy of Brandeis University to comply with federal guidelines and regulations regarding effort reporting and certification as set forth in the federal cost principles.

This document sets forth the University’s policy and procedures for obtaining effort certifications for employees whose salaries are paid on sponsored projects administered by the University.

Purpose of Policy

The purpose of this policy is to ensure that effort certifications completed in connection with University sponsored projects are accurate, reasonably reflect the actual level of effort expended on a sponsored project, and comply with federal regulations and sponsor requirements.

Applicability

This policy applies to all individuals who commit and devote effort to a sponsored project as well as those individuals involved in certifying the effort of individuals on a sponsored project.

Policy Details

Definitions

Committed Effort – Committed Effort is the amount of effort proposed in a grant or other sponsored project that is accepted by a sponsor, 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.

Summary

OMB A-21 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.

Roles and Responsibilities

Department Administrator – Assists and responds to effort management and reporting questions by PI's and ensures accurate planning and confirmation of effort. Additionally, ensure payroll is consistent with certified effort by completing salary reallocations and documenting cost sharing.

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 proposal submissions.

Principal Investigator (PI) – Ensures compliance with this policy; ensures personnel under the PI's direction are familiar with the effort reporting policy; PIs complete certifications of their own effort and of any individual's effort delegated to them in a timely manner.

Sponsored Programs Accounting (SPA) – Ensures that individuals provide timely and accurate data and reporting in support of effort reporting and salary certification. Additionally, they are responsible for preparing and distributing effort confirmation reports semiannually; providing guidance on requirements and procedures as needed; and reviewing and approving any necessary journal entries to correct payroll.

Method and Timing

Brandeis University employs an “after-the-fact” web based 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. Non-exempt individuals certify effort each time he/she signs the bi-weekly timesheet.

The University has two effort reporting periods: January 1st to June 30th and July 1st to December 31st. Approximately one month after each reporting period, the University will generate effort certification reports which are to be completed and returned within the defined deadline.

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

OMB Circular A-21, Section J.10 requires that the certification report 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 a reasonable estimate of the percentage of total effort that was spent on each activity.

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 represent a reasonable estimate of the 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 A-21, 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.

1. Mandatory – Mandatory cost sharing is required by the sponsor as a condition of obtaining the award.
2. 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 reflected on the certification is not a reasonable estimate of the employee’s effort, a Retroactive Labor Distribution Correction Form (“RLDC”) should be submitted and attached to the effort report in order to effect the change in effort. When submitting a RLDC for a prior reporting period, the corrected time and effort report for the period which the correction is being made is required.

If an RLDC is required, the RLDC 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 RLDC must also contain an explanation for the delay and have approval as set forth in the University Cost Transfer Policy.

Compliance

Failure to comply with OMB A-21’s effort reporting requirements can result in serious penalties for the individual certifying effort and/or the University. This can include financial audit disallowances, loss of funding, corrective actions, administrative sanctions and settlements and in some cases criminal charges brought against the individual. All individuals involved in the effort certification process are expected to abide strictly by the provisions of this policy.

Related Resources and References

OMB Circular A-21

University Cost Share Policy

University Institutional Base Salary Policy

Appendix A



Brandeis University Suitable Means Checklist

OMB Circular A-21, *Cost Principles for Educational Institutions*, 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 _____

Appendix B

Brandeis University Retroactive Labor Distribution Correction / RLDC

See excel spreadsheet on the Financial Affairs website.