SEATTLE UNIVERSITY POLICY

Effort Certification Reporting for Externally Funded Sponsored Agreements

Approved By: [Signature]
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Effective Date: Retroactive to March 15, 2010

Purpose
The verification of compensation for effort expended on sponsored agreements is a requirement in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-21: Cost Principles for Educational Institutions, specifically noting Section J.10 “Compensation for personal services.” As a recipient of federal funds, Seattle University is required to establish policies and procedures to ensure that employees are certifying their effort in order to provide a reasonable basis for distributing salary charges among major university functions (e.g., instruction, organized research, other sponsored agreements and other institutional activities).

Rationale
The detailed policies and procedures described herein provide assurances to all sponsors/funding agencies that the university is in compliance with requirements for allocating costs associated with salaries, wages, and fringe benefits to all sponsored agreements.

Definitions
Certify – to provide confirmation that the costs associated with salaries, wages, and fringe charged to a sponsored agreement are reasonably aligned with the actual effort expended on that same agreement.

Cost Transfer Form (CT) – the request to transfer charges from one account (sponsored or otherwise) to another within 90 days of the charge erroneously posting to said account. This form is also used for late (more than 90 days) cost transfer (LCT) requests. This request requires
documentation as to why the transfer was not done within 90 days and how the department and PI will prevent the error from occurring in the future.

**Effort Certification Report** – form used to document all activities of any employee who performs services on, or contributes effort towards, a sponsored agreement. The form allows for a side-by-side comparison of payroll, cost-share, and computed effort distribution to the employee’s certified effort.

**Employee** – a person under contractual agreement with Seattle University who is hired and compensated to perform specific duties. Employees consist of all professional, professorial staff and/or student workers who are paid either a fixed salary, or an hourly wage. Employees may be full or part-time.

**Facilities and Administration (F&A) Costs** – costs which are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored agreement, an instructional activity, or any other institutional activity (i.e. building maintenance, utilities, office space, clerical staff, etc.) F&A is also known as indirect costs (IDC).

**Institutional Prior Approval Form (IPAF)** – any requested change in a sponsored agreement requires ORSSP approval and may require sponsor approval. The IPAF is a form for documentation and justification of a requested change prior to the action being taken.

**ORSSP** – Office of Research Services and Sponsored Projects of Seattle University

**Payroll Action Form** – form for approval and documentation of any change in an employee’s payroll distribution.

**Payroll Distribution** – allocation of an employee’s base salary between funding sources for a specific period of time.

**Principal Investigator/Project Director (PI/PD)** - an individual designated by the institution to direct a specific sponsored agreement being supported by external funding. He or she is responsible and accountable to the institution and sponsor for the proper conduct of the sponsored agreement.

**Sponsored Agreement** – approved activity(ies) that is(are) performed based on an approved scope of work and budget, which is(are) funded wholly or in part by a federal, state, local agency corporation, foundation, organization or other sponsor. The scope of work is clearly defined and funding is for a specific time period.
Policy

1. The University employs an After-the-fact Activity Records effort reporting system for all University employees that perform services on, or contribute effort towards, a sponsored agreement. Personnel performing services towards a sponsored agreement must certify their effort, or have their effort certified for them by a responsible official as defined by OMB A-21 J.10.c.(2).(c).

2. Individual effort reports or time sheets, where applicable, are required for employees, as defined above, in which a portion of their salary is charged to a sponsored agreement. Quarterly reports are required to be completed, in compliance with A-21, J.10.c.(2)(d), for the following academic periods: September 15 through December 14, December 15 through March 14, March 15 through June 14, and June 15 through September 14.

3. The Effort Certification Report must represent, in percentages totaling 100%, a reasonable estimate of an employee's total university compensated effort for the period. To confirm that the distribution represents a reasonable estimate of the work performed by the employee during the period, the reports will be signed by the employee, principal investigator, and/or responsible official(s) using suitable means of verification that the work was performed. Principal Investigators/Project Directors are required to complete and sign their own individual effort reports. A suitable means of verification is generally understood to mean the person has true first-hand knowledge of the effort reported on behalf of others. It is inappropriate for this function to be delegated to college or department administrators or department administrative assistants as they typically do not possess first-hand knowledge of the work performed and will, therefore, not have a suitable means for verifying the effort of principal investigators or others dedicating effort to sponsored projects. This function is, therefore, the sole responsibility of the principal investigator, except in rare circumstances. In cases where employees charged to a sponsored agreement complete timesheets, these timesheets must be certified/signed after the completion of the work/hours being charged. Timesheets are to be completed and submitted in accordance with SU HR policy, and must be signed by both the employee and either the Principal Investigator, Project Director, or responsible official.

