



**Division of Research & Graduate Studies
Office of Grants and Contracts**

Authority	VICE CHANCELLOR FOR RESEARCH & GRADUATE STUDIES
Title	EFFORT REPORTING REQUIREMENTS
Classification	RULE
PRR Subject	POST AWARD SPONSORED PROJECTS ADMINISTRATION
Contact Info	OFFICE OF GRANTS & CONTRACTS grantsc@ecu.edu , 252-328-9530

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Related Policies:

Additional References: OMB Circulars A-21, A-110, A-133 at
<http://whitehouse.gov/omb/circulars/index.html>
ERS User Manual

1. INTRODUCTION:

As a recipient of federal contract and grant funds, the University is responsible for maintaining an effort reporting system in compliance with the requirements of OMB Circular A-21, section J (8). This system must document all effort, whether treated as direct or F&A or cost share for sponsored agreements. Of the options available, ECU has implemented the “Plan-Confirmation” method.

1.1. Plan Confirmation Method: Under the Plan-Confirmation method A-21 requires that the distribution of salaries and wages of individuals applicable to sponsored agreements be based on budgeted, planned, or assigned work activity which is retroactively updated to reflect any significant changes in work distribution. A certification statement will be completed by the employee, principal investigator, or responsible official(s), using suitable means of verification that the work was performed as reported.

2. THE EFFORT REPORTING SYSTEM (ERS):

The ERS is a web-based system that provides the mechanism to document effort performed on sponsored research projects. The application also provides departmental personnel with the means to set up cost shared effort for Principal Investigators (PI) and others working on sponsored projects. This system conforms to the requirements for documenting such University effort as required by OMB Circular A-21. The system, and data contained therein, will also provide the information necessary to report cost sharing on externally funded sponsored projects, as well as provide documentation necessary for the Facilities and Administrative Cost (F&A) Proposal.

2.1. The ERS System can be accessed from the ECU Home Page index (Effort Reporting System) by logging onto <https://ers.ecu.edu/GenericERS/custom/index.jsp>. For

assistance or additional information concerning the ERS process contact ershelpdesk@ecu.edu.

3. RESPONSIBILITIES:

3.1. Office of Grants and Contracts Responsibilities

- 3.1.1. Establishing internal and campus procedures for effort reporting which are consistent with the requirements of OMB Circular A-21 and this policy.
- 3.1.2. Producing effort reports on a periodic basis and distributing them to the campus for employee review and certification.
- 3.1.3. Archiving all certified effort reports for audit or other reporting purposes.
- 3.1.4. Monitoring College/Departmental responsibilities related to effort reporting to ensure University compliance.
- 3.1.5. Providing assistance to College business officers, departmental ERS coordinators, and University employees with effort reports.
- 3.1.6. Ensuring that the effort reporting system is functioning in accordance with Federal regulations.

3.2. College/Departmental/Principal Investigator Responsibilities

- 3.2.1. Establishing personnel actions for employees in the University payroll system on a timely, prospective basis to ensure accurate payroll charges to sponsored projects based on actual work activities to be performed by employees.
- 3.2.2. Ensuring that employees working on sponsored projects as part of the University's cost sharing commitment and employees spending significant amounts of time on sponsored projects are scheduled to receive effort reports.
- 3.2.3. The timely review, adjustment and certification of effort reports in compliance with ERS deadlines. Forty-five (45) days is normally allowed after the end of each ERS survey period for the review, adjustment and certification of effort.
- 3.2.4. Reviewing certified effort reports to ensure they have been properly completed.
- 3.2.5. Coordinating retroactive payroll adjustments affecting sponsored projects or other pay sources for subject employees with the effort certification process to ensure that all adjustments to effort reports and related payroll charges are completed within the ninety 90-day period allowed for cost transfers.
- 3.2.6. Monitoring and maintaining committed levels of effort on sponsored projects.

4. INDIVIDUALS SUBJECT TO EFFORT REPORTING:

Any ECU employee or student may be subject to effort reporting requirements if they:

- 4.1. Work on sponsored projects for which the sponsor reimburses the University.
- 4.2. Work on a sponsored project but time on the project is funded by the University. The University's contribution to the cost of the project is referred to as cost sharing.

