

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

EFFORT CERTIFICATION POLICY

Number

Effort: The proportion of total professional effort devoted to a specific function or project expressed as a percentage of the total professional effort. Total effort must equal 100%.

Effort Commitment: The portion of time committed to a particular activity expressed as a percentage of the individual's total activity for the institution. The commitment, stated as a percentage of an individual's time in a contract or grant proposal, is a real and binding commitment. As long as the contract/grant is active, the individual must keep track of the effort commitment and is required to account for it.

Effort Certification (also known as an Effort Report) : A form that must be certified by all university employees charging to a sponsored award to verify that the salary distribution across all activities is consistent with the actual portion of total professional effort committed to each function. The effort certification process is also important because it: (a) ensures the funding agencies that effort funded is related to the sponsored project; (b) is used to develop the Facilities and Administration (F&A) rate agreement; (c) is used in a number of management reports; and (d) documents labor cost sharing on

sponsored projects. Effort Certification (3.9 (529427503)) J 4 (73.9) (456) 002

Mandatory Cost Sharing: Cost sharing required as a condition of an award or agreed to between the institution and the sponsor when negotiating a sponsored agreement. When this type of cost sharing is offered

## Policy

It is the policy of UAH to comply with applicable federal regulations and guidance regarding time and effort reporting. OMB Circular A-21 (relocated to 2 C.F.R. Part 220) outlines the guidelines governing effort reporting and the verification of salary distributions. Specifically, OMB Circular A-21 section (J)(10)(c)(2)(b) requires Effort Reports to be completed to provide after-the-fact verification of the salary charged to sponsored projects: “[Effort] Reports] will reflect an after-the-fact reporting of the percentage distribution of activity of employees.” Additionally, OMB Circular A-21 (relocated to 2 C.F.R. Part 220) requires that this verification be completed for all “professorial and professional” staff. At 4/15/2021 10:15 AM [o.t

### Expending Effort/Charging Salary

Salary charged to a sponsored project must never exceed the amount associated with the actual effort funded to that project.

UAH recognizes that salaries are sometimes mistakenly charged to the wrong project. The PI/Department Administrator should identify these situations when reviewing BLRs prior to approval. If an error does occur, the PI or Department Administrator must complete a cost transfer (aka: Labor Redistribution (Retro), if the error was made by the PI/Department Administrator. Cost transfers must have appropriate justification and documentation. If the error is due to data entry/processing caused by Payroll or Budgets and Management Information, then the PI/Department Administrator will notify the appropriate personnel (Budgets and Management Information/Effort Reporting Office) via email. This type of error will not require a Retro to correct if the Budgets and Management Information/Effort Reporting Office is notified within 28 days after the check date of the pay period affected. The Budgets and Management Information/Effort Reporting Office staff will prepare and process a Retro to correct this type of error. The Retro/Redistribution Policy is located at Exhibit C. All errors should be identified in a timely manner.

### Summer Salary/Effort

Faculty compensated for 9-month academic appointments 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 (i.e., during the summer research period) and earn up to three months of additional salary for that effort, subject to sponsor policies.

However, if a faculty member has administrative or other non-research responsibilities during the summer period, they may not be compensated for additional effort during that period. (i)6 (n (he)10 (y)]TJ 0 Tc 02C 12 .

requirements. All individuals involved in the effort certification process are expected to abide strictly by the provisions of this Policy.

At the end of each certification period, the Budgets and Management Information/Effort Reporting Office will prepare Effort Reports for all individuals in departments and centers (w/ exception of on-call employees) that have charged or cost-shared salary/effort to a sponsored project. The Effort Report is provided to the recipient and may be made available to the recipient's supervisor and other employees as indicated by the recipient on the effort report routing queue.

UAH effort distribution and certification reporting systems require that all effort identified with a sponsored program be classified consistently, regardless of whether the reporter's salary is charged or cost shared to the sponsor.

If a change in effort as indicated on the Effort Report requires approval by the sponsor based on the terms and conditions of the agreement (e.g., many Federal awards require approval for a reduction in effort of more than 25% of the proposed amount, or as determined by funding agency, for key personnel), OSP will contact the PI/PD to discuss the change in effort before contacting the sponsor for approval.

