

Time and Effort Reporting Procedures

Responsible Offices: Division of Graduate Education and Research
Office of Sponsored Research and Programs
Contracts and Grants Office

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Overview

Federal and State sponsoring agencies require a time and effort report when an individual is compensated by or has agreed to contribute time and effort to a federally- and state-sponsored program. UNC-General Administration issued Contracts and Grants Standards (effective July 1, 2009), outlining UNC system standards for time and effort reporting. North Carolina Central University is the recipient of federally- and state-sponsored programs. These guidelines set forth requirements for proposing, managing and certifying effort on sponsored programs administered by the University.

Scope

These guidelines apply to (1) all individuals whose salaries are charged to sponsored programs, in whole or in part, (2) individuals whose salaries are not charged to a sponsored program but who contribute time furthering sponsored program activity objectives, and (3) all individuals involved in certifying the effort of other individuals.

Purpose

The purpose of these guidelines and procedures is to ensure effort certifications completed in connection with University sponsored programs are accurate, reasonably reflect the actual level of effort expended on sponsored program activities, and comply with Federal and State sponsoring agencies' requirements. In requesting sponsored program funding, the University must ensure that the proposed effort commitments are reasonable and conform to the University's expectation of the Principal Investigator. The University provides this assurance by requiring periodic time and effort reports for each individual whose salary is charged, wholly or partially, to a sponsored program and/or cost sharing during the time and effort reporting period.

Acceptance of federally- or state-sponsored program funds means acceptance of the effort reporting obligation as a condition of taking the funds.

Compliance with relevant federal and state laws and regulations is also a condition of employment at NCCU.

The Federal government and its auditors are active in their review of requirements regarding time and effort reporting. Financial penalties, expenditure disallowances and harm to the University's reputation could result from failure to accurately propose, charge, document salaries, provide accurate effort certifications or failure to comply with the University's time and effort reporting requirements.

Definitions

Base Salary (*For purposes of sponsored program time and effort reporting only*) – The annual compensation paid by the University for an employee's appointment, whether that individual's time is spent on teaching, sponsored research, administration, other activities.

The base salary does not include bonuses, one-time payments, overload payments, honoraria or incentive pay. It does not include salary paid directly by another organization or income that an individual is permitted to earn outside of their University responsibilities such as consulting.

The base salary may not be increased as a result of replacing University salary funds with sponsored program funds;

The base salary is established by the University in an annual letter or contract regardless of the source of funds.

*This definition applies to sponsored programs only and to all individuals whose salaries are charged to the sponsored program, in whole or in part, and to all individuals who have committed effort to the sponsored program but not receiving salary support from sponsored program funds.

Cost Transfer – The reallocation of an expense, either salary or non-salary, to a sponsored program after the expense was initially charged to another sponsored program or non-sponsored program.

Effort – Effort is considered to be the amount of time any individual spends on a specific University activity. Effort is the proportion of personnel time spent on any institutional grant activity expressed as a percentage of the TOTAL institutional activities of the employee regardless of the funding source. This includes all effort expended on instruction and training, unsponsored scholarly activities, sponsored program activities, administration, business development, and other activities. Effort always equals 100%.

Effort Certification – The affirmation by the individual completing each Time and Effort Report that the percentages of effort reported on the form are accurate. Effort certification validates cost share commitments made by the University to the sponsors. Knowingly signing an inaccurate effort certification is a serious violation of University policy, as well as potentially a violation of civil and criminal fraud statutes. *False Claims Act, 31 U.S.C. § 3729.*

Effort Commitment – The budgeted for effort, anticipated effort to be expended and actual effort expended for all employees who contribute toward accomplishing the objectives of a sponsored program.

Effort Reporting - Effort reporting provides a means of verifying that (1) effort compensated by a sponsored program has been performed as promised AND (2) effort expended on a sponsored program but not compensated by that program (cost sharing) has been performed as promised.

Sponsored Programs – Sponsored programs refers to scholarly, professional, creative activities that [NCCU] personnel conduct with support from external funding instruments, such as grants, contracts, cooperative agreements, or other agreements deemed appropriate by the UNC Board of Governors. *Administrative Memorandum #408, dated November 17, 2000, original altered.*

Time and Effort Report – A periodic report that accounts for all effort a University employee expends on behalf of the University. In addition to accounting for paid effort on grant activities, the Time and Effort Report is required as evidence of meeting cost sharing

requirements when the University has agreed to contribute all or a portion of an employee's salary to a sponsored program.

Total University Effort – All professional activities for which an individual is compensated by the University. It includes, for purposes of the Time and Effort Report Form, the following:

Instruction: Institutional instruction and training, sponsored instruction and training activity on a grant, and not separately budgeted for research, development and scholarly activities.

