UNIVERSITY OF MIAMI
SPONSORED PROGRAMS POLICIES AND PROCEDURES
Section F: Cost Principles
Policy F6: Effort Reporting and Certification

PURPOSE:

To establish the method used in documenting the distribution of salaries and wages charged to sponsored agreements in compliance with federal requirements.

OMB Circular A-21, section J, as it refers to salary distribution charges, establishes that:

- In an academic setting, activities including teaching, research, service, and administration are often inextricably intermingled and a precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Therefore, in distributing salaries (effort) reliance is placed on estimates in which a degree of tolerance is appropriate.
- After-the-fact activity records are an acceptable method of documenting the distribution of salaries and wages to activities for which employees are compensated by the University.
- Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by after-the-fact activity records.
- Confirmation of effort spent on sponsored programs and projects is required in order to document salary charges to grants and contracts. The signature by the principal investigator, employee, or responsible official(s) using suitable means of verification that the work was performed is required.

DEFINITIONS:

Departmental Effort Coordinator – administrative employee in a University department who has been assigned the responsibility of ensuring that:

a) after the Fact Activity Reports (Effort Reports) are reviewed on a timely basis,
b) after-the-Fact Activity Reports (Effort Reports) are signed (certified) based on the schedule required by this policy, and
c) salary charges are promptly adjusted when significant effort differences are indicated by the certifier.

Effort Reports – After the Fact Activity Reports (Effort Reports) reflect the percentage of time (effort) an employee has spent on each specific activity for which the employee is compensated by the University. Originally derived from payroll distribution records, requires that an adjustment be processed if there is a significant change in effort. Effort Reports are issued after each academic term, but no less frequently than every six months.

Certifier – Principal investigator, other faculty members and key individuals who charge salary (effort) to grants and contracts. “Other personnel” below the faculty level whose salary (effort) is charged to grants and contracts, may be certifiers if they have first-hand-knowledge of the effort spent in each grant or contract, i.e., laboratory technician, graduate student, can be a certifier if he/she has first-hand-knowledge of how their time was spent. If “other personnel” can not certify because of lack of first-hand knowledge, then the supervisor with first-hand
knowledge must certify. Supervisors are usually faculty members. Department administrators can not be certify effort reports on behalf of another individual.

**POLICY:**

Salaries and wages charged to sponsored agreements shall be supported/documented by after-the-fact Effort Reports that reflect a reasonable estimate of each of the activities performed by the employee for which he/she is compensated by the University.

**REFERENCES:**


**PROCEDURES:**

The University relies on an after-the-fact WEB effort system called Effort Certification & Reporting (ECR). Monthly, the employee’s effort reportable base pay is downloaded from the payroll system to the ECR system and percentages are computed for each activity.

Examples of University’s activities include:

- **Sponsored Projects Activities:** effort devoted to grants, contracts, & cooperative agreements sponsored by external entities, i.e., federal, state, local governments, foundations, corporations, etc., for purposes of research, research training, & clinical trials. Includes activities contributing and intimately related to work under the agreements, such as delivering special lectures, writing scientific reports and articles, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences.
- **Instruction & Departmental research:** effort devoted to regularly conducted teaching and training activities where the employee is the instructor. Includes classroom and course preparation, grading exams, & academic advising of students. Departmental research includes research not sponsored by an external organization & not separately budgeted & accounted for, i.e. institutional funds and gifts received for research which do not require separate accounting to donors.
- **Clinical Activities:** effort devoted to the direct treatment of clinical patients for which a professional bill would ordinarily be rendered; teaching and/or supervising clinical personnel, residents, interns. Includes preparation of lectures which does not properly belong under the Instructional Activity; and the administration of ancillary or inpatient areas, including budget management, and supervision of technical and clerical personnel, related committees, in-service education programs, and activity of general benefit to clinical patient care, i.e., patient safety.
- **Administration:** effort devoted to departmental business activities, proposal & bid preparation, sponsored projects administration, serving on a regular basis in human, animal subjects, or other committees, and supervising administrative staff.

Reports used to document effort in the ECR system:

- *Funding Effort and Information Report (FEI)*
1) The FEI is available monthly on ECR for review by department administrators, departmental effort coordinators and by employees whose effort was charged to a sponsored account.