5. SURVEY PERIODS:

- 5.1. Survey periods are the approved time periods for which employee effort must be certified. Survey periods consist of multiple months and are intended to generally coincide with the University's Fiscal year and summer period. The survey periods are the same for all individuals.
- 5.2. The University certification process is completed on a four period basis, closely reflecting the academic periods. The four survey periods are: August 16 – November 30, December 1 – February 29, March 1 – May 15 and May 16 – August 15.
- 5.3. Because 9-month employees are reimbursed for their academic year work over the 12-month calendar year (i.e., they receive 12 monthly payroll checks instead of 9), effort percentages for the survey periods may include regular payroll charges for months not indicated by the survey period. Payroll charges distributed over 12 months are reflected in the 9 months of the academic period August–May in ERS.
- 5.4. Employees on 9, 10 and 11 month appointments may receive additional pay during the summer period. The potential supplemental summer period is defined, for purposes of effort certification and summer salary, as May 16–August 15. 12 month employees do not receive supplemental summer payroll as their summer period has the same pay status as any other survey period.
- 5.5. Because of summer duties and compensation related to their Chair appointment, 9-month faculty Chairs normally cannot receive 3 summer months salary charged to sponsored projects. A Chair will normally receive a maximum of 2 summer months chargeable to sponsored projects.

6. CERTIFIERS REVIEW AND CERTIFICATION PROCESS:

- 6.1. Review the percentages shown by fund source. Determine if the percentages are a reasonable approximation of actual effort expended for each activity during the survey period indicated.
- 6.2. If the percentages of effort for each project appear to be correct, certify and submit the effort report.

- 6.3. If any of the percentages are significantly different from how effort was actually expended during the survey period, the percentages should be adjusted to correct amounts and funds before electronically certifying the effort report. If adjustments are necessary, all of the effort must be stated in percentages so that the total is not less than or greater than 100%.
- 6.4. Effort normally should be stated in whole number percentage and is not necessarily a precise mathematical calculation (example: 6% not 6.23%). Effort reported is always 100%, regardless of the number of hours worked in the survey period.
- 6.5. Effort reports are electronically certified. The individual certifying has the responsibility for assuring that all distributions are correct before the report is electronically submitted.
- 6.6. Faculty must certify their own effort. Only the department head or College Dean may certify for a faculty member under exceptional circumstances (contact OGC prior to processing).
- 6.7. All other employees should review and certify their own effort report when available to do so. The PI, department head, College Dean, or other designee may also perform review and certification for staff or students. However, A-21 requires anyone certifying the report to have means to verify that the work was performed. It is important that anyone certifying in lieu of the employee has first-hand knowledge of their work activities during the survey period and be able to meet A-21 requirements. In any audit situation it would be the responsibility of the person certifying the effort report to support that all certification requirements were met. In most cases, only the direct supervisor should certify for an employee when the individual employee is not available to certify.
- 6.8. Effort reports must be certified (completed) by the deadline indicated for each survey period. The deadline is normally 45 days after the end of the effort reporting period.

7. COST SHARING:

Cost sharing represents resources provided by the University that directly benefit sponsored projects. Cost shared effort is defined as work performed by employees on sponsored projects that are not paid by the sponsor. Committed cost shared effort should be included on the effort report as it is a component of the total effort an employee works.

- 7.1. Certain situations involving cost shared effort cannot or should not be documented on effort reports, without specific authorization from OGC:
 - 7.1.1. Cost sharing funded by another sponsored project.
 - 7.1.2. Cost sharing funded from federal appropriations.
 - 7.1.3. Voluntary uncommitted effort.

- 7.2. Only cost shared effort reported through ERS is eligible for reporting to the sponsor for match purposes. All effort cost share must be certified.
- 7.3. Cost sharing performed by individuals who are not ECU employees or students is not reported through ERS and is documented by other means; usually written documentation from the individual's home institution. OGC must approve all documentation for non-ECU cost share.