Organized Research: Separately budgeted for research and development activities on a grant and separately budgeted for university research and development activities under an internal application of institutional funds.

Other Sponsored Activities: Programs and projects financed by Federal and non-Federal agencies and organizations which involve the performance of work other than instruction and organized research, such as health service projects and community service programs.

Other Institutional Activities: All other activities of the institution, including general administration, departmental administration, sponsored programs administration, library administration, student administration, and other:

1. General Administration (i.e., work of university-wide financial management, business services, budget and planning, personnel management, safe and risk management, legal affairs, ITS);
2. Departmental Administration (i.e., work of academic deans, administrative work of faculty, and professional personnel conducting research and/or instruction);
3. Sponsored Programs Administration (i.e., work of principal investigators, activity directors, and their assistants and staff for grant and contract administration Federal and non-Federal);
4. Library Administration and Operations (i.e., work incurred for the operation of the library);
5. Student Administration (i.e., work related to the administration of student affairs and for services to students, including expenses of such activities as deans of students, admissions, registrar, counseling and placement services, student advisers, student health and infirmity services, catalogs, and commencements and convocations); and
6. Other Administration and Support (i.e., work of secretarial and clerical staff, administrative officers and assistants within academic departments).

In-Kind/Cost Share: That portion of total program costs that are paid from sources other than the sponsor. Typically, cost sharing is a concept that is used

to demonstrate to sponsoring agencies and others a recipient's willingness to share in the program's expenses. Some agencies make a distinction between "cost sharing," "in-kind," and "matching." Generally, all these terms refer to the share of costs not charged to the sponsor. In some cases these terms can refer to cash contributions, donated services, or facilities.

Pre-Award Planning

Proposing Effort and Requesting Salary Support

Sponsoring agencies generally consider estimates of effort in proposal budgets to be commitments if such proposals are subsequently awarded. Therefore, levels of effort proposed in any sponsored program application or proposal should be consistent with the actual effort that each individual is expected to expend on the project during the relevant sponsored program period(s).

For proposal purposes, proposed level of effort must be expressed in accordance with sponsor requirements. Some sponsors require that level of effort be proposed in terms of person months. Other sponsors expect the proposed level of effort to be expressed in percentage terms. In some cases, the amount of requested salary support may be less than this amount. In no event should the requested salary support exceed the amount determined by multiplying the proposed level of effort by the institutional base salary.

If an award is approved, the employee who is subject to time and effort reporting is then committed to providing the budgeted level of effort over the relevant sponsored program period for the award. However, **only actual effort shall be reported.**

Each employee, subject to sponsored program time and effort reporting, must be aware of his/her level of committed effort to sponsored programs, their ability to meet those commitments in light of any other University obligations they may have, and to communicate significant changes in the level of sponsored program effort.

Management of Post-Award Time and Effort Reporting

As a recipient of a sponsored program, the University must assure to the sponsoring agency that the effort expended on sponsored program is at least commensurate with the salary charged to those programs. In addition, the sponsoring agency must be assured that uncompensated effort committed to a program is provided and Principal Investigators and key personnel have properly accounted for effort devoted to other institutional activities. The Principal Investigator must then notify the Contracts and Grants Office of any significant changes in the level of sponsored program effort.

1. What does "contributions toward accomplishing the objectives of a sponsored program activity" mean?

Contributions toward accomplishing the objectives of a sponsored program activity may include reasonable amounts of time doing any of the following:

- a. Delivering special lectures about specific aspects of the ongoing activity;
- b. Writing reports and articles;
- c. Participating in appropriate workshops and seminars;
- d. Consulting with colleagues and graduate students; and
- e. Attending meetings and conferences.

2. How Is Effort Measured?

Effort carrying out sponsored program activities may vary from 0% to 100% from one term or month to another. It is generally not static.

Total effort always equals 100%.

Formula:

$$\frac{\text{Estimate of weekly hours spent on Institutional Activity}}{\text{Total hours in an average work week}} = \% \text{ Institutional Activity Effort}$$

Average effort is what counts. Effort over the overall term of the grant should match or be within +/-5% of what is budgeted.

Example for 9-month faculty:

Budgeted = 50% over 9 months

Effort Term 1 = 25%

Effort Term 2 = 75%

Average Effort over 9 months = 50%

3. Reporting Effort

A. Who Is Required to Submit a Time and Effort Report?

1. End-of-Academic Term (Fall, Spring, Summer Term Time and Effort Reports)
All faculty, EPA non-faculty professional personnel, SPA staff, and students, whether full-time or part-time, and whether paid or unpaid by sponsored project funds, who contribute to accomplishing the objectives of a sponsored project.
2. Time Sheets – Timesheets serve as time and effort reporting evidence when needed for compliance with a time and effort review. Timesheets serve as time and effort reporting. All University employees shall submit time sheets,

in accordance with University Human Resources Department and Payroll Department timesheet submission policies and procedures.

