

 NORTHEAST OHIO MEDICAL UNIVERSITY	Policy No: 3349-20-18
POLICY TITLE: Effort Reporting	EFFECTIVE DATE: May 1, 2017 UPDATED: November 1, 2021
RESPONSIBLE DEPARTMENT: Grants Accounting	All Employees/Students

(A) PURPOSE

The University must ensure payroll costs, i.e.: salary, wages, stipends, and fringe benefits, that are charged to Sponsored Programs adhere to the effort reporting standards in the Office of Management and Budgets (OMB) Uniform Guidance (2 CFR 200), specifically §200.430.

(B) SCOPE

This policy applies to all faculty, staff, students, and fellows with payroll charges or effort commitments on Sponsored Programs if they are paid directly by the sponsored award or cost-shared from other funding sources.

(C) DEFINITIONS

Consult University Policy 3349-7-01.

- (1) “Actual Effort” is the actual effort expended on a Sponsored Program; and is usually expressed as a percentage of total effort.
- (2) “Cost Sharing of Effort” is the portion of total effort not paid by the Sponsor. For example, 20% effort commitment with a request for 15% salary support results in a 5% cost sharing commitment.
- (3) “Effort Commitment” is the proportion of effort proposed by Faculty, Staff, Students or Fellows to carry out their stated role on a Sponsored Program. This can be expressed as a percentage or in person months. The terms “Effort Commitment” and “Committed Effort” are interchangeable.
- (4) “Institutional Base Salary (IBS)” is the annual compensation paid by the University for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the University.
- (5) “Principal Investigator” refers to the faculty or staff member designated by the Sponsor to have the appropriate level of authority and responsibility to direct the project or program supported by the grant.
- (6) “Person Months” is a method of expressing effort percentage by normalizing an

 NORTHEAST OHIO MEDICAL UNIVERSITY	Policy No: 3349-20-18
POLICY TITLE: Effort Reporting	EFFECTIVE DATE: May 1, 2017 UPDATED: November 1, 2021
RESPONSIBLE DEPARTMENT: Grants Accounting	All Employees/Students

individual’s effort percentage compared to their appointment length, which may be a partial year appointment. For example, an individual with a 12-month appointment devoting 20% effort would be working 2.4 Person Months (calculated by multiplying 20% x 12 months = 2.4 person months). Many federal sponsors require effort commitments to be proposed in Person Months.

- (7) “Significant Reduction in Committed Effort” is defined as a variance greater than 25% between Committed Effort and anticipated actual effort. For example, a PI with a 20% effort commitment who anticipates only being able to devote 10% effort would have a Significant Reduction in Committed Effort, calculated by the following: (Effort Commitment less Anticipated Effort) divided by Effort Commitment or numerically: $(20\% - 10\%) / 20\% = 50\%$ reduction in effort, which is greater than 25% and may require Sponsor approval prior to reducing effort.
- (8) “Total Effort” is the sum of all effort expended or planned to be expended for a period; this includes all activities for which an individual is paid their Institutional Base Salary. The Total Effort calculation is based on the time necessary to fulfill 100% of activities for which an individual is compensated, regardless of the number of hours worked; it is not based on a 40-hour work week.

(D) POLICY STATEMENT

- (1) The OBM Uniform Guidance standards state that effort reporting records must:
 - (a) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
 - (b) Be incorporated into the official records of the University.
 - (c) Reasonably reflect the total activity for which the employee is compensated by the University, not exceeding 100% of compensated activities.
 - (d) Encompass both federally assisted, and all other activities compensated by the University.
 - (e) Comply with the established accounting policies and practices of the University.
 - (f) 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

 NORTHEAST OHIO MEDICAL UNIVERSITY	Policy No: 3349-20-18
POLICY TITLE: Effort Reporting	EFFECTIVE DATE: May 1, 2017 UPDATED: November 1, 2021
RESPONSIBLE DEPARTMENT: Grants Accounting	All Employees/Students

activities regardless of the source of funding.

