

POLICIES

Policy Statement

- The University is committed to ensuring that effort reports made in connection with sponsored projects are accurate.
- All faculty and staff who are involved in allocating salaries and wages to sponsored projects, managing sponsored projects, or completing effort reports are responsible for understanding the principles of accurate and timely effort reporting.
- In no case can the percentage of an individual's salary charged to a sponsored project significantly exceed the percentage of the individual's total effort that is expended on the project during an effort reporting period.

Federal Authority: The University of Memphis effort certification reporting policy complies with the requirements of OMB Uniform Guidance (2 CFR 200) - Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Dec 2014).

Purpose

As a condition of receiving federal funding, institutions must maintain an accurate system for reporting the percentage of effort that employees devote to federally sponsored projects. Compliance with this policy protects the University against

penalties and funding disallowance due to inaccurate, incomplete, or untimely effort reporting.

The purpose of this policy is to ensure that effort certifications completed in connection with University sponsored projects are accurate, reasonably reflect the actual level of effort expended on a sponsored project, and comply with sponsor requirements. As a condition of receiving sponsored awards, the University must assure sponsors that the effort expended on its sponsored projects justifies the salary charged to those projects. In addition, the University must assure sponsors that the commitment indicated (including mandatory and voluntary committed cost sharing) in the proposal and subsequent award is met in accordance with the sponsor's terms and conditions. The University provides this assurance by requiring periodic effort reports for each individual whose salary is charged to one or more sponsored projects and/or cost sharing account during the effort reporting period. These effort reports indicate the percentages of the individual's total effort that are dedicated to the sponsored project(s) and other University activities, and require a certification that the reported effort percentages are accurate.

Failure to provide accurate effort certifications or failure to comply with the University's effort reporting requirements may result in financial penalties, expenditure disallowances and could negatively impact future external funding opportunities for the University. All individuals involved in the effort certification process are expected to abide strictly by the provisions of this policy.

Definitions

Effort

Time spent on any activity by an individual, expressed as a percentage of the individual's Total University Effort.

Effort Certification

The affirmation by the individual completing each Effort Certification form that the percentages of effort reported on the form is accurate. Knowingly signing an inaccurate effort certification is a serious violation of University policy, as well as potentially a violation of civil and criminal fraud statutes.

Effort Reporting

The process by which the University documents the percent of Institutional Base Salary charged to sponsored projects and other accounts during each effort reporting period, and individuals certify that the work was performed. The effort report form documents the proportion of time devoted to sponsored projects, teaching and other activities, expressed as a percentage of total University effort. The denominator of the effort percentage must always be total University effort, irrespective of the total number of hours worked during the effort reporting period. For example, if a faculty member works an average of 50 hours per week during an effort reporting period and works an average of 10 hours per week on a particular sponsored project, the correct effort percentage for that project would be 20%.

Payroll or Salary Allocation

The process of assigning salary charges to sponsored projects and other University activities. Payroll allocations and effort allocations are not the same thing. If a payroll allocation to a sponsored project during an effort reporting period exceeds the percentage of effort expended on the project during the period, the payroll allocation must be reduced to the level of the effort actually expended, based on the effort report.

Institutional Base Salary

The annual compensation paid by an organization for an employee's appointment, whether that individual's time is spent on research, teaching, administration or other activities. Base salary excludes any income that an individual is permitted to earn outside of his/her duties for extra compensation, summer compensation, and incentive pay. Base salary may not be increased as a result of replacing organizational salary funds with grant funds.

Summer Session

The three-month period between the end of the academic year and the beginning of the new academic year.

Academic Year

Typically, the academic year will begin one week before the first day of classes in the fall semester and will end one week after the last day of exams in the spring semester. These dates are consistent with those included in the 9-month faculty contracts and are published annually.