B. How is Summer Term Effort Treated?

Faculty compensated for a 9-month academic appointment are permitted to expend up to an additional three months of summer effort on one or more sponsored programs in the period beyond the academic year and earn up to three months of additional salary for that effort, subject to sponsor and University policies and the approval of the department chair, Dean and Provost.

A request for summer salary indicates a commitment to put forth the comparable effort on the particular project during the summer, not the academic year. Effort expended during the academic year does not satisfy a commitment related to the receipt of summer salary. Faculty receiving summer salary from a sponsored program will typically perform such work in their normal place of business unless the work being conducted is off-site and a requirement of the project. If a faculty member has academic, administrative or other non-research responsibilities during the summer period, they may be precluded from devoting 100% effort to sponsored programs and thus from requesting three months of salary from those sponsored programs. Faculty who receive summer salary from sponsored programs will be required to certify whether the effort was expended on those projects during the summer effort period.

C. Time and Effort Report Certification

Principle Investigators are responsible for certifying that effort expended on a grant is documented. However, the test is who has **first-hand knowledge** of the activity of the individual on the report? At a minimum, all Time and Effort Reports must bear the ORIGINAL signature of the employee or a responsible official with **first-hand** knowledge of the activity of the individual on the report. If the employee is unavailable to report or sign the Time and Effort Report form, the employee's supervisor must certify the employee's effort on the grant. All faculty and staff who are involved in allocating salaries and wages to any sponsored program activity, managing a sponsored program activity, or completing time and effort reports are responsible for understanding the principles of accurate and timely time and effort reporting.

In no case can the percentage of an individual's salary charged to a sponsored program exceed the percentage of the individual's total effort that is expended on the program during a time and effort reporting period.

Prior to the permanent departure of a Principle Investigator or an individual who expends effort on an award, he or she is required to complete the requisite Time and Effort Reports for him or herself and for whom they are directly responsible. The Principle Investigator is responsible for notifying the Contracts and Grants Office, in

writing, of the anticipated departure at the earliest possible date before the departure.

Signed Time and Effort Reports are considered legal documents in which an individual attests to the accuracy of the effort spent on sponsored program. Knowingly signing an inaccurate effort certification is a serious violation of University policy, as well as potentially, a violation of civil and criminal fraud statutes, leading to civil and criminal penalties and Federal cost disallowances. *False Claims Act, 31 U.S.C. §§ 3729 & 3721.*

D. To Whom Should A Certified Time and Effort Report Be Submitted and When?

Time and Effort Reports shall be submitted to the Contracts and Grants Office within thirty (30) days of the end of each academic term during the life of the sponsored program award.

E. What Happens If An Employee Fails to Submit the Time and Effort Report within Thirty (30) Days of the End of Each Academic Term?

By the thirty-fifth (35th) day, the Principal Investigator responsible for the sponsored program for whom a non-compliant employee works shall email the non-compliant employee a reminder to complete and submit his/her outstanding Time and Effort Report within ten (10) business days and that at the end of ten-day deadline, if the Time and Effort Report is not submitted, a “hold” will be placed on the sponsored program fund. A copy of this notice shall be sent to the department chair and the dean or the administrative department director.

At the end of the sixth (6th) week from the end of each academic term, the Contracts and Grants Office shall send a notice to the Principal Investigator with a copy to the Dean or administrative department director and Area Vice Chancellor that a “hold” has been placed on the sponsored program fund and that in ten (10) business days from the date of the notice, costs will be disallowed and uncertified salary costs will be moved to a non-sponsored program departmental fund if the Time and Effort Reports are not completed and submitted to the Contracts and Grants Office within ten (10) business days from the date of the notice. No expenditures or commitments will be allowed at this time until the Time and Effort Report is submitted to the Contracts and Grants Office.

Failure to submit a certified Time and Effort Report at the end of eighth (8th) week from the end of each academic term shall result in the Contracts and Grants Office, unilaterally and without further notice, disallowing costs and moving uncertified salary costs to a non-sponsored fund supporting the offending employee’s department. Thereafter, the Dean shall be notified that a cost disallowance has occurred, the amount of the cost disallowance, and the non-sponsored program departmental fund number charged.

Reduction of Effort Commitments, Payroll Distribution and Cost Transfers

Grant recipients are obliged by federal regulations to exercise good stewardship of sponsored program funds. Effort is a part of that stewardship. Personnel costs are the typically the majority of sponsored program costs.

