



NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY

Sec. V –SPONSORED RESEARCH 11.00

EFFORT REPORTING

UNIT POLICY -- DORED

A. SCOPE OF POLICY

It is the policy of North Carolina A&T State University (NC A&T) to comply with all federal guidelines and regulations relative to personal compensation charges to sponsored awards.

Awards with a start date prior to December 26, 2014, are subject to OMB Circular A-21.

New awards and continuation awards, supplements, etc., received for existing awards with a start date on or after December 26, 2014 will be subject to 2 CFR Part 200 (Uniform Guidance) shall apply as stated in the Notice of Award.

The University uses an electronic effort reporting system that was implemented February 25, 2015 that meets the standards of A-21 and Uniform Guidance.

B. PURPOSE

The purpose of this policy is to describe the procedures for: (1) budgeting effort commitments to sponsored projects; (2) charging salaries to sponsored project awards; (3) reporting actual effort expended on sponsored projects; (4) making changes to effort commitments; and (5) certifying the actual effort expended timely and accurately.

This policy applies to all faculty, staff and students who receive salary support from or who have devoted effort to sponsored grant, contract or federal appropriation. This does not apply to individuals who are paid by the hour. Time sheets will serve as certification of effort.

C. DEFINITIONS

Effort Reporting

Effort reporting is the process by which the University determines and documents the effort expended on sponsored projects during each effort reporting period of performance. The effort statement documents the proportion of time devoted to sponsored projects and other University activities expressed as a percentage of total University effort. The denominator of the effort percentage must always be a total University effort, irrespective of the total number of hours worked during the effort reporting period.

Effort

Effort is the time spent on any University activity by an individual, expressed as a percentage of the individual's total University effort (100%).

Total University Effort

Total University Effort is the total of all activities for which an individual is compensated in his/her Institutional Base Salary (IBS) by the University under his/her appointment.

The following are considered activities outside of total University effort:

- Consulting and other outside compensated professional work including service on scientific advisory or similar boards
- Special activities resulting in payment of a bonus or other one-time compensation
- Volunteer individual community or public service
- Other assignments over and above or separate from assigned responsibilities in the primary position

Salary Allocation

Salary allocation is the process of assigning salary charges to sponsored projects and other University activities. Salary allocations and effort allocations are not the same thing. If a salary allocation to a sponsored project during an effort reporting period does not agree with the percentage of effort expended on the project during the period, the salary allocation must be revised to the level of effort expended based on the confirmed effort statement.

Effort Statement

The effort statement contains data indicating the percentages of the individual's University salary that were allocated to sponsored project awards and other University activities during the effort reporting period of performance as represented by the total University effort. The salary allocation percentages on the effort statement are not effort percentages; but rather are provided solely for informational purposes.

The confirmed effort statement serves as an affirmation by the individual completing the effort statement (“certifier”) that the percentages of effort reported on the form are accurate. Knowingly signing an inaccurate effort statement is a serious violation of University policy, as well as potentially a violation of civil and criminal fraud statutes.

Effort reporting period of performance

The effort reporting period of performance is the academic period or quarter represented by an effort statement. The University issues effort statements three times a year for faculty and students for the academic periods of Fall, Spring and Summer. All other employees are on four quarterly periods of July-September, October-December, January- March and April-June. Each period is referred to as an effort reporting period of performance.

Cost sharing

Cost sharing is a portion of total sponsored project costs not funded by the sponsor. The type of cost sharing applicable to this policy is cost sharing of salary charges. Effort statements must document salary cost sharing commitments made by the University to the sponsor. Only effort shown through the effort statement may be used for meeting sponsor cost share requirements.

D. TOPIC

This policy applies to all individuals within the University who manage sponsored projects, are involved in allocating compensation charges to sponsored projects, have committed effort (whether through salary support or cost share) to sponsored projects, or are responsible for confirming effort statements.

