



Effort Certification Policy

Policy Number: 600-017

Effective Date: July 1, 2011

Last Updated: August 8, 2012

Issuing Authority: Vice President for Research Administrative Services

Responsible Offices: Research Administrative Services (RAS); Office of the Chief Financial Officer; and Office of the Provost & Chief Academic Officer

Purpose:

To define the principles involved in, and basis for, the certification of effort associated with salaries and wages charged to sponsored projects at Howard University and all related entities, business units, subsidiaries and affiliated organizations including, but not limited to, Howard University Hospital (hereinafter referred to collectively as “Howard University”) consistent with Federal effort certification requirements.

As a condition to receiving Federal funding, Howard University is required to maintain and certify the percentage of time (i.e., effort) that employees devote to Federally sponsored projects as outlined in the *Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions* (OMB Circular A-21).

In addition, state agencies, private foundations, organizations, and other sponsors provide Howard University with funds to conduct research, for public service, and for training projects. Howard University’s effort certification process provides verification that salaries and wages charged to these projects reflect the effort performed on the project.

Adherence to this policy is necessary to prevent cost disallowances and penalties by the Federal government and other sponsoring agencies.

The effort certification process is also important because it:

- Is used to develop the Facilities and Administration (F&A) rate agreement,
- Is used in a number of management reports, and
- Documents labor cost sharing on sponsored projects.

Policy:

It is the policy of Howard University to comply with applicable federal regulations and guidance regarding time and effort certification to ensure good stewardship of the funds provided to Howard University for sponsored programs. The Howard University Effort Certification System (ECS) requires that all effort directly associated with a sponsored program be classified consistently, regardless of whether the reporter’s salary is charged to the sponsor.

Faculty or staff is expected to commit some level of effort (i.e., greater than 0%), charged to the award or cost-shared, on awards in which they are listed as Principal Investigator (PI), Project Director (PD), or key personnel. Since a PI/PD or any key personnel has responsibility for the scientific, administrative, and financial management of an award, it is reasonable to expect that fulfilling these responsibilities requires time and effort. However, there are instances in which certain types of awards do not require individuals to commit any level of effort or do not permit any level of effort. These exceptions include equipment and instrumentation grants, student augmentation grants, and institutional or individual training grants for faculty mentors.

OMB Circular A-21 outlines the guidelines governing effort certification and the verification of salary distributions. Specifically, section (J)(10)(c)(2)(b) requires effort certificates to be completed to provide after the fact verification of the salary charged to sponsored projects:

“[Effort] report[s] will reflect after the fact reporting of the percentage distribution of activity of employees.”

Section (J)(8)(c)(3)(e) states that:

“To confirm that distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the record for each employee will include... the signature of the employee or of a person having direct knowledge of the work, confirming that the record of activities allocable as direct costs of each sponsored agreement is appropriate.”

Additionally, OMB Circular A-21 requires that this verification be completed for all “professorial and professional” staff. At Howard University, professorial staff includes all faculty members involved in research and sponsored activities and professional staff includes all salaried staff and hourly employees involved in research and / or sponsored activities.

To meet the requirements of OMB Circular A-21, required personnel certify their effort following each quarter on the Howard University academic calendar (7/1 – 9/30, 10/1 – 12/31, 1/1 – 3/31 and 4/1 – 6/30)*. OMB Circular A-21 states “[w]here the institution uses time cards or other forms of after the fact payroll documents as original documentation for payroll and payroll charges, such documents shall qualify as records for this purpose.” Thus, hourly employees complete bi-weekly time cards to certify their effort.

*: During the initial implementation of the ECS in fiscal year 2012, effort was certified for Q1 and Q2 2012 simultaneously. Since that time, effort certification is performed quarterly as stated in the policy above.

Business Process Description:

Definitions

Effort: The proportion of total professional effort devoted to a specific function or project expressed as a percentage of the total professional effort.

Total Professional Effort: All activities conducted under the terms of employment by Howard University. This includes time devoted to research, teaching, administration, and other related activities. Total professional effort must always equal 100% regardless of the actual number of hours worked by an employee or the appointed time base. For example, if employee A works 80 hours per week to fulfill her responsibilities to the university and employee B works 40 hours per week to fulfill his, each employee's total professional effort is 100% despite the fact that employee A worked twice as many hours as employee B.

Effort Certificate: The form that must be certified by employees to verify that the salary distribution across all activities is consistent with the actual portion of total professional effort committed to each function.

Total Period Compensation: Total salaries/wages paid for a specific period (e.g., Q1, Q2, Q3 or Q4, etc.) under the terms of employment at Howard University.

Institutional Base Salary (IBS): The annual compensation paid by an organization for a salaried employee's appointment, whether that individual's time is spent on research, teaching, patient care, or other activities. Institutional Base Salary excludes any income that an individual is permitted to earn outside of duties for the applicant/grantee organization. (See Institutional Base Salary Policy)

Work Overload: Any amount of work over the usual 1.0 time base. All overload work is included in the effort certificate, but it should not skew the total effort to more than 100%. Compensation in excess of the individual's IBS for overload, or for any other reason, MAY NOT be charged to a sponsored award unless specifically authorized in the terms and conditions of the sponsored agreement or approved in writing in advance by the authorized representative of the sponsoring agency.

