

Effort Certification**Scope**

This policy sets forth requirements for managing effort expended on sponsored project awards administered by the University in compliance with federal regulation as defined by the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found in 2 CFR 200.430 (referred to here as the Uniform Guidance). It applies to all individuals whose salaries are charged to sponsored projects, in whole or in part, and to all individuals involved in certifying the effort of other individuals.

Purpose

The University receives significant funding for sponsored programs from the federal government and other external sources. The Uniform Guidance requires sponsored program recipients to maintain a system of internal controls that includes after-the-fact review of payroll charges made to federal awards. 2 CFR § 200.430(i)(1)(viii)(c). All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated. An after-the-fact review of payroll charges for sponsored programs is achieved by the effort certification process. Effort certifications are also required of payroll that is distributed on federal formula funds (federal appropriations by USDA).

Non-compliance with these requirements could result in the disallowance of payroll charges to sponsored programs. Penalties resulting from audits for noncompliance may include funding disallowances and significant financial penalties for the University.

Definitions

Effort is the time spent on any activity by an individual and is expressed as a percentage of the individual's University Effort. This is not based on a forty (40) hour work week.

University Effort is the total effort for which an individual is compensated by the University. For a faculty member, this is calculated as the sum of academic/instruction effort, administrative effort, research and other effort. This ordinarily does not include outside consulting, professional work on an advisory board, participating on a peer review panel, or volunteer work. University effort is normally based on an employee's base salary and would not include bonus payments and faculty incentive payments.

Effort Certification is affirmation by the individual with direct knowledge or a suitable means of verification that the work was performed, stating that salaries and wages distributed to sponsored programs as direct charges are reasonable in relation to total University work performed over the monthly certification period. Effort reporting is expressed as a percentage of total University effort. This is the process by which the University determines and documents the effort expended on sponsored projects.

Who Must Comply

Acceptance of federal funding by any part of the University requires the institution to adhere to the after-the-fact review prescribed by the Uniform Guidance. It is the responsibility of:

The Principal Investigator (PI) to:

- Ensure compliance with the Effort Certification Policy.
- Ensure personnel under the PI's direction are familiar with the Effort Certification Policy.
- Complete certifications of their own effort and the effort of any individual(s) delegated to them within sixty (60) days after receiving the first monthly webBASIS notification.
- Identify and communicate to the Department Administrator any situations where the distribution percentage on any sponsored activity is greater than a 5% point variance.
 - For instance, if an individual allocated 50% effort to a project, then the certified effort could reasonably fall between 45% and 55%.

The Department Administrator to

- Ensure compliance with the Effort Certification Policy.
- Provide guidance to PI in their accurate and timely Effort Certification.
- Coordinate/process any labor distribution adjustments necessary based upon discrepancies noted by the PI (e.g. the 5% point variance).

The Department Chair/Division Head to:

- Ensure compliance with the Effort Certification Policy.
- Oversee effective processes in the department to assist with compliance with the Effort Certification polices and associated procedures.
- Take corrective action when notified of outstanding Effort Reports; greater than 60 days after the first notification.

Training Requirements

The University requires effort certification for those individuals whose salary is being charged directly or cost shared to sponsored programs. Training is required of all individuals who are responsible for certifying effort. Please see the HR Calendar, <http://hr.uark.edu/tcal.asp>, contact Research Accounting for more information about upcoming "Effort Certification Training."

Certification Process

The University uses the Effort Certification Report in webBASIS as its method of documenting employee effort performed on sponsored programs.

Effort Reports will be generated monthly on the webBASIS system for each PI to certify their own effort and the effort of any individual(s) delegated to them. The PI will be emailed from effort@uark.edu stating "As a Principal Investigator you have effort certification pending within webBASIS." Once logged on to webBASIS, the Effort Report will show a percentage allocation of how the salary costs were distributed for a given payroll period. These salary allocation percentages are not effort percentages; they are provided strictly for informational purposes.

If the percentages of a salary distribution accurately reflect a reasonable estimate of the actual effort expended within a 5% point variance, then the PI should certify the Effort Report. If the percentages of a salary distribution do not reflect a reasonable estimate of the actual effort expended within 5% point variance for an effort period, then the Effort Report must not be

certified. The PI must notify the department administrator to correct the payroll distribution. Once the correction is complete, the PI should certify the Effort Report.

When certifying the effort report, how the individual's effort was expended for the reported pay period is the criterion to utilize. Factors such as availability of funds should not influence the certification of the effort report. An employee's total effort for a pay period will always equal 100%.

As most faculty members are engaged in teaching, administrative, and other duties, in addition to their work on sponsored projects, the total effort and salary for a faculty member should not be 100% committed to a sponsored research, except under special circumstances that demonstrate otherwise.

Effort should be certified at the time the Effort Report is presented to the responsible certifying individual unless that individual determines that the salary distribution is incorrect and should not be certified. Responsible persons are requested to complete Effort Certification within thirty (30) days after receiving the first monthly webBASIS notification. Any effort certification that is not completed within 60 days is considered late.

Research Accounting will monitor and send notifications of uncertified Effort Reports based on the following time frames.

Time Frame	Reminder e-mail sent to
30 days after first notification	Individual
60 days after first notification	Department Chair/Director, Department Administrator, and the Dean's Office
90 days after first notification	Same as above and the Vice Provost for Research and Economic Development Office

The Vice Provost for Research and Economic Development will determine the next steps if the effort remains uncertified after the above notifications.

A lack of a credible after-the-fact review may result in audit findings, fines, or disallowance of payroll expense on sponsored programs. Therefore, it is critically important to ascertain the reasonable correctness of the effort prior to certification.

Special Conditions

Summer Effort

Nine-month appointed faculty members are permitted to expend up to an additional three months of summer effort on sponsored programs, subject to sponsor policies and department chair approval. Effort Reporting will continue on a monthly basis for 9 month employees working during the summer.

The combination of summer teaching and summer research for a month cannot exceed 1/9 of the previous academic salary (or 1/3 salary if they work all summer). If a nine-month appointed

faculty member has administrative or other non-research responsibilities (e.g. vacations) during the summer period, then they are precluded from claiming 100% effort on sponsored programs.

Cost Share

Cost Sharing needs to be reflected on the Effort Reports to properly report full effort expended on the project. It should be noted that Cost Sharing must be put in the appropriate fields based on the type of Cost Sharing (e.g.: Mandatory and Voluntary Committed). Cost shared effort on a federal award has to be certified.

- See the “Cost Sharing Policy” and Frequently Asked Questions document for additional information and requirements about Cost Sharing.

Additional Resources

Please contact Research Accounting at (479) 575-4853 or effort@uark.edu. Also see the Research Accounting website (<http://finance.uark.edu/research.asp>) for additional information, such as Frequently Asked Questions and the Effort Certification Training PowerPoint.

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