The following rules govern the certification process:

- Effort Reports will be submitted to individuals electronically. Faculty members and salaried staff will certify three (3) times a year.
- Employees will review all effort reported on the Effort Report to ensure that it is correct and accurate to the best of their knowledge.
- If the Effort Report

Office will remove the employee's charges from all the awards within the certification period. (If an Effort Report is not certified, activities represented in the Effort Report constitute a False Claim, and must be removed.)

- Employees will be allowed to certify only once in a given reporting period. Re-certifications are allowed on an EXCEPTION only basis. (Effort Reports and corresponding labor records are locked when certified. No Retros are allowed on a locked certification without significant justification. See Exhibit D .)

Again, Effort Reports for persons who have charged effort to a sponsored project are certified via the Effort Certification Website within ten (10) business days. If there is consistent failure to complete Effort Report certifications, corrective action may be imposed at the discretion of the Vice President for Research and Economic Development and/or Vice President for Finance and Administration, and may include the freezing of sponsored program accounts until the Effort Reports are completed. Freezing of sponsored research accounts, to include applicable cost share accounts, will also prevent payroll charges to the sponsored or cost share accounts.

If changes are identified, the employee shall notify the Effort Compliance Officer. If sponsor contact is required, OSP will initiate additional actions that must occur to align the expenses charged to the project with the certified effort (e.g., cost transfer to adjust for any changes made to the Effort Report). In most cases, if the percent of salary charged is greater than the effort recorded, the difference will have to be removed from the contract/grant. For further information on Personnel Cost Transfers, please see the Retro/Redistribution Policy, Exhibit C. The Budgets and Management Information/Effort Reporting Office tracks the certification of Effort Reports and initiates any necessary follow up with the PI/PDs and department administrators to ensure 100% completion.

OMB Circular A-21 (relocated to 2 C.F.R. Part 220) requires that "reports will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed." OMB's Uniform Guidance states that "processes to review after-the-fact interim charges" must be included in the entity's system of internal controls and be incorporated into the official records of the entity. At UAH, individuals certify their own Effort Reports. If an individual is unable to certify, the individual's supervisor or other responsible official may certify that individual's effort using a suitable means of verification. GRA certifications will be completed by the PI on the award or other responsible official. The electronic signature on the Effort Report is an endorsement by the employee that, to the best of their knowledge, the salary charges reasonably reflect the effort distribution across all activities. If the payroll distribution reflected on an Effort Report does not reasonably display how the employee spent his or her time, the employee must submit a Retro in accordance with