Process:

At the end of each period on the academic calendar, the Effort Certification Team initiates the process in the ECS to prepare effort certificates to be distributed to certifiers, assuring the integrity of the data pulled from the payroll system as necessary, for all individuals that have charged effort to a sponsored project. The system is made accessible to the certifier and the certifier's Principal Investigator/Designee if applicable. Effort certifications are issued on a quarterly basis throughout the fiscal year.

The Effort Certification Team in RAS initiates the process in the ECS to distribute effort certificates to all personnel that have charged effort to a sponsored project. Each effort certificate indicates the payroll distribution of the employee's Total Period Compensation across all Howard University functions, including work on sponsored and non-sponsored projects, instruction, administration, committee work, etc. Sponsored projects and departments are itemized within the effort certification. ***Any salary charged to a cost sharing account is also included in the effort certificate and labeled accordingly.***

OMB Circular A-21 requires that "certificates will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed." At Howard University, all individuals certify their own effort certificates after appropriate consultation with a

supervisor or academic leader in the case of faculty members. If an individual is no longer employed at Howard University, the individual's former supervisor certifies that individual's effort using the reassign function in the ECS.

The employee's signature on the effort certificate is an endorsement by the employee that, to the best of his/her knowledge, the salary charges accurately reflect the effort distribution across all activities for the period of time in question. If the payroll distribution reflected on an effort certificate does not accurately display how the employee spent his/her time, the employee selects "certify with corrections" and can make the required changes to how their effort has been allocated. All certificates with corrections are routed via the ECS to RAS analyst who must review and approve before certificates are complete and a cost transfer may be contemplated.

RAS analysts have the ability to "push back" certificates that are not within the parameters of the sponsored award or if they know the certifier made a mistake when certifying. The certificate then goes back to the individual certifier so they can make the correction and then resubmit.

Persons who have charged effort to a sponsored project consult with their supervisors or designated academic department leaders on the accurate distribution of their effort, certify their effort certificate within the ECS using the PeopleSoft access.

In the event of instances in which there is consistent failure to complete effort certificates, corrective action may be imposed at the discretion of the Office of the Controller and may include, but is not limited to, suspension of sponsored program accounts until the effort certificates are completed.

Salary charged to a sponsored project must never exceed the amount associated with the actual effort devoted to that project. A significant change in effort indicated on the effort certificate may require approval by the sponsor based on the terms and conditions of the agreement (e.g., many NIH awards require approval for a reduction in effort of more than 25% of the proposed amount for key personnel).

When RAS receives the completed effort certificate, the certificates are reviewed for changes from the original payroll distribution report. If there are no changes, the certified effort certificate is filed. If changes are identified, RAS determines if sponsor contact is required to obtain approval for a change in effort and initiates additional actions to align the expenses charged to the project with the certified effort (i.e., a cost transfer to adjust for any changes made to the effort certificate). (For further information on Personnel Cost Transfers, please see the Cost Transfer Policy.) After these notifications, the effort certificate is filed. RAS tracks the collection of effort certificates and initiates any necessary follow up with the PI/PDs and department administrators to ensure 100% completion.

Roles and Responsibilities:

Research Administrative Services:

- **Research Administrator (RA):** The RA is responsible for notifying the sponsor of any significant changes in the effort commitments of individuals identified as key personnel and, where necessary, obtaining the sponsor's approval of such changes.

- **Research Analysts:** The RAS Analyst is responsible for processing any personnel cost transfers resulting from discrepancies between certified effort and payroll distribution as reflected in the ECS. Once received, RAS reviews the effort certificates for allowability and any necessary follow-up. If follow-up is necessary, RAS forwards the effort certificate to the RA as appropriate. Once all issues are resolved, or if no follow-up is necessary, RAS Analyst approves the certificate.
- **Effort Certification Team:** Responsible for maintaining the Effort Certification System and initiating the process to distribution effort certificates through the system. The team is also responsible for monitoring responses by the certifier. If effort certificates are not returned within 15 business days, the team follows-up with the recipient.
- **Office of the Controller:** The Office of the Controller is responsible for reviewing and approving revisions to previously certified effort certificates, and for taking corrective action with individuals who demonstrate a consistent failure to complete effort certificates on time.

Academic Department/School/College

- **Principal Investigator/Project Director (PI/PD):** Each PI/PD is responsible for notifying OSP/RA of any changes in the effort of individuals listed as key personnel on respective sponsored projects; consulting with a designated leader in his/her academic department about his/her effort certificate; certifying that his/her own efforts are accurately documented, after the appropriate adjustments, on the effort certificate; and ensuring that effort certificates are completed within 15 business days.
- **Staff Member with Effort:** The salaried staff member on the sponsored project is responsible for consulting with the appropriate supervisor about his/her effort certificate; certifying that his/her effort is accurately documented, after the appropriate adjustments, on the effort certificate; and completing the effort certificate within 15 business days.
- **Hourly staff:** Hourly staff are responsible for reporting their time and effort on time cards submitted for payroll purposes.
- **Academic Department/School/College Leader (Department Chair, Dean or Provost as designated by the Provost):** The designated academic leader consults with the faculty member about the effort certificate, with any proposed adjustments, and assures that it accurately reflects the totality of the individual's effort during the certification period.

Related Policies:

- Cost Transfer Policy
- Faculty Workload Policy
- Cost Sharing Policy
- Proposal Development and Submission
- Institutional Base Salary Policy

Forms and Links:

- OMB Circular A-21 http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html
- RAS Website: <http://www.howard.edu/research>