The purpose of this policy is to ensure that effort statements completed in support of 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 their 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 effort statements for each individual whose salary is charged directly or cost shared to one or more sponsored projects during the effort reporting period of performance. Completed effort statements indicate the percentages of the individual’s total University effort that are dedicated to the individual sponsored project(s) and other University activities, and require a confirmation that the reported effort percentages are reasonable and accurate.

Each individual working on a sponsored project must be aware of his/her level of committed effort to sponsored projects, his/her ability to meet those commitments considering any other University obligations he/she may have, and to communicate any significant changes in level of sponsored projects effort to his/her respective grant administrator and/or grant accountant.

Levels of effort proposed in any sponsored project application should be consistent with the

actual effort that each individual is expected to expend on the project during the relevant project period(s). The amount of salary support requested should be determined using the individual's institutional base salary (IBS). In general, an individual's institutional base salary includes all amounts paid to the individual by the University as compensation for services rendered. There are certain elements of compensation, however, that are excluded from IBS. Sponsors generally consider estimates of effort (and corresponding salary requests) in project proposals to be commitments if such proposals are subsequently awarded. Individuals for whom such commitments have been made are responsible for ensuring that the commitments are met. The effort levels reported in effort statements can be a source of information on that subject, but ultimately the responsibility for meeting the commitments lies with the individual.

For Principal Investigators, the University requires a minimum of 1% effort either directly charged or provided as pre-approved cost share on most sponsored projects. Typically, it will be more. Principal Investigators must commit and expend at least 1% effort during at least one effort reporting period of performance to accurately reflect their leadership of the project and meet this requirement. If there are multiple Principal Investigators, at least one listed Principal Investigator assuming responsibility for the scientific and administrative direction of the project during a given effort reporting period of performance must fulfill the 1% commitment.

Most faculty members are engaged in teaching, administrative, and other duties in addition to their work on sponsored projects. Accordingly, unless the circumstances of a particular faculty member demonstrably warrant otherwise; faculty generally have responsibilities that would preclude them for devoting 100% of their effort to sponsored activities. The Office of Sponsored Programs will scrutinize all instances where a faculty member is committed 100% to sponsored projects.

E. ROLES AND RESPONSIBILITIES

1. Certifier

The certifier is the individual charged, cost shared or committed to a sponsored project, named on the effort statement, and responsible for confirming his/her effort statement. For students, the certifier is the Principal Investigator. In limited, extenuating circumstances where the certifier cannot confirm his/her effort statement (e.g. employees no longer employed with the University, protracted illness or no reasonable access to the NC A&T email system due to current work assignments), the Principal Investigator or other responsible official with first-hand knowledge or a suitable means of verification that the work was completed may confirm on behalf of the certifier.

When completing an effort statement, the certifier is expected to review the payroll distribution percentages on the effort statement, 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 is often inextricably intermingled. Factors such as the availability of funds should not influence the confirmation of an effort statement.

The completed effort statement must reflect all activities for which compensation is paid by the University. The total work effort expended cannot be more or less than 100% and in no case can the percentage of an individual's salary charged to a sponsored project exceed the

percentage of the individual's total effort that is expended on the project during an effort reporting period of performance.

If the percentage of total effort expended in a given effort reporting period of performance is more or less than the percentage of salary charged to the sponsored project as reflected on the effort statement, the certifier shall indicate on the effort statement the appropriate level of effort and communicate this change to the effort reporting system central administrator in the Office of Financial Compliance.

2. Effort Reporting System Central Administrator

The effort reporting system central administrator in the Office of Office of Financial Compliance is responsible for:

- Ensuring the effort reporting system is operating properly and **effort statements** are issued in a timely manner.
- Training certifiers and DORED staff on this policy, associated procedures, and the University effort reporting system. Training will be provided prior to issuing statements for the Fall, Spring and Summer effort reporting periods of performance and as needed or requested.
- Enforcing this policy and making sure that the effort certification process is followed.