Principle #1 - Principal Investigators are responsible for understanding the principles of accurate and timely time and effort reporting.

Principle #2 - Principal Investigators must be aware of effort commitments for all employees who carry out the objectives of a sponsored program and to communicate to the Contracts and Grants Office an employee's inability to meet those effort commitments to the sponsored program.

Principle #3 - In no case can the percentage of an individual's salary charged to a sponsored program award exceed the percentage of the individual's total effort that is expended on the sponsored program during an effort reporting period.

Principle #4 - If the percentage of total effort expended in a given effort reporting period is less than the percentage of salary charged to the sponsored project during the period, the salary charges must be reduced to reflect actual effort.

The University's time and effort reporting process relies on payroll data to provide information on the programs to which an individual's salary was charged during the certification period. "The percent of effort worked on the grant should coincide with how the employee is paid from the grant. (i.e., If the employee is paid 50% from a grant source and 50% from the State, then their T&E reports should reflect 50% of effort from each source)." *NCCU Contracts and Grants Manual*. However, the time and effort reporting process offers an opportunity to consider whether the actual effort expended during the reporting period is consistent with the budgeted effort. **Only actual effort can be reported on the Time and Effort Report.**

An employee must communicate significant changes in level of sponsored program effort to his/her respective Principal Investigator. During the life of the award, if the percentage of total effort expended in a given time and effort reporting period has a greater than 5% variance, the Contracts and Grants Office shall contact the PI to determine if a new personnel action form is needed to correct the variance for the upcoming semester and will coordinate a journal entry to reclassify salary costs to accurately reflect the percentage of time and effort certified.

At the end of each reporting period, the Contracts and Grants Office will review the actual payroll for each employee identified in the reporting period for comparison of payroll distribution (based on earned income, not, in the case of nine-month faculty on 12-month payroll, actual paid amounts) and committed effort. Where differences between committed effort and actual effort greater than 25% are noted, the Contracts and Grants Office shall contact the Principal Investigator and named key personnel to determine if a cost transfer

by journal entry will be needed to reallocate the costs or if some additional effort will be reported through cost share. If the estimated combination of paid and cost share effort remains less than 75% of committed effort, the Contracts and Grants Office shall determine whether additional actions may be needed to meet sponsor requirements. Prior knowledge of a 25% or more variance from committed effort for the Principal Investigator or key personnel during the life of the award must be approved by the sponsoring agency in advance of the reduction.

Recordkeeping

Principle Investigators are responsible for maintaining documentation that supports actual effort expended on sponsored programs as reported on the Time and Effort Reports. Such documentation should include but is not limited to calendars, schedules, clinical time reports, project logs, outside activity forms, leave records, timesheets.

Time and Effort Reports will be kept on file in the Contracts and Grants Office for at least five (5) year after the grant, cooperative agreement or contract officially ends.

Example: Grant is awarded for the cycle of October 1, 2007 - September 30, 2012. Time and Effort Reports must be maintained until September 30, 2017.

Sanctions for Non-Compliance

Failure to follow the provisions of these time and effort reporting guidelines may subject the individuals and departments responsible for the violation(s) to administrative and/or disciplinary actions in accordance with University disciplinary procedures and the judgment of management. Specifically, and without limitation, if Time and Effort Reports are not completed and returned in a timely and accurate manner,

1. Salary costs associated with uncertified grant activity may be removed and charged to a departmental account.
2. The Office of Contracts and Grants may place a hold on funds until the effort reports are completed accurately.
3. The Office of Sponsored Research and Programs may suspend submission of any new proposals on behalf of a noncompliant Principle Investigator, or the inclusion of a noncompliant researcher in proposals, until effort reports are up to date and properly completed and certified.
4. The Office of Contracts and Grants may recommend termination of a sponsored program to the Vice Chancellor for Graduate Education and Research.
5. The Vice Chancellor for Graduate Education and Research may remove the Principle Investigator.
6. The Vice Chancellor for Graduate Education and Research may terminate the sponsored programs, with the requisite notice of termination to the sponsoring agency.

Roles and Responsibilities

Principal Investigators

- Ensure that time and effort reports are completed and certified in accordance with Federal, State, UNC General Administration, and University requirements;
- Understand the principles of accurate effort reporting;
- Certify cost sharing provided to Contracts and Grants;
- Initiate requests for cost transfers;
- Retain copies of supporting documentation related to salary and effort distributions;
- Have an awareness of the level of effort committed to a sponsor in relation to all other professional activities included in total institutional effort;
- Include in the grant proposal, the level of anticipated effort to be committed;
- Requests sponsor prior approval for reductions in effort greater than 25%, when appropriate;
- Identify situations where the salary representing the effort devoted to an award is more than the actual percent of effort devoted to the award;
- Change the effort report when inaccuracies exist;
- Certify his or her own Time and Effort Report Form and the Time and Effort Reports of others working on his or her awards;
- Complete the effort report within the timeframes listed under University guidelines;
- Certify that nine-month faculty receiving summer salary during the summer months have ensured that the effort was expended during the summer effort reporting period for which they were funded;
- Notify the Contracts and Grants Office of the permanent departure of any person expending effort on an award.