Total University Effort The professional activity for which an individual is compensated by the University ([BF4019 - Institutional Base Salary](#) and [UM1493 - Summer Compensation for Nine-Month Faculty](#).) Although the scope of total University effort may differ somewhat among faculty,

the following table illustrates the kinds of activities that would typically be considered to be part of the total University effort of a faculty member:

Activities **included** in total University effort Activities **outside** of total University effort

Externally sponsored research/other scholarly activities (includes 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)

Consulting and other outside compensated professional work (refer to [HR5011 - Extra Compensation and Outside Employment](#) for more detail)

Departmental/University Research(FRG)/other scholarly activities (includes participation in study sections or peer review of manuscripts)

Incidental work resulting in payment of Extra Compensation (refer to UM [HR5011 - Extra Compensation and Outside Employment](#) for more detail)

Instruction / University Supported Academic Effort - Including classroom and prep time, office hours, presentations to students/trainee groups, mentoring trainees (unless specifically part of a sponsored project, in which case it would be considered externally sponsored activities effort)

Volunteer individual community or public service

Administrative activities (e.g., Department Chair, Director, service on institutional committees, department activities, faculty advisory boards, etc.)

Effort expended on preparing proposals for new competitive segments of sponsored projects

Public Service effort on behalf of the University including institutional community service

Service in external Professional
Organizations and Societies related to one's
work

Procedures

Completion and Certification of Effort Reports

All faculty and professional staff, including temporary instructors, graduate assistants, and temporary professional employees, who are paid by a sponsored program contract, grant or University cost share must certify effort as part of the Effort Certification process. Nine-month faculty certify effort at the end of the fall, spring and summer terms. The effort certification periods for all other monthly paid employees are July thru December, January thru April, and May thru June. Financial Reporting will prepare and distribute certification instructions for all departments and activities for which they are required.

If the employee's actual distribution of effort/work performed is significantly different from the actual salary distribution ($\geq 5\%$), the accounting records will be adjusted appropriately by Grants and Contracts Accounting in consultation with stakeholders. Labor costs will be transferred to the appropriate Fund, Organization, Account, Program and Activity (FOAPA) along with necessary budget revisions. Certifier must submit approved Salary Redistribution Request Form to Grants and Contracts Accounting.

A reduction of effort of 25% or more (or other applicable sponsor requirements) from original commitment require prior sponsor approval. For example, if the commitment is 10% for the project year and actual effort is 5%, the reduction should be communicated.

Faculty and other employees are responsible for completing effort certifications within the specified time frame outlined in the accompanying instructions. The time frame for the final effort certification at year end will be expedited in order to allow for needed salary redistributions prior to the end of the fiscal year.

Principal Investigators (PI), department chairs and activity heads are responsible for ensuring that the effort certification process

is completed on time. A list of delinquent departments will be provided to the appropriate executive officer (Provost or Vice President) for action.

After effort has been certified, further adjustments of these labor costs will be made only in extenuating circumstances and must be supported by a written detailed explanation of the circumstances and justification for the adjustment. UM Salary Redistribution Request Form must be submitted by the requesting department with all required approvals. Changes after effort has been certified will require effort recertification via the Effort Recertification Form. (Refer to [BF4015 - Cost Transfers](#)).

The effort of all bi-weekly employees, including students, temporary employees, and graduate assistants paid on a bi-weekly basis, assigned/appointed to sponsored programs or assigned/appointed to positions for the purpose of fulfilling the University's obligation to sponsored program (cost-sharing), will be certified in conjunction with time reporting system.

Effort Certification Report

On a regular basis an Effort Certification form will be generated from the University's Effort Reporting System for faculty (at the end of each academic term) and administrators and graduate assistants (at the end of each academic semester and at the end of the fiscal year) whose compensation was charged in whole or in part to a sponsored project or cost share during the respective effort period. These Effort Certification forms must be completed, certified, and submitted in accordance with this policy. These electronic forms are located on the Employee tab of the University Portal.

The Effort Certification forms will contain data indicating the percentages of the individual's University salary that were allocated to sponsored project accounts and other University activities. These salary allocation percentages are not effort percentages; they are provided solely for informational purposes.