UAH's





Appendix 1 – Effort Reporting Flow Chart

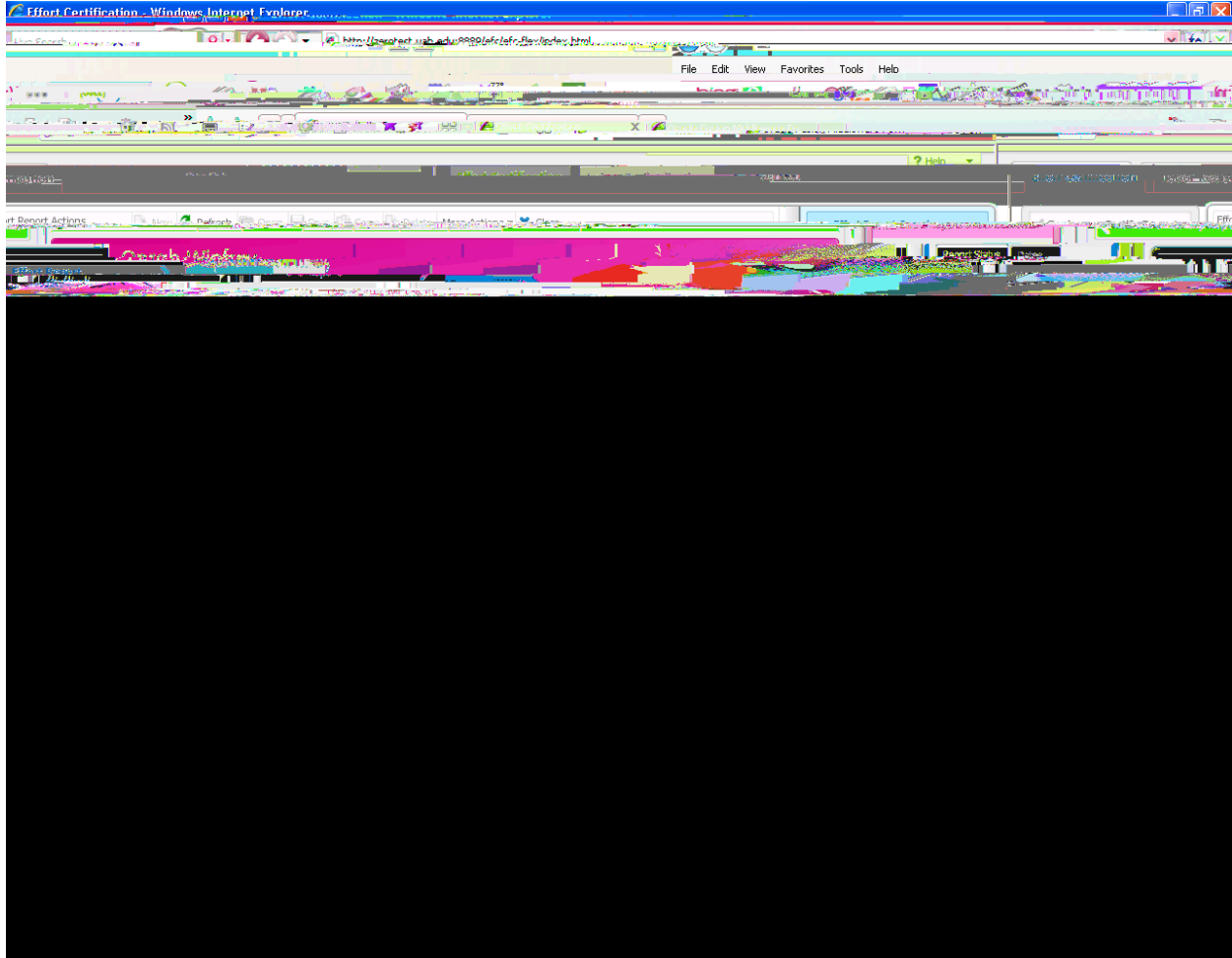


Appendix 2 –  
Effort Reporting Process:

Division Faculty	Effort Certification Reports	
	Issued	<u>Pay Periods Covered</u>
All Faculty and All Staff who charges to a research or research cost share account	Approximately five (5) weeks after the check date of the ending pay period of the certification period, except in cases of technical difficulties or other extraordinary events. Issue and Due Dates of Effort Reports are posted to the Effort Reporting Website.	1 <sup>st</sup> Certification 1-9 Spring 2 <sup>nd</sup> Certification 10-17 Summer 3 <sup>rd</sup> Certification 18-26 Fall
On-call Hourly Staff	Every bi-weekly pay period	26 Times per year or as applicable, BLR will act as certification.



EXHIBIT B  
Sample Effort Report



Detailed instructions for certifying effort are included on the Effort Reporting website: <http://www.uah.edu/budget/effort-certification>

EXHIBIT C  
THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

submitted to Contracts and Grants via the online Labor Redistribution system. Retros 28 days or less must be submitted to the Budgets and Management Information/Effort Reporting Office via the online Labor Redistribution system. Retros only from non-research to non-research state, foundation or other organization codes must be submitted to the Budgets and Management Information/Effort Reporting Office via the online Labor Redistribution system. Also, each pay period may only be redistributed once on an award. This is to be in compliance with OMB regulations and to preserve the integrity of the effort report. A justification must be included with all Retros over 28 days. A Retro may be rejected if the justification is not sufficient. In addition, Retros over 28 days may be charged to the PI's residual or home labor (state) account. Retros over 90 days are subject to rejection since the redistribution was not submitted in a timely manner. Certified pay periods are locked and do not accept Retros.

Business Interruption Insurance (BII) was established for calendar year employees working on research when Administrative Leave is granted to all University employees who are calendar year employees after the President (or his designee) declares the University closed, or when normal working hours change due to severe weather, or for the Summer Flex Schedule, or other extraordinary event. Retros may charge the BII organization code 302301-6186 for Administrative Leave reflected on the employee's timesheet. Charges for Administrative Leave to research and cost-share organization codes are unallowable. The BII Policy is available on the Payroll Office website.