8. COORDINATION OF EFFORT REPORTS AND LABOR ADJUSTMENTS:

- 8.1. Personnel actions (EPAF/PCF), retroactive labor adjustments, and effort reports are related because:
 - 8.1.1. Personnel actions establish pay sources (fund number and account code) and the amounts to be funded from each source in the University's payroll system.
 - 8.1.2. Retroactive payroll adjustments move payroll charges from the pay source originally charged to another pay source.
 - 8.1.3. Effort percentages and fund numbers appearing on the effort reports are based on pay sources and amounts established in the University's payroll system by personnel actions and adjustments processed prior to the end of the survey period.
- 8.2. Retroactive labor adjustments which affect charges for months included in a survey period should be processed before that survey period is certified. All adjustments whether paid or cost share should be completed before the certification is submitted. Retroactive labor adjustments may be processed at any time during the survey period but must be completed prior to the end of the certification review process (45 days from the end of the effort survey period).
- 8.3. Recertification or reallocation because labor adjustments were not considered when certifying effort the first time may invalidate the concept of conscientious review and adequate management and oversight of the certification process as required by federal regulations. If audited and recertification is identified as a practice, the validity of effort reports, and the effort system, could be questioned and labor costs billed to sponsors may be disallowed.
- 8.4. Adjustments to effort reports certified or to closed certification periods may only be made to "reduce" charges to a sponsored project. Adjustments that "increase" charges to a sponsored project will not be allowed once the effort report has been certified or the effort period has been closed. Adjustments that "increase" the cost share to be reported to a sponsored project will not be allowed once the effort report has been certified or the effort period has been closed.
- 8.5. Reallocations may be processed using the Banner-HR Redistribution Form for periods

prior to the initiation of the certification report period. Redistributions must be processed through ERS once the certification period has been initiated.

9. ADDITIONAL REQUIREMENTS:

9.1. OMB Circular A-110 stipulates that Principal Investigators and other named key personnel may not reduce their proposed effort by more than 25% or be absent from the sponsored project in excess of 90-days, unless such changes have been specifically authorized by the sponsor. PIs and key personnel must normally report effort within each of the survey periods of the project in order to be in compliance with the absence requirements. Actual effort must be reported, during all survey periods, even if not paid from the sponsored project (cost shared).

9.1.1. Voluntary uncommitted effort does not need to be reported in the effort system (i.e., additional effort beyond the amount proposed/committed).

9.2. With few exceptions, PIs must report some level of effort for any/all sponsored projects; even if a specific level of effort was not committed in the proposal or award documents. If the designated PI cannot devote effort to the project, for a substantive period (90 days), then a change of PI should be requested or the project should be terminated. A PI will normally have a minimum of 1-5% effort on each sponsored project.

9.3. PIs may not be 100% paid on sponsored projects. Usually a minimum of 3-5% of PI monthly/annual salary must be from non-sponsored funds. A larger percentage may be needed based on actual activities.

9.4. Overloads, bonuses, one-time pays and other increased pay rate structures are not allowed on sponsored projects. The maximum salary that can be charged to sponsored projects (cumulative, all sources) is 133% of the institutional base salary for 9-month faculty and 100% of the institutional base salary for 12-month employees.

9.5. Hourly employees who are subject to overtime or shift rates may be charged to sponsored projects (in accordance with sponsor policies). However, overtime must be kept to a minimum and should only be occasionally incurred under exceptional circumstances. The sponsored project should normally only be charged the regular pay rate.

9.5.1. Some sponsors will not allow overtime rates or overtime hours and the overtime differential will need to be charged to non-sponsored funds.

9.6. Individual award documents and agency guidelines should be reviewed prior to completion of personnel actions or effort certifications. Some sponsors, programs, and awards have specific effort requirements. In the event of conflicting information or guidelines, the most restrictive procedure will apply to the effort certification process.

- 9.7. As part of the UNC FIT requirements, late certifications may be reported as an internal management finding under the university's Key Performance Indicators.
- 9.8. OGC may disallow costs charged to a sponsored project if the effort certification is not completed on a timely basis.