

Policy#: 670.12
Date: June 3, 2013
Reviewed: September 23, 2015
Next Review: September 23, 2017

TITLE: EFFORT REPORTING

Policy Objective

The purpose of this policy is to ensure that University Enterprises Corporation at CSUSB (UEC) is in compliance with the requirements set forth in 2 CFR 220 (formerly OMB A-21) *Cost Principles for Educational Institutions* to report all compensated effort of federally funded sponsored project related employees.

Policy Statements

Projects conducting research, instruction, and/or other sponsored work under grants, and other agreements with the Federal government are required to comply with the costing principles described in 2 CFR 220 *Cost Principles for Educational Institutions* (formerly known as OMB Circular A-21). Section J.10, describes the costing principles, criteria, and examples of how employee compensation for professorial (faculty) and professional staff members rendered under federally sponsored agreements should be charged and subsequently documented.

UEC requires effort reporting for each individual who devotes effort to a sponsored project to verify the time they have reported and charged to the sponsored project is accurate. Effort reporting is the means by which individuals working on a sponsored project document the portion of time allocated to all of the activities in which he/she is involved during the period covered by the report. Faculty must report all effort that encompasses all the activities assigned to their position. Individuals hired solely as a UEC employee to work entirely on a sponsored project are not required to complete an effort report as their timesheets will serve as the effort certification.

UEC is required to ensure that the effort expended on sponsored activities is certified. An individual completing and signing the effort certification must have "suitable means of verification" of the effort expended. This is required to ensure that the effort certification reasonably reflects actual effort expended in the various categories during the reporting period. A Principal Investigator/ Project Director (PI/PD) may certify the effort of non-faculty key and other personnel on the sponsored project, as long as the PI/PD has "suitable means of verification" of the activities performed by the employee. Signed effort certifications are considered legal documents in which a person attests to the accuracy of the effort spent on sponsored projects.

Adherence to these regulations is necessary to prevent cost disallowances and penalties by the federal government and other sponsoring agencies. Material inaccuracies in effort verifications can result in the

disallowance of costs to sponsored projects, which can negatively affect CSUSB, the PI/PD, and UEC both publicly and financially.

Definitions

Effort - Allowable activity devoted to a sponsored or non-sponsored project that would be charged or committed directly to a contract or grant. Effort shall be reflected as categories of activities expressed as a percentage distribution of total activities rather than the dollar amount compensated.

Effort Reporting – A method of documenting and certifying the proportion of the individual’s work time devoted to a sponsored project as a percentage of total activity. Effort reporting is required to identify all institutional services for which an individual provided effort (even if they received no salary support), and ultimately report the appropriate distribution of effort over all activities. Effort is not required for effort spent for non-institutional purposes.

Certification - A signed statement by the employee or responsible office on the sponsored project that attests to the accuracy and completeness of the report.

Compensated Effort - Effort consisting of campus assignment, release time, assigned time, additional campus employment, direct pay, and committed cost share for faculty and staff who work on sponsored projects.

Cost Sharing - The portion of the project/program costs that are contributed by the recipient. Cost sharing can be required by the sponsor (mandatory), or voluntary on the part of the recipient.

Mandatory committed cost share effort – Effort required by the sponsor or funding agency supporting the sponsored project. Some sponsors require that the recipient of an award provide some level of cost share effort as a condition of the award.

Voluntary Uncommitted Cost Sharing Effort: occurs when faculty or other senior project personnel provide effort above that agreed upon as part of the award. This is not required nor quantified in the proposal or budget but contributed voluntarily. Such cost sharing effort is not subject to this policy per OMB Memorandum M-01-06. Furthermore, voluntary uncommitted cost sharing effort is excluded from effort reporting and shall not be included in the modified total direct cost base for computing the federal Facilities and Administration rate.

Effort reporting shall adhere to the following criteria:

- Project personnel compensated on a federally sponsored award (both direct and pass through funds) will verify after the fact effort reports that indicate that the distribution of their total effort is a reasonable estimate of work performed during the period covered by the report.
- Effort reporting verification shall be applicable to non-federal awards as determined by the funding agency.

- The effort report shall reasonably reflect the after the fact report of activities/services for which they provided effort (even if they received no salary support), and ultimately report the appropriate distribution of effort over all activities for the period covered by the report. Effort reports when properly completed shall provide a record of 100% of the employee effort.
- The effort percentages for effort verification should total 100%, regardless of the actual number of hours expended on those activities. It is important to note that effort is not calculated on a 40-hour work week. If an individual normally works 50 hours in a week, 40 hours represents 80% effort. The definition of 100% will vary among faculty members and professional staff.
- Effort report verification shall be completed each academic term for professorial staff (faculty), and not less frequently than every six months for professional staff.
- Individual faculty or staff members may verify his/her own effort however a “responsible official(s) using suitable means of verification that the work was performed” is required to verify for the individual as well. A PI/PD may verify the effort of non-faculty key and other personnel on the sponsored project, as long as the project director has “suitable means of verification” of the activities performed by the employee. Typically for a PI/PD it will be their Vice President, Dean, or Chair.
- Effort reporting shall be treated consistently for the same purposes and like circumstances.

Obtaining and Documenting Effort Reports:

- Upon set up of an award the assigned Research Administrator (RA) shall determine if effort reporting is required.
- The RA will advise the project director of the requirements and procedures related to effort reporting during the initial meeting/orientation.
- Faculty working on a sponsored project is required by federal regulations to complete an effort report each academic term and staff not less frequently than every six months.
- The project director is responsible for ensuring that they and employees working on their sponsored projects are completing the effort reports in accordance with this policy.
- Coordination is necessary between Sponsored Programs Administration (SPA), Research and Sponsored Programs, (RSP), project directors, their departments, or college in order to ensure compliance with reporting requirements.
- Effort reports should include mandatory and voluntary committed cost sharing effort.
- Uncommitted cost sharing effort is excluded from effort reporting requirements
- Individuals hired solely as a UEC employee to work entirely on a sponsored project are not required to complete an effort report as their timesheets with serve as the effort certification.

CHANGES IN EFFORT ON A SPONSORED PROJECT

Late submission of effort reports and UEC timesheets can have an adverse impact on the effort reporting process. Auxiliary Accounting Payroll will be asked to notify the SPA Director when a sponsored project employee submits a timesheet outside of a payroll reporting period. The applicable effort report for the employee will be reviewed to determine if a revised reporting is needed. The PI/PD and employee will be notified of the need to revise and re-certify the report based on the information provided by Auxiliary Accounting Payroll.

CSU Campus Policies/Federal Regulations/Related Documents

- ICSUAM Section 11000.003.006 - Effort Reporting
<http://www.calstate.edu/icsuam/sections/11000/11000.003.006.shtml>
- 2CFR 220 (formerly OMB A-21) “*Cost Principles for Educational Institutions*”
- OMB Clarification Memo M-01-06 from January 5, 2001. “Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Memo”
<http://www.whitehouse.gov/omb/memoranda/m01-06.html>

Approval:

Approved by the UEC Board of Directors