



Policy 4.4.6

Volume 4, Academic Affairs

Chapter 4, University Research

Section 6, Effort Reporting on Externally-Sponsored Projects

Approval Authority: Board of Regents

Responsible Executive: University Controller

Responsible Office(s): Sponsored Programs/Sponsored Programs

Accounting

Effective: January 26, 2009

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Effort Reporting on Externally Sponsored Projects

Policy Statement

This policy sets forth conditions for the documentation of effort for faculty and professional staff who receive compensation, in whole or in part, through a grant or sponsored agreement, or who have committed personnel costs as part of cost sharing obligation on a grant or sponsored agreement.

Purpose

The purpose of this document is to outline the University's policies for ensuring compliance with effort reporting. Adherence to this policy is necessary to prevent cost disallowances and penalties by the federal government and other sponsoring agencies.

Entities Affected by the Policy

- Departments
- Colleges
- Units involved with externally-sponsored projects

Policy Background

The correct allocation of personnel charges to the appropriate activity/account is important in the management of University resources and is especially significant to the University's compliance with federal guidelines. As a condition of receiving funding from the federal government, the University is required to maintain and certify the percentage of effort employees devote to externally-sponsored projects. The University's effort reporting system is an after-the-fact system requiring the completion of a Time and Effort Certification Form.

Criteria

The University's policy is to comply with applicable federal regulations and guidance regarding time and effort reporting to ensure good stewardship of the funds provided to the University for sponsored projects. The University's effort distribution system and certification reporting system requires that all effort directly associated with a sponsored program be classified consistently, regardless of whether the salary is charged to the sponsor or to the cost shared by the University.

Faculty and staff are expected to commit some level of effort (i.e., greater than 0%) on proposals in which they are listed as principal investigator, project director, or key personnel. Since these roles assume responsibility for the scientific, administrative, and financial management of an award, it is assumed that fulfilling these responsibilities requires time and effort. However, there are instances in which certain types of proposals do not require individuals to commit any level of effort. These exceptions include equipment and instrumentation grants, student augmentation grants, and faculty training grants.

Faculty and professional staff shall complete effort reports near the end of each academic term. Hourly staff shall complete bi-weekly time sheets to certify their effort.

The Time and Effort Certification Form

- Shall reasonably reflect the percentage distribution of time and effort expended by faculty and professional staff involved in externally-sponsored projects.
- Shall be completed and signed by each faculty and professional staff working on an externally-sponsored project. Faculty and staff must document the time and effort spent on the project regardless of whether the sponsor pays for the time or the time is cost-shared by ECU.
- Shall not be completed for employees who submit time sheets.
- Shall be confirmed by a person having firsthand knowledge of the employee's activities. Confirmation is indicated by a countersignature on the form.
 - If a form documents a faculty or professional staff's effort and he/she is not the Project Director, the form will be countersigned by the Project Director or another individual with delegated authority above the person whose effort is being certified.
 - If a form documents a faculty or professional staff's effort and he/she is the Project Director, the form will be countersigned by the Department Chair (or immediate supervisor in nonacademic unit).
- Shall be completed near the end of each semester and shall document the percentage of distribution of effort during the same semester.
- Shall be returned to the University Controller according to the schedule announced by the Controller's Office.

Failure to submit the Time and Effort Certification Form may result in the suspension of grant activity. Completed Time and Effort Certification Forms will be filed with the University Controller.

Procedures

Adjusting Effort Charged to Sponsored Projects

1. Project directors shall adjust the Position Action Form (PAF) for each employee with effort committed to a sponsored project at the time an award is made.
2. Sponsored Programs Accounting shall review time and effort reports and make any adjustments needed to personnel charges to ensure that sponsors are charged only for the level of effort expended on a project.

Definitions

Certification	A signed statement by the employee or responsible official on a sponsored project that attests to the accuracy and completeness of the report
Committed Effort	The percentage of time committed to a particular activity. Effort on sponsored projects is committed in the proposal submitted to a sponsoring agency. A reduction in committed effort must be approved by the sponsoring agency for project directors and other key personnel.
Effort	The proportion of time dedicated to any activity and expressed as a percentage of total time. The effort reports are intended to record the total effort an individual expends as an employee of the University and must total 100%.
Effort Reporting	A method of allocating and documenting the percentage of work time devoted to specific professional activities
Expended Effort	The percentage of time spent on a particular activity. If expended effort differs from committed effort, the personnel expenses charged to a sponsored project must be adjusted accordingly, and sponsoring agencies must be notified if the difference is more than 25%.
University	Eastern Kentucky University

Responsibilities

College Dean	<ul style="list-style-type: none">▪ Review and approve PAFs to assure proper distribution of charges to college and sponsored programs accounts▪ Review and approve Effort Certification reports submitted by the Project Director
Department Chair	<ul style="list-style-type: none">▪ Review and approve PAFs to assure proper distribution of charges to departmental and sponsored programs accounts▪ Review and approve Effort Certification reports submitted by the Project Director
Project Directors	<ul style="list-style-type: none">▪ Make Position Action Form (PAF) adjustments▪ Review and approve Effort Certification reports submitted by grant personnel
Sponsored Programs Accounting	<ul style="list-style-type: none">▪ Make personnel expense adjustments when deemed necessary by time and effort certifications▪ Generate and distribute Effort Certification reports to Project Directors in accordance with approved timeline

Violations of the Policy

Policy compliance is the joint responsibility of all involved. If non-compliance issues are identified by the Office of Graduate Education and Research, corrective action may be necessary and shall be completed following consultation with the Principal Investigator, respective Dean, Department Chair, and/or Financial Manager. Corrective action may include, but is not limited to, movement of unallowable or inappropriate charges from grant accounts to departmental, college, or other university accounts, suspension of grant

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accounts, and/or withdrawal of a proposal or award. Any actions deemed necessary in response to policy non-compliance may be appealed to the Provost and/or Executive Vice President for Administration.

Interpreting Authority

- University Controller

Statutory or Regulatory References

- OMB Circular A-21: <http://www.whitehouse.gov/omb/circulars/a021/a021.html>

Relevant Links

[Policy 4.4.3: Cost Sharing on Externally Sponsored Projects](#)

[Policy 4.4.4: Cost Transfers on Externally Sponsored Projects](#)

[Policy 4.4.5: Direct Charges on Externally Sponsored Projects](#)

[Sponsored Programs website](#)

Policy Adoption Review and Approval

Date

October 6, 2008

December 19, 2008

January 26, 2009

Entity

Faculty Senate

President Doug Whitlock

Board of Regents

Action

Recommended Support

Recommended Support

Adopted