

Effort Certification

This policy has been affected by the federal Uniform Guidance (2 CFR 200) regulations and will be applied consistently to all University awards.

POLICY STATEMENT

Effort Certification is an internal University process designed to meet regulatory requirements for maintaining records that accurately reflect the work (effort) performed on federally sponsored agreements.

Office of Management and Budget (“OMB”), as part of [2 CFR 200.430 \(i\)](#), provides standards for documentation of personnel expenses to federally sponsored research projects.

Under these standards, records must:

1. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
2. Be incorporated into the official records of the University;
3. Reasonably reflect the total activity for which the employee is compensated by the University, not exceeding 100% of compensated activities;
4. Encompass both federally assisted and all other activities compensated by the University;
5. Comply with the established accounting policies and practices of the University;
6. 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 activities regardless of the source of funding;
7. Correspond to the amount of 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.

Effort directly related to organized research and all other activities for which an individual is compensated must be identified in the University’s certification process (2 CFR 200.430 (i) (1) (iv)).

Total effort is defined as all professional activities for which the University compensates an individual¹. For students, this includes time spent working as paid teaching or research assistants. Payments to individuals classified as participant support costs are excluded from effort certification requirements, as participant support cannot be paid to employees (2 CFR 200.75). For reporting purposes effort is calculated in percentages of compensated effort with the total allocation of effort being 100%.

¹ The Uniform Guidance states, “For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees contributing to the completion of Federal awards for research must be recognized in the application of these principles.” Staff in postdoctoral positions engaged in research, while not generally pursuing an additional degree, are expected to be actively engaged in their training and career development under their research appointments as Post-Docs. This dual role is critical in order to provide Post-Docs with sufficient experience and mentoring for them to successfully pursue independent careers in research and related fields.

Note: The percentage is not based on a set number of hours, (e.g., 40 or 50 hours per week). Rather, the percentage equates to the total of University-compensated effort. For example, if a faculty member works 50 hours per week during an effort certification period and 10 of those hours are devoted to a specific sponsored project, total effort assigned to that project would be 20%.

Faculty salaries charged to sponsored research agreements should be commensurate with the direct effort provided to the project for each exclusive reporting period (January - June, July - December) and should not include any portion associated with administrative work or activities related solely to Instruction or Departmental Research (see definitions in 2 CFR 200, Appendix III). Summer salaries charged to sponsored research agreements should be in direct relation to the effort actually expended on research during the summer period. Faculty members receiving full compensation for any summer month must be performing research during the entire month on a full-time basis. For example, a faculty member who takes a one week vacation during a given month may only charge the remaining portion of the month's labor costs to the award (2 CFR 200.430 (i) (1) (viii)).

The wage rate associated with charges for work performed on sponsored research agreements shall not exceed the wage rate associated with an individual's institutional base salary ("IBS") (2 CFR 200.430 (h) (2)). For example, if a faculty member's IBS is \$100,000 and he/she devotes 25% of total effort to a sponsored project, the salary charged to the project must not exceed \$25,000.

Notre Dame requires any individual charging a sponsored activity or associated cost share to certify his or her effort two times per year for the periods of January-June and July-December. Approximately four weeks after the end of each period Research and Sponsored Programs Accounting ("RSPA") will send effort reports to the effort coordinators in each department. The effort report summarizes effort based on an individual's salary distribution.

Example: If a person's compensated effort for the January - June period is \$50,000 and \$10,000 was charged to grant fund 2XXXXXX, \$5,000 to cost share fund 3XXXXXX, and \$35,000 to Department fund 100000, the effort report will show the following distribution of salary:

1. 20% effort to 2XXXXXX
2. 10% effort to 3XXXXXX
3. 70% effort to 100000

The Principal Investigator ("PI") will consult, when necessary, with each employee to certify the salary distribution shown on the effort report reflects a reasonable approximation of effort performed on the project(s). When it is not practical for the PI to approve the effort report, he or she may designate a Laboratory or Project Manager/Director as an authorized approver to certify the effort report on his or her behalf. This individual must directly supervise the work performed or have knowledge regarding the activities that took place during the performance of the research. This certification constitutes the effort shown on the effort report is valid.

All effort certifiers must directly supervise the work performed or be knowledgeable of the research activities. To have sufficient knowledge of the research activities, absent direct supervision, the certifier must have written documentation sufficient to support a reasonable estimate of effort by an employee. Oral verification is NOT support for having sufficient knowledge. All documentation used to provide sufficient knowledge must be retained for audit purposes to support certification,

consistent with the University's record retention requirements. In any audit situation, it is the responsibility of the person certifying the effort to support that all certification requirements were met and provide the appropriate documentation.

Examples of allowable forms of documentation:

1. Calendar - Detailed
2. Meetings - Agenda, Notes, Minutes, Attendees List
3. Lab books/notes
4. Time and Attendance Sheets/Sign-in Sheets
5. Travel reports
6. Award work products – Presentations, reports or analyses completed, surveys/interviews conducted, events held, log of services performed, published documents
7. Other written documentation – Memos, email

An employee's salary distribution should directly correspond with his/her actual effort associated with a project. If an employee's effort changes significantly during an effort cycle, his/her salary distribution should be adjusted within a timely matter to match the new level of effort. If during the review of an effort report, it is discovered that actual time and effort differs significantly from the distribution of salary (by 5% or more of total effort) an adjustment must be made to the Payroll system. The PI should reflect the appropriate effort on the effort report, certify, and submit the adjustment to Research and Sponsored Programs Accounting ("RSPA"). The PI should work with the appropriate administrator for his/her unit to initiate a labor distribution change to reallocate the employee's salary distribution to reflect the actual effort associated with the project. In no case can the percentage of an individual's salary charged to a sponsored project exceed the percentage of the individual's total effort expended on that project during the period.

Effort reports must be returned to RSPA within 90 days of the end of the preceding certification period. Failure to follow the provisions of this effort certification policy may place the University and those involved at considerable risk. If effort reports are not completed and returned in a timely fashion, salary costs associated with uncertified grant activity may be charged to a departmental account.

Except for rare circumstances, once certification of salary has been completed reallocation is not allowed. If it is necessary to adjust salary charges for a previously certified effort period, documentation must provide a detailed explanation of the need for the salary adjustment and subsequent recertification. For further information, reference policies on [Cost Transfers](#) and [Payroll Expense](#).