The Leave Loaded System (LLS) was implemented to comply with Uniform Guidance 200.431 regarding Termination Leave for research employees. All leave, except Administrative Leave, is accrued in the LLS. Actual paid leave is charged to the LLS according to the labor distribution for the pay period in which leave is taken. Retros on pay periods in which leave was taken should charge the leave to LLS on the same basis as the regular pay distribution for the pay period. It is the responsibility of the Department/Center to manage leave so that leave is taken while the employee is charging to research. Leave not reported correctly on the research employee's timesheet will require a corrected timesheet submitted to Payroll and a Retro to correct the labor distribution. Also, a justification is required for the Retro. The payroll system will charge Termination Leave according to the last ePAF-Labor or corrected labor form submitted for the employee. A Retro for the Termination Leave should be submitted if the labor distribution does not reflect the last year (the last 12 months of work history) of the employee's effort. Leave distributed on research should be charged to 302304-6200. The LLS Policy is available on the Payroll Office website.

## Procedures

A preparer must submit Retros for Contract and Grant awards via the online Labor Redistribution system. A preparer is a person authorized and trained by the Budgets and Management Information/Effort Reporting Office to submit Retros. Training is available by appointment.

Retros are tracked through the routing queue by the originator and others included in the routing queue.

If the Retro is submitted for a pay period over 28 days from the check date, a sufficient justification is required. (A partial list of justifications allowed/not allowed is listed below.) A comment section in the online Labor Redistribution system is provided for justifications and explanations. Comments cannot be erased once they are saved. They may be eliminated by erasing the Retro. A new Retro may be entered and submitted with the new comment.

A Retro that is not approved will be returned for correction with a comment. The department may then void/erase or re-submit the corrected Retro. A returned Retro will have a comment regarding the reason for the return action. Retros will be processed at the next available Payroll run (the next check date). Retros should be submitted several days before the check date to allow time for processing through the approval queue.

Graduate Research Assistant Retros should match the Offer Letter in the Graduate Studies Office. A Revised Offer Letter should be submitted to the Graduate Studies Office and the Budgets and Management Information Office if the Retro effort redistribution is different from the Offer Letter on file. The Graduate Research Assistant Tuition and Health Insurance Policy is posted on the UAH website.

Please contact the Budgets and Management Information/ Effort Reporting Office at 256-824-2290 or 256-824-2242 with issues regarding the Labor Redistribution system.



## Exhibit D

### Justifications for Re-certifications and Labor Redistributions (Retrospective)

#### Re-certifications:

Generally, re-certification is not allowed. Re-certifications are allowed on an EXCEPTION only basis.

#### Allowed

- A new research account number is created due to Sponsor issuing continuing funding under a new contract/grant number. This is only applicable for accounts operating under an approved Risk Memo.

#### Labor Redistributions (Retrospective):

#### Allowed

- A new research account number is created due to Sponsor issuing continuing funding under a new contract/grant number. This is only applicable for accounts operating under an approved Risk Memo.
- By request from the Sponsor.

#### Not Allowed (including but not limited to)

- Available balance in account.
- Overruns
- Charges beyond the period of performance.
- Failure to monitor budget statements.
- Failure to verify correct accounts for labor charges.
- Adjustments to comply with commitments, not actual work performed.

Exhibit E  
Key Personnel

Many sponsors (Grants) require advance notification or require prior approval be obtained before “key personnel” or the Principal Investigator (PI) reduces his or her effort on a grant from the proposed/funded amount. Uniform Guidance (UG) 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D- Post Award Requirements states the following:

[§200.308. Revision of budget and program plans.](#)

(a) The approved budget for the Federal award summarizes the financial aspects of the project or program as approved during the Federal award process. It may include either the Federal and non-Federal share (see definition for Federal share in [§200.1](#)) or only the Federal share, depending upon Federal awarding agency requirements. The budget and program plans include considerations for performance and program evaluation purposes whenever required in accordance with the terms and conditions of the award.

(b) Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from Federal awarding agencies for budget and program plan revisions, in accordance with this section.

(c) For non-construction Federal awards, recipients must request prior approvals from Federal awarding agencies for the following program or budget-related reasons:

(1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

(2) Change in a key person specified in the application or the Federal award.

(3) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

(4) The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with [subpart E](#) of this part as applicable.

(5) The transfer of funds budgeted for participant support costs to other categories of expense.

(6) Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award, including fixed amount subawards as described in [§200.333](#)