Certifiers are expected to review the payroll distribution percentages on the Effort Certification form, and determine whether those percentages reasonably correspond to the percentages of the individual's actual effort on each project or activity, recognizing that within an academic setting, teaching, research, service, and administration are often inextricably intermingled. If salary percentages reflect the actual effort, the

person completing the form (certifier) should enter the actual effort percentage in the "Actual Effort %" space provided then click the certify box on the Effort Certification form to submit the form.

If the salary allocation percentages on the form do not correspond to the percentages of the individual's actual effort on the listed projects or activities (or other projects or activities that may not be listed), the person completing the form should indicate the actual percentages of effort on each listed or unlisted project or activity in the "Actual Effort %" space provided prior to submission. Additionally, a Salary Redistribution Request Form should be submitted with appropriate approvals (PI and Chair) to Grants and Contracts Accounting.

When certifying the Effort Certification form, the criterion to be used is how the individual's effort was expended for the reporting period. Factors such as the availability of funds should not influence the certification of effort.

The completed Effort Certification form must reflect all activities for which Institutional Base Salary and Summer Compensation for the summer effort reporting period is paid. The total work effort expended cannot be more or less than 100%; however this does not necessarily equate to full time employment.

Most faculty members are engaged in teaching, administrative and other duties in addition to his/her work on sponsored projects. Accordingly, unless the circumstances of a particular faculty member demonstrably warrant otherwise, the total effort and salary of a faculty member should normally not be assigned to sponsored projects in a given effort period.

If for any reason the person completing the form has questions or concerns about how the form should be completed or certified, s/he should consult the appropriate Administrator/Business Officer of his/her department or Grants and Contracts Accounting.

Who can certify effort?

Individuals should certify their own effort reports and are expected to fully understand their funding and level of effort committed to each sponsored project. If an employee is not available to certify the Effort Certification form, the PI may certify the effort of staff working on his/her sponsored project

only if he/she has firsthand knowledge of the actual effort. However, a proxy, using suitable means of verification that the work was performed, may certify effort reports. Note: A proxy may not be required under certain circumstances, such as when the designee is a Co-PI and/or project manager listed in the award proposal document or identified specifically in the University Accounting System. Generally, an administrator/business officer will not have after-the-fact knowledge of an employee's Total Work Effort and should not certify the effort of staff unless they have such written after-the-fact confirmation from an individual having direct knowledge.

In the event of extraordinary circumstances where a Principal Investigator is unavailable to certify his/her effort report, the Vice President Research or his/her designee should be notified and the Vice President Research will determine the appropriate steps to take to achieve meaningful certification.

Summer Effort/Salary for Faculty with 9-Month Academic Appointments

The provisions of this policy relating to the reporting and certification of effort apply to 9-month faculty summer effort. Specifically, charging summer compensation to one or more sponsored projects implies that at least a commensurate amount of effort has been expended on those projects during the summer effort period. Faculty who receive summer compensation from sponsored projects must certify to the effort **expended on those projects during the summer effort period**. Effort expended during the academic year cannot be counted for this purpose. Refer to [UM1493 - Summer Compensation for Nine-Month Faculty](#).

Salary Redistribution & Recertification

Salary redistributions made as a result of the effort certification process must be made in accordance with [BF4015 - Cost Transfers](#). When effort percentages are changed, the individual certifying effort is required to complete a Salary Redistribution Request Form, obtain appropriate approvals, and submit approved form to Grants and Contracts Accounting. (Refer to [BF4015 - Cost Transfers](#)). Once certification of salary has been completed, only in rare circumstances will subsequent salary adjustments be permitted. If it is necessary to adjust the salary charges for a previously certified effort period, documentation must provide a detailed explanation of the need for the salary adjustment and subsequent recertification. Both a Salary Redistribution Request Form (approved by the PI, chair and dean) and an Effort Recertification Form (approved by the

PI, chair, and dean) must be submitted to Grants and Contracts Accounting.