4. Effort and payroll distributions are not the same. Payroll distributions are initial estimates of how effort is anticipated to be expended and serve as a convenient reminder about
activities on which the employee worked. The effort reporting process is a method for confirming that salaries allocated to sponsored agreements reasonably reflect the actual dedicated effort. Therefore, if there has been a change in effort from the original estimate to that which will occur or has occurred, the effort report will be certified to reflect accurate activity distributions (e.g. percentages of effort) and the appropriate transfer completed to reallocate charges, if needed. An Institutional Prior Approval Form will be submitted to request changes in percentages of effort in the grant budget. A Payroll Action Form to document changes to the payroll distribution then will be submitted once the IPAF is approved. If a transfer of costs/charges needs to be done, a Cost Transfer Form will also be required. Quarterly, the Effort Certification Report will allow PI’s to certify that reported effort is consistent with payroll charges by streamlining information taken from payroll, cost transfers, and commitments into one document for the PI/Employee to account for his/her effort and/or that of his/her employees.

5. The Effort Certification Report must account for all effort for which the University compensates the employee (including sponsored and non-sponsored agreements). The compensation rate is based on and is consistent with the employee’s base salary, which is negotiated with Faculty Services and/or Human Resources with input from the employee’s supervisor and home department. Faculty and professional staff are based on a percentage of effort and should not be thought of in hourly or course-equivalent terms. Even where the number of hours the individual expends substantially exceeds the "normal" workweek of, say, 37.5 or 40 hours, effort percentages must be based on total university effort, not hours expended.

6. University compensated effort includes all research, teaching, administration, service, and any other activity for which an individual received compensation from the University. Excluded from effort reporting is any bonus pay, overload compensation (see OMB Circular A-21 Section J. 10), and compensation received from sources other than Seattle University (such as compensation from outside consulting work as permitted by Seattle University policy).

7. Effort distributions are reasonable estimates of activities, recognizing that research, instruction, and service are often inextricably intertwined and good faith estimates will be necessary and adequate in most cases.
8. Mandatory and/or committed cost sharing must be reported. In cases where some or all effort expended on a specific sponsored research agreement is not funded by the project sponsor, but is mandated by the sponsor or has been clearly committed as cost shared effort in the application/award, that effort must be reported as cost shared activity on the employee’s Effort Certification Report. In these cases, upon acceptance of an award, a companion cost share account will be established with budget reflecting the University’s commitment. This account will then be appropriately charged to reflect cost-shared charges/expenses. A Payroll Action Form must be completed for those employees contributing effort under the sponsoring agency contract or grant, but who are being compensated under the cost share account, so that their payroll distribution accurately reflects the companion account being charged.

9. The ORSSP is responsible for the distribution of all Effort Certification Report forms on a quarterly basis. The ORSSP is also responsible for the collection and retention of all Effort Certification Reports. Individually reported data will be made available by the ORSSP only to authorized auditors. Any other disclosure of this information (e.g. as a requirement of legal action) will be done in accordance with due regard for individual confidentiality.

10. Within approximately thirty (30) calendar days of the end of the previous academic quarter, ORSSP will complete and distribute the Effort Certification Reports. Each salaried employee’s effort report will include all projects or department from which salary has been charged or charges transferred to. Effort reports will also include any projects where the employee is listed as PI, Co-PI or Senior Personnel. Departments and/or principal investigators are then required to return appropriately signed effort reports and timesheets to the ORSSP within 30 days of receipt of the effort reports, or within sixty (60) calendar days of the end of the academic quarter.

11. Percent effort reallocations must be supported by Institutional Prior Approval and Cost Transfer Forms to ensure that the certified effort report agrees with the salary charged. Requests for significant adjustment of effort percentages for the quarter must be submitted to ORSSP for review thirty (30) calendar days prior to the start date of the change. Effort reallocation on certain sponsored agreements may require prior approval from the sponsor, which must be obtained prior to any changes taking effect.
12. Once the Effort Certification Report is certified, no further changes will be allowed. The Principal Investigator/Project Director must ensure all effort is accurate prior to the return of the Effort Certification Report to the ORSSP.

