

Guidance for Governors State University Time and Effort Reporting

Purpose of Times and Effort Reporting

The Office of Management and Budget's (OMB) Uniform Guidance: *Cost Principles, Audit, and Administrative Requirements for Federal Awards* includes regulatory requirements for certifying effort expended on externally funded grants with which the University must comply (2 CFR 200.430). Effort directly charged to externally funded grants and any committed cost-shared effort (i.e., the committed effort that is not directly charged to the grant) must be identified in the University's effort distribution and reporting system. Voluntary uncommitted cost sharing does not need to be charged to external grants or be certified.

How is Effort Calculated?

The percentage of effort is based on the employee's institutional base salary (IBS). The total effort represents the 100% effort of each employee spent on externally funded grants as well as other duties included in their University appointments.

Time and Effort Reporting System

The University employs an *After-the-Fact* effort reporting system that provides the principle means for certifying time and effort. Salary distribution as evidenced by the payroll report represents an initial estimate of how the employee's effort is expended on grants. The time and effort certification process confirms that charges made to the grant are reasonable in relation to the employee's work performed on the grant. This is done by reviewing the salary distribution and, if necessary, making appropriate changes to the time and effort reports issued for certification. Changes to the reports may be required to accurately reflect the effort allocated to the grant. Regardless of the changes in the distribution of effort, the total effort in an effort report must always equal 100%.

Summer Effort

Summer effort is time expended by Unit A faculty outside of the academic year, which is outside of their 10-month contract. On the time and effort report, summer effort expended on the grant will not total 100% because OSPR does not have knowledge of Unit A faculty members' total distribution of effort while they are off contract. However, the summer effort calculation is explained in the comments field of the time and effort report.

Special Considerations

If there is a significant difference (>10%) between the time and effort report and compensation, the compensation is adjusted to reflect actual effort expended. The University as well as the federal regulations recognizes that short-term fluctuations (such as one or two months) between workload categories may occur. These fluctuations are acceptable if the distribution of salaries

over the longer term is reasonable and the final amount charged to the grant is accurate, allowable, and properly allocated. If actual effort expended is less than effort compensated for, the difference in compensation paid will be removed from the grant and charged to the employee's department account.

A reduction in effort of more than 25% requires approval from the federal agency. Please contact OSPR if you foresee a significant reduction in effort so a request to the funder can be sent.

Federal funder approval is also required for an absence from the project over 90 days. Please contact OSPR as far in advance as possible to discuss the absence from the project and to send a request to the funder for approval.

Individuals Required to Comply with Time and Effort Reporting

All individuals involved with the administration and conduct of externally funded grant activities must comply with this guidance. Time and effort reports are required for **all full-time faculty and staff** whose effort is fully or partially allocated to an externally funded project.

Responsibilities

Investigators are responsible for the following:

- Understand their levels of effort committed, charged and reported on all applicable grants;
- Review and certify their individual time and effort forms;
- Ensure the completion and submission of time and effort forms to OSPR;
- Communicate significant effort changes to OSPR;
- Review salary charges on awards on a routine basis with OSPR and identify any effort-related changes and communicate with administrators to post corrections if needed.

Effort Reporting Process

1. Time and effort reports are generated two times per fiscal year for these periods:
 - i. July 1 to December 31
 - ii. January 1 to June 30
2. Time and effort reports are distributed to all applicable employees via DocuSign.
3. Completed reports are due to OSPR within 30 days of distribution of the reporting forms.
4. The time and effort report must be signed by the employee whose effort is being reported.
5. The grant Principal Investigator signs the form for the employee whose effort is being reported, but who is no longer employed by the University.

Effort Report Re-certifications

Once the time and effort report has been certified, no further adjustments to that employee's distribution of effort are allowed unless approved by the OSPR Director. Changes to a certified effort form (re-certifications) are not allowed except in limited circumstances. Sufficient

documentation that supports allowability and allocability, and explains why the effort was originally certified incorrectly must be provided.

Terminating Employee Effort Reporting Process

If an employee subject to effort reporting is scheduled to terminate from the University, the PI should contact Human Resources to ensure that the employee is terminated in compliance with university processes as soon as possible prior to the employee's actual departure date from the University. Termination in advance originates business processes that will notify OSPR of the grant-funded employee's pending departure, initiates production of the effort reports that need to be certified for the employee's effort through the termination date and affords the opportunity for employees who certify their own effort to certify **prior to** leaving the University.

Termination notifications received after the employee's departure initiate a certification process where effort certification forms must be certified by the Principal Investigator or a responsible supervisor with firsthand knowledge of all activities performed by the employee because the employee is no longer available to certify.

Report Distribution, Follow-Up, Filing and Archiving

OSPR is responsible for the electronic distribution, collection and retention of all time and effort reports. Individually reported data will be stored electronically and made available by OSPR to authorized auditors.

Effort Certification Extensions

The University understands there may be exceptional circumstances that will warrant an extension to time and effort certification. If an extension is needed, the reason for the extension must be documented and approved by the Director of OSPR in advance of the report deadline. The extension request may be sent via email to ospr@govst.edu.

Excessive disregard of the policy may lead to disallowed costs on sponsored projects, which could then be transferred by OSPR to a departmental account.

Definitions

Awarded Effort: The amount of effort (in percentage [%]) promised by the University in the proposal budget or the awarded effort (in percentage [%]) included in award documentation.

Effort: The proportion of time spent by full-time faculty and staff on grant-related or other activities during the academic or calendar year. No employee may commit more than 100% effort or be compensated at a rate that would exceed their institutional base salary (IBS). Effort excludes non-IBS activities (e.g., overload, extra service activities, or other non-IBS compensation).

Cost Sharing: A portion of the total funded project and program costs not funded by the sponsor.

Committed Cost Sharing of Effort:

- Required by the funder
- Identified or quantified in the proposal
- Condition of receiving the award
- Represents binding commitments that must be captured and documented
- Must be certified

Effort Certification: The process by which the employee asserts in writing the correctness of the employee percentage (%) of effort.

Summer Effort: The proportion of time spent by 10-month appointed faculty on grant-related or other activities during the summer months.

Time and Effort Reporting: The mechanism used to assure funders that salaries charged or costs shared to externally funded grants are reasonable in relation to the work performed. Time and effort reports are referred to as “certifications.”

Institutional Base Salary (IBS): The annual compensation paid by the University for an employee’s appointment (10 or 12 months), whether that individual’s time is spent on research, teaching, or other activities. IBS does not include bonuses, supplemental payments, or incentive pay. Additionally, IBS does not include payments from other organizations or income that individuals are permitted to earn outside of their University responsibilities, such as consulting. IBS must be used as the base salary on all grant proposals unless there is a statutory limit on compensation (e.g., NIH cap).

Salary Distribution: An allocation of one’s efforts to specific general ledger accounts. The general ledger documents effort in the university’s books and records. Salary distribution requires a conversion of time (i.e., effort) to dollars (i.e., compensation).

Voluntary Uncommitted Cost Sharing: Effort that is over and above that which is committed and budgeted for in a sponsored agreement. This effort differs from mandatory or voluntary committed cost sharing which is cost sharing specifically pledged in the proposal’s budget or award. Voluntary uncommitted cost sharing does not need to be charged to federal awards or be certified.