

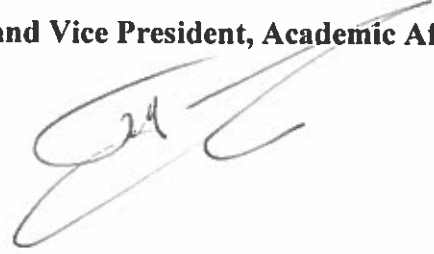
**KEAN UNIVERSITY**

**OFFICE OF RESEARCH AND SPONSORED PROGRAMS**

**Policy Name: EFFORT CERTIFICATION REPORTING**

**Approval Authority: Office of the Provost and Vice President, Academic Affairs**

**Issued: December 7, 2015**

A handwritten signature in blue ink, appearing to be 'J. L.', is written over the 'Issued' line and extends into the 'Approval Authority' line.

**1. Policy Statement**

This policy establishes the requirements of and includes the procedures for employee effort certification reporting in accordance with the Office of Management and Budget (OMB) “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance) (2 CFR Part 220) This policy applies to all full-time faculty, full-time professional staff, and full-time administrative staff whose compensation is charged in whole or in part to an externally sponsored project of any type (including non-federal sponsors) and/or who provide cost-shared effort to an externally sponsored project.

**2. Reason/Purpose for Policy**

Effort certification reporting is an internal University process designed to meet federal regulatory requirements for maintaining records that accurately reflect the work (effort) performed on federally sponsored projects. Effort certification reporting is also required to ensure that indirect charges to federal awards are reasonable. In compliance with the federal Cost Accounting Standards, the University’s policy extends the effort certification reporting requirements to all sponsored agreements.

Failure to comply with the OMB Uniform Guidance effort reporting requirements can result in financial penalties and expenditure disallowances and jeopardize all Federal and State awards, including student aid. It is therefore incumbent on the University and individual certifiers to maintain and document how individuals spend their time on sponsored research.

This document describes the University’s policy with regard to effort reporting.

**3. Policy Applies To**

This policy applies to all University full-time faculty, full-time professional staff, and full-time administrative staff whose compensation is properly chargeable in whole or in part to an externally sponsored project of any type. Cost sharing or matching personnel charges must meet the same documentation and reporting standards as direct charges.

## EFFORT CERTIFICATION REPORTING

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The policy does not apply to: part-time faculty, part-time administrative staff, part-time research support staff, or undergraduate or graduate student assistants engaged in a sponsored project.

### 4. **Related Documents**

Payroll Policy  
Human Resource Policy  
Cost Sharing and Cost Matching Policy  
Cost Transfer Policy

### 5. **Contacts**

- A. Office of Research and Sponsored Programs
- B. Provost and Vice President, Academic Affairs

### 6. **The Policy**

Section 200.430 (4) (ii) defines the concept of Institutional Base Salary (IBS) as the salary or wages received for an employee's regular duties. Regular duties are those activities the employee was hired to perform, outlined in the letter of appointment or job description, including any additional duties that have been added or assumed, for which they are compensated through their salary (including holiday, vacation and sick time). This is the 100% effort of the employee for the University. IBS does not include work done as overload (for faculty and professional staff), or overtime (for administrative staff). For faculty, the IBS will be the 10-month academic year. For professional and administrative staff, the IBS will be the 12-month fiscal year.

Employees may only receive additional compensation above their IBS when their work is short-term and has been approved in writing by the sponsoring agencies. Examples include presenting a workshop or adjunct assignments. Additional compensation for covered employees must be identified during the development of a proposal so the expense can be approved as part of the proposal.

The OMB Uniform Guidance requires that the actual effort performed by an employee be compared to the estimated effort that is included in the award notice. For reporting purposes, effort is calculated in percentages with the total allocated effort being 100%. The percentage is not based on a set number of hours but on the total of university-compensated effort. This includes work performed outside the standard work schedule, work performed in the evenings, on weekends, on vacation, and regardless of whether the effort is performed on or off campus. This definition is consistent with federal regulations. For example, if a faculty member works 50 hours a week during an effort certification period and 10 of those hours were spent on a specific sponsored project, the total effort assigned to the project would be 20% (10/50).

The effort report must certify the employee's total effort (100%). Example:

## EFFORT CERTIFICATION REPORTING

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1. University/departmental effort (teaching, advising, administrative, scholarship) – 80%
2. Sponsored project #1 – 10%
3. Cost share for sponsored project #2 – 10%

Section 200.430 (h) states: *“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 (Institutes of Higher Education) a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.”* Therefore, while Kean University makes every effort to obtain an accurate reflection of the time devoted to sponsored programs, effort certification is considered a reasonable estimate of how time was expended as opposed to an exact accounting of time. It is the responsibility of the employee providing effort towards sponsored projects to certify a statement verifying the percentage of effort that was performed and thus ensure that charges are reasonable in relation to the effort.

Employees must retain for audit purposes all documentation used to support certification. In any audit situation, it is the responsibility of the person certifying the effort to support the certification and provide appropriate documentation.