13. Adherence to this policy is mandatory to avoid severe penalties and funding disallowances which may accrue to Seattle University as a result of missing, inaccurate, incomplete, or untimely effort reporting. It is therefore incumbent upon all university employees involved in the effort reporting process to ensure that they abide by the provisions of this policy.

Procedures

1. Upon final approval and receipt of a sponsored agreement, the Office of Research Services and Sponsored Projects (ORSSP) will request the appropriate grant account be established by the Office of the Controller. At this time, if there is committed cost share assigned to the award, a companion account also will be established by the Office of the Controller at the request of ORSSP. In the request for the companion account, ORSSP will delineate from which departments/colleges/etc. the committed funds are to be moved from based on the Cost Share Authorization Form being completed by the department/college. All budgets will be loaded when the accounts are created for all sponsored agreements.

2. Once the accounts are established, a Payroll Action Form (PAF) and Letter of Agreement (LOA) should be submitted to adjust the payroll distribution for any employees assigned to have salary, wages, and/or fringe charged either to the grant or cost share account. The PAF will be completed at the department level, signed by the department administrator(s), chair, dean, ORSSP, and Faculty Services before being submitted to Payroll. The LOA will be completed by Faculty Services. If, due to unforeseen circumstance or delay, the PAF is retroactive, a Cost Transfer Form will also be required to move charges to the grant or cost share account.

3. At the end of each academic quarter, all employees who have performed services on, or contributed effort towards, a sponsored agreement will be required to certify their effort for the quarter. Effort Certification Reports will be provided to all professional and
professorial staff for their review and confirmation. Timesheets submitted to the departments will be used to verify effort for all hourly employees.

a. Effort Certification Report will provide a side-by-side comparison of payroll charges, cost share charges, and committed/computed effort to the employee’s certified effort.

b. Payroll and cost share charges (as reflected in DataTel Colleague/SUDDS), and committed/computed effort (as defined by the award letter) will be keyed into the employee’s certification report by ORSSP staff.

c. Any adjustments and/or transfers/journal entries will also be reflected.

4. Principal Investigators/Project Directors will have thirty (30) days from the last day of the academic quarter to inform ORSSP of any changes and/or corrections that need to be made to their own payroll distribution, or that of their staff members. As stated before, any change to payroll distribution will require a signed PAF, along with an Institutional Prior Approval Form, if applicable, and a Cost Transfer Form if any charges are to be reallocated.

5. Within thirty (30) calendar days of the last day of the academic quarter, ORSSP staff will populate the Effort Certification Reports, and will distribute to the departments for signature.

6. Effort Certification Reports require the employee to write in their effort levels associated with each project or department that he/she is associated with. Effort certification reports will include projects where the employee is listed as PI, Co-PI, or Senior Personnel, regardless of whether or not salary is drawn. Employees will complete the “Certified Effort” column of the report, documenting their effort and initialing for each account. Total efforts must equal 100%, and the employee must sign and date the form before returning it ORSSP.

7. Employees will have sixty (60) calendar days from the last day of the academic quarter to return the completed and signed Effort Certification Report to the ORSSP. By this day, timesheets will also need to have been submitted for any employee whose effort is tracked through SU timesheets. Timesheets should reflect the account/project on which the employee worked/is working, and must be signed by the PI/Co-PI/Project Director/Responsible Official after the work was completed. If the employee works on
multiple sponsored agreements, time spent on each activity must be distinguished. This may be done through notes on the timesheet or through the submission of multiple timesheets, one for each activity.

8. Any discrepancy between what was charged to a sponsored agreement and the effort certified by the employee will require review by the ORSSP. If an effort level was changed resulting in a sponsored agreement being overcharged, a transfer must be done immediately to move these costs to the appropriate department or sponsored agreement. This transfer must be done within the sixty (60) day period stated above, or the employee/department will be considered out of compliance with the SU Effort Certification Reporting Policy.

9. Once an effort report is signed and submitted, no further changes will be allowed. The PI/PD is expected to ensure that all effort is accurate prior to the reports being returned to the ORSSP.

Units Affected

- Departments
- Colleges
- Faculty Services
- Human Resources
- Office of the Controller
- Office of Research Services and Sponsored Projects

Governance Regulations

- OMB A-21: Cost Principles for Educational Institutions