Dean/Department Head

- Review and approve anticipated effort percentages for department employees' who will be working on a sponsored program at the proposal development stage;
- Provide information on compliance with Time and Effort Reporting policies, procedures, and guidelines.
- Verify compliance with Time and Effort Reporting policies, procedures, and guidelines.

Vice Chancellor for Administration and Finance

- Provide information on compliance with Time and Effort Reporting policies, procedures, and guidelines.
- Verify compliance with Time and Effort Reporting policies, procedures, and guidelines.

Vice Chancellor for Graduate Education and Research

- Provide information on compliance with Time and Effort Reporting policies, procedures, and guidelines.

Effective: July 1, 2010

- Verify compliance with Time and Effort Reporting policies, procedures, and guidelines.
- Review recommendations for and approve sanctions for non-compliance.

Office of Sponsored Research and Programs

- Review proposals for compliance with mandatory and voluntary cost sharing requirements;
- Consult with Principle Investigators on mandatory cost sharing requirements and proposed voluntary cost sharing.

Grant and Contracts Office

- Review Time and Effort Reports for accuracy and agreement with payroll charges;
- Ensure that sponsor imposed salary caps are calculated and appropriate salaries are recorded properly;
- Assist covered individuals with understanding time and effort reporting;
- Make any necessary adjustments in payroll distribution in accordance with the University's policies and procedures on cost transfers;
- Ensure that time and effort reports are completed and certified in accordance with Federal, State, UNC General Administration, and University requirements;
- Review and report cost sharing effort to sponsor;
- Approve requests for cost transfers;
- Retain supporting documentation related to salary and effort distributions;
- Review and approve University requests for reductions of effort as required by sponsor terms and conditions;
- Monitor the time and effort reporting process;
- Assist with questions regarding effort principles and/or process.

Related Information

2 CFR part 220 (formerly OMB Circular A-21) "Cost Principles for Institutions of Higher Education," http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf

UNC-General Administration Contracts and Grants Policies and Procedures Manual

NCCU Contracts and Grants Policy on Time and Effort Reporting

UNC-GA Contracts and Grants DRAFT Standards, "Time and Effort" (January 2009)

Contact Information

Contracts and Grants Office

919-530-5309

Office of Sponsored Research and Programs

919-530-7331

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DEFINITIONS

Effort: Effort is the proportion of personnel time spent on any institutional grant activity expressed as a percentage of the total institutional activities of the employee.

Effort Reporting: A process required by the Federal government to verify that salary and wages charged to sponsored projects are reasonable and reflect actual work performed. Effort reporting provides a means of verifying that (1) effort compensated by a sponsored project and (2) effort expended on a sponsored project, but not compensated by that project (cost sharing), have been performed as promised.

Effort Report: The Effort Report must account for all effort for which the University compensates an employee. This includes all effort expended on instruction and training, unsponsored scholarly activity, sponsored projects, administration, business development, other activities. It does not include effort for which the employee received compensation directly from another entity (i.e., outside consulting work) or incidental work for which supplemental compensation (i.e., extra state/overload compensation) is paid.

All faculty, EPA non-faculty professional personnel, staff, and students, whether full-time or part-time, and whether paid or unpaid by a sponsored project, who work on furthering the objectives of a sponsored project, must submit a Time and Effort Report at the end of each academic term (Fall semester, Spring semester, and Summer term).

Effort Categories:

Teaching: Institutional instruction and training, sponsored instruction and training activity on a grant, and not separately budgeted for research, development and scholarly activities.

Administration: All other activities of the institution, including general administration, departmental administration, sponsored programs administration, library administration, student administration and other. Includes. . .

7. General Administration - (i.e., work of university-wide financial management, business services, budget and planning, personnel management, safety and risk management, legal affairs, ITS)
8. Departmental Administration - (i.e., work of academic deans, administrative work of faculty, and professional personnel conducting research and/or instruction)
9. Sponsored Programs Administration - (i.e., work of principal investigators, activity directors and their assistants and staff for grant and contract administration Federal and non-Federal (i.e., Title III Projects))
10. Library Administration and Operations - (i.e., work incurred for the operation of the library)
11. Student Administration - (i.e., work related to the administration of student affairs and for services to students, including expenses of such activities as deans of students, admissions, registrar, counseling and placement services, student advisers, student health and infirmary services, catalogs, and commencements and convocations)
12. Other Administration and Support - (i.e., work of secretarial and clerical staff, administrative officers and assistants within academic departments)

Sponsored Research: Separately budgeted for research and development activities on a grant and separately budgeted for university research and development activities under an internal application of institutional funds.

