

UAS GM 16: Effort Certification Policy

Policy Statement:

The University of Alaska Southeast will maintain an effort reporting system and obtain effort certification from employees in compliance with federal regulation.

Reason for Policy:

Personnel costs typically represent the single largest expense charged to federally sponsored awards. Accordingly, the government requires that institutions receiving federal funds for sponsored agreements maintain an effort certification process that complies with the requirements set forth in Uniform Guidance Subpart E, Compensation, 200.430, Compensation—personal services. This statement establishes the University's policy for obtaining effort certifications for employees whose salaries are paid under sponsored research agreements.

Federal Requirements

- The University receives federal funding on sponsored research agreements and is required to comply with Uniform Guidance Subpart E. The Guidance requires that the University have a system in place for certifying salaries and wages associated with federally sponsored agreements. The Guidance stipulates that the certification reports should reasonably reflect effort allocated to the activities for which the employee is compensated and that they are to be signed by the employee and the principal investigator or other responsible official using suitable means of verification that the work was performed. 200.430 (i), Standards for Documentation of Personnel, addresses effort reporting requirements.

Who Does this Policy Apply to:

Employees who are compensated in whole or in part by sponsored funds or who are involved with the administration of sponsored agreements should be familiar with this policy. This includes central and departmental sponsored project administrators, deans, chairs, principal investigators and other sponsored research personnel.

Who must complete an effort certification report?

Effort reporting is a condition of accepting Federal funds. All individuals paid from, or with effort committed to, a federal-sponsored project are required to complete an effort certification report.

Exceptions:

- Pre- and post-doctoral individuals supported 100% by fellowship (stipends) with no additional employment compensation
- College Work Study employees

What are the effort reporting compliance requirements?

Principal Investigators and their campus departments are responsible for ensuring full compliance with effort reporting requirements. Campus departments and extramural fund accounting offices (grants and contracts) must take progressive action to prompt corrective action and resolution according to local campus policy when required, including:

- Notification of the Department Chair or director for resolution
- Notification of the Dean to expedite resolution
- Notification of the Vice Chancellor for Research and/or Provost and request intervention and resolution

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What is effort commitment?

Effort commitment is the amount of effort promised by the institution in the proposal or the amended effort included in the award documentation.

The total distribution of effort dedicated to all institutional activities for an individual *must not be greater than 100%, including cost sharing commitments.*

100%, nor nearly 100% research effort, is not realistically possible for individuals with significant non-research obligations to the institution (administrative [i.e., provosts, deans, directors], public service or teaching).

If key personnel intend to reduce their committed effort on a sponsored program by more than 25%, the institution needs to notify the sponsor and receive approval (e.g. reducing from 20% to 14%). NOTE: Review agency re-budgeting rules as requirements may vary.

- **Explanation:** the 20% is a representation of part of base salary, but equals 100% effort for a particular project. Reducing that 20% by 6% of base salary actually constitutes a reduction in the 100% effort for that project by greater than 25%.
- If the receipt of an award increased an investigator's total effort commitments to greater than 100%, the investigator must revise the level of committed effort requested by communication with the sponsor, reduce effort on other activities, or refuse the award

Why do we certify effort?

We certify effort to ensure that:

- Effort supported (paid) by a federal project has been performed as promised, and
- Effort expended in support of a federal project but not paid by the project has been performed as promised (cost sharing)
 - Effort certification reports are nearly always reviewed by federal auditors when sponsored programs are under review.
 - Personnel salaries and benefits typically represent 2/3 of the direct costs of federal awards

What is a reasonable estimate of effort?

Sponsors recognize that the activities that constitute effort are often difficult to separate. Effort certification must often rely on a reasonable estimate of effort, and when estimating, a degree of tolerance (at UA, up to 10%) is appropriate.

- **Example:** It would be reasonable for a faculty member who was awarded and expended 40% effort on a grant to sign an effort certification report stating 35% payroll support for that grant. It would not be reasonable for a full-time faculty member who teaches 2 days a week to certify that she worked 80% on sponsored research.

200.430 (i)(x) states that: "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."

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What activities are *included* in the calculation of total University effort?

- Externally sponsored research, including activities such as delivering special lectures about specific aspects of the ongoing sponsored project, writing reports and articles, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences.
- Departmental/University research, including uncompensated participation in study sections, peer review of manuscripts, or unfunded effort on externally sponsored research.
- Instruction/University Supported Academic Effort, including presentations to students/trainee groups, mentoring trainees (unless specifically part of a sponsored project), and participation in resident training.
- Administrative Effort, including administrative activities (e.g., Provost, Department Chair, Institute Director, Program Director, service on institutional committees).
- Paid Leave, Unpaid Leave and Extended Leave (such as vacation time and sick leave) may be charged to sponsored projects as part of the normal charge for salaries and wages. If an eligible individual is expending effort on multiple sponsored projects at the time of the leave, the charges to the sponsored projects should be consistent with the usual salary charges.
- Excluded from effort certification is unpaid leave, and administrative leave.

Who should sign Effort certification reports?

Effort certification reports should be signed by:

- An employee, principal investigator or other responsible official with first-hand knowledge of an employee's effort.
- A responsible official who used a suitable and documented means of verifying the effort.
- Principal investigators and other faculty must certify their own effort.
Employees with first hand-knowledge of their own activities including knowledge of which specific federal projects are now benefited by their work may certify their own effort.
- Employees without first-hand knowledge must have a principal investigator or other responsible official certify on their behalf.
- Faculty may also be required to certify effort for non-faculty who conduct research supported by their federally sponsored awards.
- Direct supervisors can certify effort on behalf of non-faculty employees provided the person certifying the effort has knowledge of all the employee's professional activities.

While UA is moving toward a web-based on-line effort certification reporting system, currently certification is accomplished by submission of the paper effort certification banner report.

What is appropriate support for certification?

For a faculty member, there may be a variety of sources that report on activity or document the expectations of his or her appointment and may include the following:

- Email from employee with confirmation of effort expended, sent directly to approver
- Lab notebooks
- Progress report documentation

How often do I certify?

The University of Alaska has recently adopted a policy that requires certification three times a year, at intervals that mirror the academic semesters. Reporting periods are Fall, Spring, Summer. The signed certification form is due 30 days after the end of the certification period.

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How do I certify?

Each department administrative or fiscal officer is responsible for running the effort certification statements for their TKL(s) and assuring that each is returned signed, and uploaded in to the data warehouse OnBase.