I. PURPOSE
The federal government requires an effort certification report when an individual is compensated by or has agreed to contribute time to a federally sponsored project. All faculty who serve as investigators on sponsored agreements are personally responsible to certify the amount of effort that they and other employees spent on sponsored activities.

The Office of Management and Budget’s (OMB) "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance), 2 CFR Chapter II, Part 200 describes the government's cost principles for colleges and universities. It defines what costs are allowable and allocable to federal grants and other “assistance” agreements.

The Uniform Guidance 2 CFR §200.430 sets forth criteria for acceptable methods of charging salaries and wages to federally sponsored projects. This requires a payroll distribution system that directly charges salaries to appropriate projects.

In addition, the Uniform Guidance requires that institutions develop a mechanism to determine or confirm how individuals actually expend effort during a specified time period. These effort reports must be performed on a regular schedule and must be certified by individuals who have first-hand knowledge of 100 percent of the employee's compensated activities. In most cases, that would be the employee or the employee's direct supervisor.

II. SCOPE
Effort reporting applies to any and all faculty, staff, and students who worked on a sponsored project and received compensation for that effort.

III. DEFINITIONS
Effort is defined as the amount of time spent on a particular activity. It includes the time spent working on a sponsored project in which salary is directly charged or contributed (cost-shared).

*Individual effort* is expressed as a percentage of the total amount of time spent on work-related activities for which the university compensates an individual with the Institutional Base Salary.

*Disallowance* means that after review of expenses for which the Federal government reimbursed the institution, some of those expenses are determined to be inappropriate or improperly documented. The institution is then required to return the disallowed funds to the Federal government and may be subject to additional financial penalties. In addition, criminal charges may be brought against an individual who certifies a falsified report.
Effort certification is the mandated method of certifying to the granting agencies that the salary charged or cost shared in the context of each award has actually been expended.

Payroll distributions are the distribution of an individual's Institutional Base Salary, while effort reports describe the allocation of an individual's actual time and effort spent for specific projects, whether or not reimbursed by the sponsor. Thus effort reporting is separate from and can be independent of salary charges. In no case can the salary charged exceed the effort certified.

Institutional base salary is defined as the annual compensation paid by the University for an employee’s appointment, whether that individual’s time is spent on research, teaching, administration or other activities.

IV. POLICY STATEMENT
The effort of any faculty, staff, and students expending a portion of time on any sponsored project will be certified during the effort cycle in which the time was expended by a person with direct knowledge of 100% of each person’s activity. Note that this may require that more than one person certifies each effort report.

Risks of Noncompliance
Documentation on how individuals spend time on federally sponsored projects is subject to federal audit and can be cause for institutional or individual disallowances. Federal audit disallowances can result in serious financial penalties for institutions. In addition, criminal charges may be brought against an individual certifying to falsified effort.

Institutional disallowances can result if:
- The effort report was certified by an individual other than the employee or someone who has “first-hand” knowledge of 100 percent of the employee's time;
- The effort report does not encompass all of the activities performed by the employee under the terms of his or her employment;
- The levels of effort reported do not appear reasonable, given the responsibilities of the individual.

Individual disallowances can result if:
- The effort report certified by the individual is found to be falsified;
- The levels of effort reported do not appear reasonable.

Penalties for Noncompliance
If an effort report is not certified within the time period prescribed by ORA pursuant to the procedure below, administrative actions will be taken by the Office of the Provost.
V. PROCEDURE
The University fulfills the effort reporting requirement through the use of certifications delivered to each principal investigator. During Fiscal Year 2016-2017, one report will be generated and delivered to each principal investigator that will cover the period from June 1, 2016 through April 30, 2017. A second report will cover the period from May 1, 2017 through the end of August 2017. Subsequently, the reports will be generated three times a year (January-May, June-August, and September-December). A review period of three weeks is given from the time the reports are delivered until the time they must be certified. Once an effort report has been certified, payroll cannot be reallocated to an alternate fund. Once certified, effort cannot be revised.

The principal investigator is responsible for ensuring that all persons working on his/her sponsored project certify their effort in a timely manner. PI’s will be kept apprised of any delinquent effort reports for any persons on the PI’s sponsored project so that the PI may follow up with that person to ensure that he/she promptly certifies his/her effort.

If reports are not properly completed and returned within the three week time period given, email notification of failure to report will be issued to the PI’s, their department chairs, and deans for assistance in obtaining the effort reporting certification from the employee. This policy shall be enforced through appropriate administrative actions by the Office of the Provost.

VI. RELATED INFORMATION/FORMS

VII. HISTORY
Approved: June 28, 2016.
Effective: June 1, 2016.
Revision Date(s): May 28, 2017.

VIII. RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT
Office of the Provost Tolentine Hall, Room 103
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610-519-4525

IX. RESPONSIBLE ADMINISTRATIVE OVERSIGHT
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