Other Sponsored Activities: Programs and projects financed by Federal and non-Federal agencies and organizations which involve the performance of work other than instruction and organized research, such as health service projects and community service programs.

In-Kind/Cost Share: That portion of total project costs that are paid from sources other than the sponsor. Typically, cost sharing is a concept that is used to demonstrate to sponsoring agencies and others a recipient's willingness to share in the project's expenses. Some agencies make a distinction between "cost sharing," "in-kind" and "matching." Generally, all these terms refer to the share of costs not charged to the sponsor. In some cases these terms can refer to cash contributions, donated services, or facilities.

February 22, 2010

Appendix B

Four Common Compliance Areas

1. Policy

- Certifying budgeted amount - not historical effort, suggesting that charges were based on estimates rather than after-the-fact reporting
- Certifying salary allocation percent - not effort percent
- Certifier has insufficient knowledge of work performed

2. Procedure

- Must account for 100% effort
- No recertification after cost transfer
- Salary costs are transferred after-the-fact to reduce charges on grants that have gone over budget and/or to increase charges to grants that have unspent funds.
- Timesheets have unreasonable consistency. Too much consistency can lead an auditor to question the reliability of the time reporting system.
- Salaries are charged to grants when similar salaries in like circumstances are treated as indirect costs
- Double Dipping
- Failure to collect or produce certifications (filing problems)
- Reports not completed or completed late

3. Technology

- Lack of effort reporting system
- No reconciliation between salary allocations and effort percent
- Effort corrections do not affect salary allocations (no cost transfer)
- Inadequate documentation

4. Training

- Faculty should not charge 100% to sponsored programs (in most cases)
- Cannot “ignore” any institutional effort
 - Must include unfunded effort
 - Not based on 40 hour week
 - Faculty writing grant applications “on own time”

Appendix C

Three Key Points for Effort Reporting

1. A 40-hour/week IS NOT the definition of 100% effort from which percentage of effort is certified. Under federal regulations on effort reporting, 100% effort is an employee's total hours actually spent on work within the scope of his or her employment regardless of how many or how few hours an employee works and regardless of the percent FTE listed on the appointment. Effort certification must reflect actual work performed and cannot be budget driven.

Just as an employee's total effort is not defined by regular business hours of the employer or by the percent FTE of the appointment, effort does not necessarily take place only in the facility/lab or only on university premises. Effort can occur at home, at a conference or in off-site grant-related meetings, etc. Remember that if these types of hours are included in calculating effort, they must also be included in the calculation of total effort.

2. Federal Auditors are looking for patterns that suggest that an effort certification is formulated by factors other than actual effort on the project:

- Late effort reports
- Effort certified by someone without first-hand knowledge
- Patterns of retroactive adjustments to effort certifications or retroactive cost transfers. (Do these have a reasonable justification or do they appear to be motivated by desire to "mop up" or transfer unused grant funds?)
- Very small effort percentages on many grants. (Real project contribution or just salary support?)

Effort certifications that appear to not include accounting for actual administrative and/or teaching and/or clinical effort as part of total effort.

Example. If you certify effort for your grants totaling 95% that leaves only 5% for all other work performances – teaching, clinical, administrative. If you are teaching two classes that each meet for three hours a week, classroom time alone equals six hours per week. For 6 hours to be 5% or less of your total effort – leaving at least 95% for your 95% effort certifications - you need to be prepared to document the claim that your workweek is 120 hours or more.

Significant data inconsistency between effort report and other documentation such as:

- Clinical time reports and schedules
- Teaching schedules
- Outside activity forms
- "Other support" forms
- Leave reports

Effective Date: July 1, 2010

Appendix C (*con't.*)

- Calendars
 - Correspondence
3. What if one or more of these patterns exist in my effort reporting but are legitimate reflections of my actual effort?
- Maintain documentation that supports your contribution - in content and in time/percentage of effort (calendars, correspondence, work products, etc.)
 - A request for retroactive adjustment to an effort certification also requires a Letter of Justification to Contracts and Grants Office.
 - If an adjustment is needed, do not delay - 90 days is the usual acceptable limit for accepting a retroactive adjustment.

February 22, 2010

Appendix D

NORTH CAROLINA CENTRAL UNIVERSITY

Time and Effort Reporting FAQs

1. Why is Effort Reporting Required?

As a condition of receiving sponsored awards, NCCU must assure sponsors that the effort expended on their sponsored projects is commensurate with the salary charged to those projects and the commitments of effort made to the sponsoring agency are fulfilled.