2) The FEI is produced for all personnel whose salary, wages, and fringe benefits are charged to sponsored awards. The FEI reflects employee name, UM id number, position number, and for each account where the employee’s salary was charged, the account(s) number, account title, account purpose, and the employee’s percentage of effort charged to each activity.

3) The effort reflected in FEIs represents a reasonable estimate of the time spent on each activity and must be verified by the departmental effort coordinator with the employee.
   a) When the percentage(s) reflected represents a reasonable estimate of the effort spent on each of the activities, no further action is necessary.
   b) When the percentage(s) reflected does not represent a reasonable estimate of the effort spent on each of the activities, the salary charged to the different account(s) must be corrected. The departmental effort coordinator, within 90 days of the date the charge was recorded in the accounting system, needs to complete the following:
      i) print the employee’s FEI;
      ii) change the incorrect effort percentage(s) shown on the FEI to the correct effort percentage(s) (all changes must be made in ink);
      iii) compute for each project or program with an effort change the amount of salary corresponding to the change. Fringe benefits will be calculated automatically by the system.
      iv) complete the salary journal portion of the FEI form;
      v) attach a copy of the applicable labor distribution report for the pay period(s) requiring change. In lieu of the labor distribution, a print copy of screen 23 of the Financial Records System (FRS) or the account detail of the Departmental Management Accounting System (DMAS) may be used;
      vi) have the form signed and dated by all required departmental signers;
      vii) submit the FEI form and backup documentation within 90 days of the initial charge for review and approval to the Sponsored Programs Expenditure Compliance Office in your campus;
      viii) Sponsored Programs Expenditure Compliance will forward the approved FEI, in a timely manner, to the Sponsored Programs Office at Coral Gables and from there to the Payroll Office for processing in the payroll system.

The above procedures are used to change salaries already charged to a sponsored account(s) due to changes in effort. When the effort change is ongoing, the salary distribution of future periods must be changed as well. The departmental effort coordinator needs to:
   i) prepare a Personnel Event Form (PEF) or DHRS online payroll distribution;
   ii) obtain appropriate approvals (paper PEF) or submit for approval (online), including the Sponsored Programs – Expenditure Compliance Office;
   iii) Sponsored Programs Expenditure Compliance forwards the approved form (via paper or online), in a timely manner, to the Human Resources Office for processing.
B. **The Effort Certification Report**

1) The Effort Certification Report is available for review and certification on the ECR system based on the following schedule:
   a) twice a year for 12-month employees; and
   b) three times a year for 9-month employees

The effort certification is available for all personnel whose salary, wages, and fringe benefits are charged to sponsored awards.

2) Notification that the Effort Certification is available for review in the ECR system will be sent via email to all departmental administrators, departmental effort coordinators as well as to all certifiers.

3) Effort certifiers must review the effort percentages shown for the period reflected. For each program, project or activity shown, the percentage of effort is entered and the box to the right must be checked. Total effort must equal 100%.
   a) When the effort certifier enters the same percentage(s) values as shown on the screen, the system will ask the effort certifier to confirm the effort and once confirmed, the effort certification form is completed and electronically submitted via the departmental effort coordinator to central administration.
   b) When the effort certifier enters a different percentage(s) value than the one shown on the screen, the system will ask the effort certifier to confirm the effort and once confirmed, the effort certification form is sent to the departmental effort coordinator for final processing.
   c) The effort coordinator reviews the changes in effort as certified. If the percentage certified does not represent a reasonable estimate of the effort spent on each of the activities for the period reflected, the salary charged to the different account(s) must be corrected. The departmental effort coordinator, within 90 days of the date the charge was recorded in the accounting system, needs to follow the steps in A3b) above.

4) The University requires electronic signatures on the Effort Reporting Form as follows:
   a) Faculty member(s) signs confirming direct cost activities on sponsored programs projects. If the faculty member is unavailable, another responsible individual can make the appropriate confirmation/verification that the work was performed. This responsible person may be the department chair, or the dean. The reason the faculty member did not sign must be stated in the comment section, i.e. no longer employed by the University.
   b) Employees other than faculty members must sign if they are knowledgeable of the effort spent on all sponsored programs activities. If the employee is not knowledgeable about their allocation of effort to different activities, then the employee’s supervisor with first hand knowledge must sign. Supervisors include the Principal Investigator, the Department Chair, and the Dean. Department administrators can not sign effort reports on behalf of anyone in the department.

5) The certification process must be completed within 60 days of the receipt of notification that the system is opened for effort certification.