



Effort Reporting and Certification Guidance

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Introduction

As a recipient of federal funding, Southern New Hampshire University (SNHU) is required to comply with the Office of Management and Budget Circular Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”), as well as other federal requirements for certifying effort expended on sponsored awards.

SNHU requires all individuals who receive federal sponsored funding to comply with University policies and sponsoring agency regulations regarding the proposing, charging, and reporting of effort.

Faculty and staff are expected to charge their time to sponsored awards commensurate with the committed effort expended on all activities they perform for the University. Payroll charges to sponsored awards, and cost sharing recorded for faculty and staff, serve as the initial data points for the University’s effort reporting system.

Reason for Guidance

The Uniform Guidance Subpart E §200.430 contains the federal regulatory requirements for internal controls over certifying time expended on sponsored projects. The University’s practice is to utilize an after-the-fact effort reporting system to certify that salaries charged, or cost shared to sponsored awards, are reasonable and consistent with the work performed.

Risks of Non-Compliance to the Institution and the Individual include False Claims Act allegations, adverse publicity, possible criminal charges, loss of current and future funding, and possible direct cost refunds.

An individual’s costing allocation is first assigned to specific grants in the Workday system based on anticipated activities. Actual effort expended is certified by a responsible person with suitable means of verification that the work was performed, generally the individual and/or the principal investigator. The effort certification should be a reasonable estimate of how time was expended. Section §200.430(c) 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 [Institutions of Higher Education] a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.”

Quarterly individual effort certifications are the primary means for complying with the federal regulations relating to effort certification.

Roles and Responsibilities

Effort reporting is a federal compliance requirement. There are many individuals involved in this process and each one has a role in ensuring that certifications are accurate and completed on time.

Principal Investigators/Project Directors (PI/PD's) / Faculty and Staff Members

- Understand their own as well as their staff members' (non-faculty personnel) levels of effort committed, charged and reported on all applicable awards
- Review, initiate corrections if necessary, and electronically certify their own individual effort certification as well as their staff
- Communicate significant effort changes to the Associate Director of Grant Compliance
- Review salary charges on awards on a routine basis with Associate Director of Grant Compliance and identify any effort-related changes

Institutional Advancement (Compliance)

- Monitor effort commitments, salary charges, and cost sharing on all applicable awards
- Communicate to the sponsor any changes that require notification and/or prior approval
- Review salary charges with PI/faculty member and communicate with FP&A to post any costing allocation updates and/or payroll corrections in a timely manner
- Monitor that effort certifications are completed within the certification period allotted
- Provide effort reporting training, guidance on requirements, and oversee University-wide compliance with the University Effort Certification and Reporting Guidance
- Manage the business/functional aspects of effort reporting in Workday

Financial Analysis and Planning (FP&A)

- Create and maintain costing allocations for all University faculty and staff in Workday
- Create payroll journals related to effort changes
- Manage salary changes

Procedures

Quarterly effort certifications are generated for all SNHU faculty and staff who have effort charged to federal awards. The effort certification period of performance will follow the fiscal year: July – September, October – December, January – March, April – June.

Each faculty and staff member is required to sign their own certifications. Each individual is attesting that he/she has *sufficient technical knowledge and/or is in a position that provides for suitable means of verification that the work was performed.*

Faculty and staff are expected to review the payroll distribution percentages on the effort report and determine whether the percentages reasonably reflect their actual effort expended and the work performed on each sponsored award as well as effort associated with all other “non-sponsored” activities displayed on the certification. Variances up to and including 3% of the

individual's total institutional based salary for each award listed for the period being certified are allowable and do not require an adjustment. Variances over 3% should be corrected on the effort certification prior to final approval of the certification by the Principal Investigator and Associate Director of Grant Compliance. (For example: a certification with a charge to an award for 20% of an individual's time in that quarter can be approved provided the actual effort is between 17% and 23%, +/-3%).

Any effort report that is changed during certification will generate a payroll adjustment for FP&A within the Workday system. A payroll journal posted by FP&A to a federally sponsored award may generate an effort certification that did not previously exist if no previous salary was charged during the period of performance.

Minimum and Maximum Effort Threshold

PI's, faculty and staff members must account for 100% of their University compensated time and effort, for example, the time related to non-sponsored activities including teaching, grant writing, committee participation, administrative duties, chairmanships, or other administrative responsibilities. In most cases, the University allows PI's, Faculty, and staff to charge up to 95% of their effort to sponsored awards if their other University responsibilities are less than or equal to 5% of their total time and effort. Certain staff may be charged at 100% effort to sponsored project(s), but only in cases where no such activities exist. All individuals considered PI's or key personnel on sponsored awards must have effort, if required.

Definitions

Certification – The assertion by a PI/Faculty/Staff that the salaries charged to sponsored projects as direct charges or cost sharing reasonably reflect the effort expended and work performed during the period of performance.

Committed Effort – Amount of percentage of time an individual has communicated to the sponsor that he/she will work on a specific sponsored project over a specified period of time. Commitments are made in the award proposal and may be documented by the sponsor in award documents. Changes to reduce committed effort may require sponsor approval.

Cost Sharing – Any project costs that are not borne by the sponsor. Cost sharing of effort is the provision of faculty and/or staff time and related fringe benefits that were committed and provided in support of a project, but are paid for by other sources of funding. Cost shared effort in excess of the commitment made in the proposal does not have to be identified or certified.

Effort Reporting – The mechanism used to provide assurance to federal or other external sponsors that salaries charged or cost shared to sponsored awards are reasonable in relation to the work performed.

Institutional Base Salary (IBS) – Annual compensation paid by the University for an employee’s appointment, whether that individual’s time is spent on research, teaching, or other activities. IBS does not include bonuses, one-time payments, or incentive pay such as allowances and tuition reimbursements. Additionally, IBS does not include payments from other organizations or income that individuals are permitted to earn outside 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).

Key Personnel – (NIH definition) The program director/principal investigator and other individuals who contribute to the scientific development or execution of a project in a substantive, measurable way, whether or not they request salaries or compensation.

Period of Performance - The fiscal quarter during which an employee performs effort. The period of performance for quarterly individual certifications are the fiscal quarters, July-September (Q1), October-December (Q2), January-March (Q3), and April-June (Q4). The period of performance includes payroll journals that relate to time and effort expended during the particular quarter. The period of performance may also be referred to as the reporting period.

PI/Faculty/Staff Effort - The proportion of time spent by a University employee on any University activity expressed as a percentage of time. 100% effort is the total time spent on University work regardless of how many or how few hours an individual worked in the reporting period. The total effort reported for a PI/faculty/staff member will always equal 100%. Total effort includes sponsored projects and non-sponsored activities that are funded by the University including work performed outside of normal work hours and work performed off-campus.