Examples of allowable forms of documentation include:

1. Detailed calendar
2. Meeting agendas, notes, minutes, attendee lists
3. Lab books/notes
4. Travel reports
5. Award work products – presentations, reports, surveys, interviews, events, publication
6. Other written documentation such as memos and emails

As part of the federal Uniform Guidance (2 CFR 200), OMB provides standards for documentation of personnel expenses to federally sponsored research projects. Under these standards, records must:

1. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
2. Be incorporated into the official records of the University;
3. Reasonably reflect the total activity for which the employee is compensated by the University, not exceeding 100% of compensated activities;
4. Encompass both federally assisted and all other activities compensated by the University;
5. Comply with the established accounting policies and practices of the University;
6. Support the distribution of the employee’s salary or wages among specific activities or cost objectives if the employee works on [multiple] award[s] or activities regardless of the source of funding;
7. Correspond to the amount of actual charges for salaries and wages rather than be based upon budget estimates alone which do not qualify as support for charges to Federal awards. Since an employee’s salary distribution should directly

## EFFORT CERTIFICATION REPORTING

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correspond to the actual effort associated with a project, if an employee's effort changes significantly (by 5 percentage points or more above or below the total committed effort requirement) during an award period, then the salary distribution should be adjusted within a timely manner to match the new level of effort.

### **THE KEAN UNIVERSITY EFFORT CERTIFICATION REPORTING SYSTEM**

Kean University uses an after-the-fact reporting system to certify that salaries charged or costs shared to sponsored awards are reasonable and consistent with the work performed. Kean requires effort certification reporting three times a year coinciding with the semesters. The fall semester reporting period covers the months September - December, the spring semester reporting period covers the months January - May, and the summer semester reporting period covers the months June – August. The ORSP will send an Effort Certification Notice email at the end of December for fall, the end of May for spring, and the end of August for summer. Reports are due by January 15, June 15 and September 15.

Reporting is accomplished through completion and submission of the “Sponsored Project Employee Effort Certification” form (SPEEC) by all covered employees and by completion and submission of the “Effort Certification Summary” form (ECS) by all PI/PDs. The SPEEC form is sent by ORSP via email to all covered employees three times a year. Employees have 15 days to complete and submit the form. The ECS form is sent by ORSP to all PI/PDs three times a year, after receipt and review of the SPEEC forms. The PI/PDs have 15 days to complete and submit the form. *See Appendix for samples of forms.*

#### Covered Employee Responsibilities:

- Certifies effort and submits their SPEEC form promptly after receiving email notification from ORSP
- Keeps a copy of each SPEEC form he/she submits
- Maintains a diary, calendar, report or other record of their activities to support their SPEEC report. (Note: PI/PDs are expected to work with their project personnel to develop a system for effort reporting or to identify the existing forms and methods that will be used.)
- If an employee leaves a sponsored project before the end of a reporting period, she/he must provide a SPEEC form before their affiliation ends.

#### ORSP Responsibilities:

- Receives covered employee effort certification reporting forms, updates the database, and reviews the reports against the approved budget to confirm levels of effort.
- Prepares and sends an “Effort Certification Summary” (ECS) report for each sponsored project to the PI/PDs for review and approval.
- Maintains a database to track compliance, assists in budget modifications as required, and forwards approved Effort Certification Summaries to Grants Accounting/Financial Services.

## EFFORT CERTIFICATION REPORTING

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### PI/PD Responsibilities:

- Certifies all effort provided by sponsored project personnel on ECS form.
- Determines whether the annualized level of effort will meet goal or if the effort must be adjusted
- For any discrepancies of 5% or greater from the committed effort percentage the PI/PD must develop and document a plan to enable employees to adjust their time to meet the commitment requirement and include it in the ECS.
- If the level of effort reported by the employee is less than the commitment and the required adjustment of time cannot be accomplished during the remainder of the award period, the PI/PD must work with ORSP to notify the sponsor and develop and submit a modification request for approval before the end of the budget period.
  - Modification requests may include a program modification, a budget modification or a personnel modification, or some combination of these.
- Retains all PAFs, part-time timesheets, SPEEC forms, ECS forms and Additional Compensation Contracts for at least 7 years following the end date of the award
  - PI/PDs are expected to work with their project personnel to develop a system for effort reporting or to identify the existing forms and methods that will be used.
- Obtains SPEEC form from staff if they leave the project before the end of a reporting period.

### Grants Accounting/Financial Services Responsibilities:

- Insures that salaries and fringe benefits charged to sponsored projects are accurate and reflect the current contract, state guidelines, and Payroll and Human Resources policies.
- Insures the distribution of salaries and wages reflects the value of the percentage of effort reported.

Failure to Certify Effort: As previously noted, failure to certify effort in a timely and accurate manner has serious consequences. To protect Kean University and ensure compliance with Federal regulations, any covered employee who fails to fulfill their effort reporting responsibilities will be subject to the following until corrective measures are completed:

- May not submit a grant proposal application for a sponsored project, including sub-awards
- May not be a PI, co-PI, PD, or co-PD of a sponsored project
- May not work as a covered employee on a sponsored project

Appendix – Samples of Forms

1. Sponsored Project Employee Effort Certification form
2. Effort Certification Summary