2. Why is effort reporting required if I have only non-federal awards?

Effort reporting is required for all awards because federal regulations require that the cost of activities related to sponsored research activities be captured when calculating the University's Facilities and Administrative cost rate (indirect costs).

3. How is "total institutional effort" defined?

Total institutional effort is defined as actual effort devoted to all the activities for which NCCU compensates an employee for their appointment. 100% effort is the total actual time spent conducting University activities and includes teaching, research, clinical, administrative, and public service activities. For non-professional staff positions, 100% effort consists of total hours worked, including overtime.

4. Who Is Required to Submit a Time and Effort Report?

Effort reporting requirements apply to anyone who is paid from a sponsored program and to anyone who commits effort to that sponsored program. Such individuals include faculty, professional staff, clerical, technical, managerial, students, and casual employees.

1. End-of-Academic Term (Fall, Spring, Summer Term Time and Effort Reports)

All faculty and EPA non-faculty professional personnel, whether full-time or part-time, paid or unpaid by sponsored project funds, who contribute to accomplishing the objectives of a sponsored project.

2. Monthly Time and Effort Reports

All SPA staff and all students, whether full-time or part-time, paid and unpaid by sponsored project funds, who contribute to accomplishing the objectives of a sponsored project.

3. Time Sheets – All other University employees, in accordance with University payroll timesheet submission policies and procedures. Timesheets serve as time and effort reporting evidence when needed for compliance with a time and effort review. Timesheets serve as time and effort reporting.

5. How is Summer Term Effort Treated?

Faculty compensated for a 9-month academic appointment even if paid over twelve months are permitted to expend up to an additional three months of summer effort on one or more sponsored projects in the period beyond the academic year and earn up to three months of additional salary for that effort, subject to sponsor requirements, University policies, and the approval of the department chair, Dean and Provost/Vice Chancellor for Academic Affairs.

A request for summer salary indicates a commitment to put forth the comparable effort on the particular project during the summer, not the academic year. Effort expended during the academic year does not satisfy a commitment related to the receipt of summer salary. Faculty receiving summer salary from a sponsored project will typically perform such work in their normal place of business unless the work being conducted is off-site and a requirement of the project. If a faculty member has academic, administrative or other non-research responsibilities during the summer period, they may be precluded from devoting 100% effort to sponsored projects and thus from requesting three months of salary from those sponsored projects. Faculty who receive summer salary from sponsored projects will be required to certify whether the effort was expended on those projects during the summer effort period.

6. When are Time and Effort Reports due?

Time and Effort Reports shall be submitted to the Contracts and Grants Office within thirty (30) days of the end of each academic term during the life of the sponsored project award.

7. Who must certify a Time and Effort Report?

Principle Investigators are responsible for certifying that effort expended on a grant is documented. However, the test is who has **first-hand knowledge** of the activity of the individual on the report? At a minimum, all Time and Effort Reports must bear the ORIGINAL signature of the employee or a responsible official with **first-hand** knowledge of the activity of the individual on the report.

8. What happens if a PI or a required employee refuses or otherwise fails to certify his or her effort?

Failure to follow the University's effort reporting provisions may subject the employee, PI or departments responsible to sanctions. If the PI refuses to certify his or her effort and salary on a sponsored project, then that salary must be removed. If the employee is unavailable to report, the employee's supervisor must certify the employee's effort on the grant.

9. How is "cost sharing" defined?

Cost sharing is defined as any portion of the sponsored programs' costs not funded by the sponsoring agency. Cost sharing in the form of effort can be in the form of mandatory, voluntary committed, or voluntary uncommitted. Mandatory and voluntary committed cost sharing requires the prior approval of the University at the proposal stage.

10. For someone working on multiple sponsored projects, how should committed effort on a sponsored project be documented if paid for by the University (cost shared)?

Sponsored programs' effort not compensated by an award but committed as part of the proposal and subsequently awarded is a financial responsibility of the University. It should be captured on the Time and Effort report under the "In-Kind/Cost Share" category on the Time and Effort Report form.

11. If I worked on one or more sponsored projects and did not charge salary to any of them, do I need to submit a Time and Effort Report?

Only if the effort was committed in a proposal or award.

1. What if I need to start my research and expend effort and incur costs on an award prior to receiving a fully executed contract, grants, or cooperative agreement?

In situations where an award is delayed, contact the Contracts and Grants Office to determine the procedures that may be available to you to begin work prior to receiving a fully executive contract, grant or cooperative agreement.