Sanctions for Non-compliance

Failure to follow the provisions of this effort reporting policy may subject the individuals and departments responsible for the violation(s) to administrative and/or disciplinary actions in accordance with University disciplinary procedures and the judgment of management. Specifically, and without limitation:

1. If effort reports are not completed and returned in a timely manner, salary costs associated with uncertified grant activity may be removed and charged to a departmental account.
2. Certification of effort forms that are known to be materially inaccurate may expose the individual who completed the reports to personal disciplinary action.
3. Research incentive will be withheld for non-compliance.

Roles and Responsibilities

Principal Investigator/Program Director/Faculty

- Responsible for understanding the principles of accurate effort reporting.
- Must be aware of the level of effort committed to a sponsor in relation to all other professional activities included in total effort
- When appropriate, request sponsor approval in advance for planned reductions in effort greater than 25% (or other applicable threshold.)
- Identify situations where the salary representing the effort devoted to an award is more than the actual percent of effort devoted to the award.
- Change the effort report when inaccuracies exist.
- Must certify his/her own form and should approve effort forms of others working on his/her awards.
- In accordance with Effort Certification Procedures, complete and/or approve all Effort Certifications for grants under his/her responsibility.
- 9-month faculty receiving summer compensation during the summer months must ensure that the effort was expended during the summer effort reporting period for which they were funded.

Administrator/Business Officer

- Assist individuals required to certify effort with understanding the certification of effort process.
- Assist PI in initiating requests for adjustments in labor distribution in accordance with the [BF4015 - Cost Transfers](#) .
- Ensure that effort reports are completed and certified and in accordance with BF4010 Certification of Effort.
- Retain supporting documentation related to salary and effort distributions.

Provost Office

- Monitor completion of Effort Certification forms.

Financial Reporting

- Notify the University community regarding the availability of effort reports for certification.

Departmental Chair/Directors

- Withhold Research Incentive pay for non-compliance with BF4010 Certification of Effort.
- Approve Effort Re-certification Form

Grants and Contracts Accounting

- Monitor the effort reporting process.
- Assist with questions regarding effort reporting principles and/or process.
- Review effort reports for compliance with University policy.
- Make any necessary adjustments in labor distribution in accordance with [BF4015 - Cost Transfers](#) .
- Review and approve University requests for reductions of effort as required by sponsor terms and conditions.
- Notify Provost Office of Effort Certification Forms that are not submitted.

Dean

- Withhold Research Incentive pay for non-compliance with BF4010 Certification of Effort.
- Approve Effort Re-certification Form

Vice President Research

- Determine additional sanctions for non-compliance with Effort Certification policy
- Determine appropriate designee to approve effort certification in the absence of the PI or designee.

Related Forms

Salary Redistribution Form <http://bf.memphis.edu/forms/acct/acct12.php>

Effort Re-Certification Form <http://bf.memphis.edu/forms/acct/effortrecert.php>

Links

Effort Instructions for Certifiers http://www.memphis.edu/accounting/pdf/effort_instructions_for_certifiers.pdf

Effort Instructions for Approvers http://www.memphis.edu/accounting/pdf/effort_instructions_for_approvers.pdf

UM Effort FAQs http://www.memphis.edu/accounting/effort_faq.php

UM Effort Certification Process Map For Certifiers http://www.memphis.edu/ccounting/pdf/effort_process_for_certifiers_dec_2007.pdf

UM Effort Certification Process Map for PIs http://www.memphis.edu/accounting/pdf/effort_process_for_pis_dec_2007.pdf

**Summer Compensation for
Nine-Month Faculty**

[UM1493 - Summer Compensation for Nine-Month Faculty](#)

Revision Dates

BF4010 – Supersedes UM1676 March 28, 2018
UM1676 - Revised February 10, 2017
UM1676 - Issued: June 28, 2011

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Research	Student Affairs
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