- (g) Correspond to the 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.
- (2) Effort Commitments are expressed in percentages or Person Months when proposed to the Sponsor. Once the proposal is awarded, those effort amounts become effort commitments that must be met within a reasonable variance (i.e. +/- 25% change between committed effort and actual effort).
- (3) Key personnel, which includes the Principal Investigator (PI), co-principal investigator, or other individuals named in the notice of grant award or contract, are typically required to request prior written approval from the Sponsor when they anticipate a Significant Reduction in Effort (e.g., a 25% reduction in effort or a 12-week absence).
- (4) NEOMED employs an electronic *After-the-fact Effort Certification Method*, which requires payroll distributions to be updated on a continual basis to account for new awards or changes in effort with actual effort being certified monthly on *Time and Effort Certification Reports*.
- (5) Sponsored Programs will be separately identified on the *Time and Effort Certification Reports* with payroll charges expressed as percentages of payroll charged to the Sponsored Program in relation to the Institutional Base Salary during the certification period.
- (6) Time and Effort Certification Reports must list all Cost Sharing of Effort for the certification period. The Sponsored Program and Cost Sharing of Effort are listed as payroll charges, the total of the two combined funding sources is representative of the Total Effort for the project requiring certification.
- (7) *Time and Effort Certification Reports* must be certified by an appropriate individual.
 - (a) Faculty who are Principal Investigators may certify their effort for their own awards.
 - (b) All other individuals must have their effort certified by:

 NORTHEAST OHIO MEDICAL UNIVERSITY	Policy No: 3349-20-18
POLICY TITLE: Effort Reporting	EFFECTIVE DATE: May 1, 2017 UPDATED: November 1, 2021
RESPONSIBLE DEPARTMENT: Grants Accounting	All Employees/Students

- (i) The named employee on the *Time and Effort Certification Report*; or
 - (ii) The Principal Investigator(s) for the Sponsored Program(s) that appear on the *Time and Effort Certification Report*.
- (c) In special circumstances where an individual has terminated employment, is on an extended leave of absence, or not accessible, the following individual(s) may be appropriate to certify that individual's *Time and Effort Certification Report*:
- (i) The Principal Investigator(s), or
 - (ii) Named employee's supervisor, or
 - (iii) Department Chair, or
 - (iv) Another responsible Institutional Official who has suitable means to verify the work was performed during the certification period. Proper documentation must accompany the *Time and Effort Certification Report* to justify the appropriateness of the alternate certifier.
- (8) The certifier is responsible for reviewing all payroll lines on the *Time and Effort Certification Report* and certifying that the payroll percentages charged to each Sponsored Program (paid and cost-shared) and all other activities reasonably agree with how the employee devoted their actual effort during the certification period. Department administrators who support the certifier(s) in the financial management of their Sponsored Programs may be granted "viewing access only" to assist certifiers with the review process.
- (9) Supplemental earnings for duties outside of an individual's primary appointment (or job duties) for which they are paid an Institutional Base Salary are not included on the *Time and Effort Certification Report*.
- (10) All Sponsored Program activities must be reported on the *Time and Effort Certification Report*. This includes all cost sharing commitment and situations where the notice of award has not been issued, an index number has not been established, or payroll distributions have not been updated in time to be reflected

 NORTHEAST OHIO MEDICAL UNIVERSITY	Policy No: 3349-20-18
POLICY TITLE: Effort Reporting	EFFECTIVE DATE: May 1, 2017 UPDATED: November 1, 2021
RESPONSIBLE DEPARTMENT: Grants Accounting	All Employees/Students

on the *Time and Effort Certification Report*. The Time and Effort Certification Report should not be certified until all sponsored program effort is accurately reported.

- (11) An individual’s payroll distribution must directly correspond to the *Time and Effort Certification Report* before certification.
- (12) Effort expended may exceed the amount charged to an award, however the amount charged cannot exceed the effort expended nor the effort committed to the sponsor in accordance with the terms of the Sponsored Programs.
- (13) The *Time and Effort Certification Report* cannot be adjusted once certified, unless the adjustment is to reduce overstated effort.

(E) RESPONSIBILITY

- (1) Principal Investigator (PI) is responsible for adhering to this policy in its entirety.
- (2) Office of Research and Sponsored Programs is responsible for evaluating Effort Commitments at the proposal and award stages.
- (3) Grants Accounting is responsible for generating and tracking *Time and Effort Certification Reports*.