2. What if my effort on a particular grant changes over time or is significantly different from committed effort?

If actual effort is reported as it should be, then it is likely to change over time. Deviations of 5% or more from the budgeted effort listed in the proposal require adjustments in the form of cost transfers. It is the PI's responsibility to obtain University and sponsoring agency's prior approval for absences greater than 3 months or significant (25% or more) reductions of effort of the PI or others named in the award notice. Always check sponsoring agencies' terms and conditions and sponsor policy manuals.

3. How should salary over a sponsored imposed salary rate cap be captured?

All individuals impacted by a salary cap must devote the percent effort to which they committed in the proposal and subsequent award. The difference between the reimbursed salary ("capped amount") and the un-reimbursed salary is considered voluntary committed cost sharing and must be accounted for.

4. Why do graduate students' Time and Effort Reports show 100% funded research when they also are being supported by a training grant?

2 CFR Part 220 (formerly OMB Circular A-21) exempts effort devoted to training grants from the effort reporting requirement. Therefore, if a graduate student during the effort reporting period is a trainee on a training grant and is also supported on a research award only the research award will appear on the Time and Effort Report as 100%. This means that 100% of the pay received for that reporting period was for the effort research award only. However, if the graduate student is supported on a research award, a training grant, and is also receiving compensation for teaching, both the compensation for teaching and the research will appear on the effort based on actual effort expended for each category.

5. When can I expend effort on grants related to summer salary?

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In general, faculty receiving compensation for a 9-month academic appointment (regardless of the payment period) are permitted to devote summer effort on one or more sponsored projects in the period beyond the academic year and receive additional salary for that effort, subject to the policies and procedures of the sponsoring agency and the University. Faculty who receive summer salary from sponsored projects are required to certify to the effort devoted during the summer effort reporting period. Effort expended during the academic year on a sponsored project cannot be applied to the summer effort reporting period.

Always review the terms and conditions of all awards prior to devoting summer effort as some sponsors limit the number of paid person months a person may work during the summer.

6. Can I claim three months' summer compensation and still have other summer activities or vacation time?

If a faculty member has administrative or other non-research responsibilities (including vacations) during the summer period, they are precluded from devoting 100% effort to sponsored projects and thus from requesting three months of salary from those sponsored projects.

7. Are sub-recipients required to submit Time and Effort Reports?

Only if the effort was committed in the proposal or award.

Appendix E

Examples of Total University Effort

Activities Include in Total University Effort	Activities Outside of Total University Effort
<ul style="list-style-type: none">• Externally sponsored research (includes activities such as delivering special lectures about specific aspects of the ongoing sponsored project, writing reports and articles, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences)• Departmental/University research (includes uncompensated participation in study sections, peer review of manuscripts, or unfunded effort on externally sponsored research)• Instruction/ University Supported Academic Effort (includes presentations to students/training groups, mentoring trainees unless specifically part of a sponsored project, and participation in resident training)• Clinical Service Effort• Administrative Effort (includes administrative activities (e.g. Department Chair, Program Director, service on institutional committees, department activities, faculty advisory boards etc.)• Effort expended on preparing proposal for new competitive segments of sponsored projects• Special service effort on behalf of the University including institutional community service• Uncompensated service in external Professional Organizations and Societies related to one's work	<ul style="list-style-type: none">• Outside Consulting• Individual Community Service• Clinical service for practice plans• Dual Employment

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Percent of Time & Effort to Person Months (PM) Interactive Conversion Table

3 month Summer Term		8 month Appointment		9 month Academic Year		10 month Appointment		12 month Calendar Year	
% effort	PM	% effort	PM	% effort	PM	% effort	PM	% effort	PM
0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

Instructions:

To use the chart simply insert the percent effort that you want to convert into the -0- of the 3 mo. Summer Term % effort line and hit enter. The person month for 3, 8, 9, 10, and 12 will be displayed simultaneously.

There are three basic salary (wage) bases: Calendar Year, Academic Year and Summer Term. Here is a month/week/days breakout for each:

Academic Year (AY)	9 months	39 weeks	273 days
Summer Term (SM)	3 months	13 weeks	90 days
Calendar Year (CY)	12 months	52 weeks	365 days

Example 1:

A PI on an AY appointment at a salary of \$63,000 will have a monthly salary of \$7,000 (one-ninth of the AY). 25% of AY effort would equate to 2.25 person-months (9x.25=2.25). The Budget figure for that effort would be \$15,750 (7,000 multiplied by 2.25 AY months).

Example 2:

A PI on a CY appointment at a salary of \$72,000 will have a monthly salary of \$6,000 (one-twelfth of total CY salary). 25% of CY effort would equate to 3 CY months (12x.25=3). The budget figure for that effort would be \$18,000 (6,000 multiplied by 3 CY months).