3. Dean of a College/Vice Chancellor of a Division

The Dean of a College/Vice Chancellor of a Division is responsible for the ensuring compliance with this Policy by certifiers within his/her college or division.

Effort Reporting Period of Performance and University Certification Timeline

Effort statements are generated and confirmed three times a year for faculty and students for the academic periods of Fall, Spring, and Summer. Statements for all other employees are on four quarterly periods of July-September, October-December, January -March, and April-June. Each period is referred to as the **effort reporting period of performance**.

The **effort statement** pre-review period will begin approximately 45 calendar days from the end of the **effort reporting period of performance** (i.e., December 31 and June 30).

The statements will be released to certifiers for certification after the 45-day period.

Certifiers have 30 calendar days to confirm their effort after the statement release date. Certifiers will receive the following notifications listed below.

Email Notifications	Method of Notification Distribution
Initial Email	System generated email notifying certifiers the effort certification period is open for certification. It also provides the end date of the effort certification period.
10 Day Reminder	System generated email notifying certifiers the effort certification period will end in 10 days and includes the end date of the effort certification period.

5 Day Reminder	System generated email notifying certifiers the effort certification period will end in 5 days and includes the end date of the effort certification period.
Vice Chancellor Reminder	Email reminder from Vice Chancellor of DORED to the College/Division and Principal Investigator identifying the outstanding certifications and the end date of the effort certification period.
Final Reminder	System generated email notifying certifiers the effort certification period ends today and all statements are due.

F. SALARY REALLOCATION AND RECERTIFICATION

Salary reallocations made as the result of the effort certification process must be made in accordance with University policies and procedures on salary reallocation and cost transfers. The salary charges and cost share of a certifier to the associated sponsored project(s) must be accurate and in accordance with expended effort. If a discrepancy is identified between salary charges/cost share and expended effort, the certifier is responsible for indicating the appropriate adjustment on the **effort statement** and providing to the central effort reporting system administrator the necessary documentation to support the adjustment (i.e., copies of original salary documents or new salary documents prepared to support actual effort).

Once **effort** has been certified, only in certain, limited, circumstances will subsequent salary adjustments be permitted. In these instances, the effort report may be required to be reopened and recertified. If the effort statement is reopened, the certifier will have 7 days to complete the recertification.

COMPLIANCE

Financial penalties, expenditure disallowances, and harm to the University's reputation could result from failure to provide accurate effort confirmations or failure to comply with the University's **effort reporting** requirements. All individuals involved in the **effort reporting** process are expected to abide strictly by the provisions of this Policy.

Failure to follow the provisions of this policy may subject the individuals, to administrative and/or disciplinary actions in accordance with the University's disciplinary procedures and the judgment of the University's leadership.

In addition, if an **effort statement** is not certified within the timeline prescribed in this policy an escalation process will commence, as follows:

1. Immediately following expiration of the 30-day certification period, the effort reporting system central administrator will send the Vice Chancellor of DORED a list of incomplete **effort statements** for certifiers by College/Division and Principal Investigator. The Vice Chancellor of DORED will notify the College/Division, PI, and certifiers to complete their **effort statements** in accordance with this Policy.

2. If the effort statements are not confirmed within 7 calendar days of the notification to the College/Division and PI, the Vice Chancellor of DORED will send a final notice to the College/Division and PI notifying him/her that a hold will be placed on all sponsored projects the next business day. With the exception of payments for students, all other expenditures (salaries, travel, equipment, materials and supplies) will be suspended until the certification is completed.

G. GUIDANCE

- 2 CFR Part 220 (OMB Circular A-21)
- 2 CFR Part 200 (The Uniform Guidance)

H. CONTACTS

Questions and concerns related to effort certification can be submitted online to ecrt@ncat.edu. The DORED staff directory can be used to locate the staff member best suited to address additional project specific issues.

Approved by the Chancellor

Originally approved before April 10, 2017

Date revision is effective: upon approval

Revised: April 24, 2017

August 14, 2017