Health Sciences Division

Effort Certification Policy & Procedures

Policy Statement

As a recipient of sponsored funds, the University must comply with the Office of Management and Budget Circular Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") as well as other federal requirements for certifying effort expended on sponsored awards. The Health Sciences Division effort reporting policy is a means by which this responsibility is fulfilled. Failure to comply with the policy and procedures can lead to financial penalties, expenditure disallowances, and loss of funding to the University.

Reason for Policy

The Uniform Guidance Subpart E 200.430 contains the federal regulatory requirements regarding internal controls on certifying time expended on sponsored projects. The University utilizes an effort reporting system to certify that salaries charged to, or cost shared on sponsored awards, are accurate with the work performed. Effort reporting is performed on an "after-the-fact" basis. Effort performed on each project should be certified by a responsible person, typically the principal investigator, who can reasonably authenticate that the work was performed. The effort verification typically occurs at the end of specified reporting time frame. The effort certification should be a reasonable assessment of how an employee's time was expended. Section 200.430(C.x.) states, "It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs [Institutions of Higher Education] a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected."

Effort Defined

Effort is defined as follows: The amount of time an employee spends on a specific project in relation to all of their work completed for the University, whether the sponsor pays the salary or not. This work may include, but is not limited to, research, teaching, and administration services. Effort is expressed as a percentage of time that will always total 100%. An individual's effort may be broken out into various accounts and jobs.

Who Must Comply

Effort certification is essential for every individual who works on a sponsored project, whether paid or unpaid. The salary charged and effort committed on the proposal of an employee must be verified by a responsible person that the effort is reasonable in relation to actual effort spent. It is imperative that a person with genuine knowledge of all of an employee's effort certify for the employee. Faculty must certify for themselves. Also, faculty must certify their staff members' (non-faculty personnel) levels of effort committed, charged, and reported on all applicable awards.

Roles & Responsibilities

Department Administrator

- Monitor effort commitments, salary charges, and cost sharing on all applicable awards.
- Review salary charges with PI/faculty member and administer timely payroll corrections prior to issuance of effort reports.
- Facilitate the department effort certification process.
- Check effort certifications for accuracy during the review period.
- Perform pre- and post- review of effort certification statements.
- Assist faculty PIs with issues, errors, or inquiries.
- Monitor that effort certifications are completed with the certification period.

Principal Investigators (PIs)/Faculty Members

- Ensure the appropriateness and accuracy of all effort expended on sponsored projects and comply with the University effort policy.
- Notify sponsors of changes to effort commitments at the time of the initial award, and during the course of the project, consistent with the individuals sponsor's notification requirements.
- Certify direct-charged and committed cost-shared effort up to the effort level committed on a timely basis.
- Communicate significant effort changes to the department administrator.
- Recertify and electronically sign if effort changes are made after a statement has been certified.

HSD Finance

- In collaboration with HSD Information Technology Systems group (ITS), manage the technical aspects of the electronic Effort Reporting System (ERS).
- Respond to requests from SPA to implement system modifications as required by new or changing policies, accounting or reporting practices, federal requirements, or any other compliance-related matters.
- Manage security roles/rights and provide user access to ERS.
- Update effort commitments in the HSD Research Channel to reflect new effort commitment.
- Provide effort reporting training to department administrators, guidance on requirements, and oversee HSD's compliance with the effort reporting policy.
- Coordinate with SPA on any questions or issues.
- Review requests for alternate signers of effort certification, if approved save electronically signed effort certification statements.
- Manage requests for manual resetting of statements from departments.
- Maintain the LUC HSD effort reporting policy.

HSD Office of Research Services (ORS)

- Provide oversight and guidance during the pre-award process for potential issues related to effort reporting.
- Review research applications for correct institutional base salary, resolve potential over-commitment of effort with faculty and department.

Sponsored Programs Administration Office (SPA)

- Ensure effort reporting policies and procedures are effectively implemented to meet federal regulatory requirements as part of the annual single audit.

Department Head

- Provide general oversight and issue resolution.
- Notified if there are still outstanding effort certifications that need to be addressed after two week "grace" period.

Office of the Dean

- Provide general oversight and issue resolution.
- Notified of delinquent effort certification statements.

Procedures

System

The Effort Reporting System (ERS) is a Web-based system developed by the HSD Information Technology Systems group (ITS). It integrates data from the LUC Lawson General Ledger/Payroll System and the Application Portal.

The ERS provides reviewers and certifiers a work list to manage the process. The work list displays each individual certification statement and allows for management of the certification process.

The system automatically calculates the voluntary and mandatory cost share amounts for each project if applicable as follows:

1. **Voluntary cost-share** is not required by the agency. The calculation in the Effort Certification Statement occurs when the Committed Effort % of the awarded project as entered in the post-award budget of the Research Channel is greater than the actual payroll charged to the project for the certification period.

2. **Voluntary committed cost share** represents effort that was agreed upon in the proposal and must be verified and included in the effort certification statement.

3. **Mandatory cost-share** is when a sponsor requires a certain portion of the costs to be paid by other funds. The calculation in the Effort Certification Statement occurs when a faculty member's salary is over the NIH salary cap or a mandatory cost-share is approved during the proposal submission process and approved by the Dean.

Completion and Certification of Quarterly Effort Certifications

Effort Certification Reports will be issued four times per year. The timeline for distribution and completion of the reports by the certifier is found below. *Effort Certification Statements are required to be completed within two weeks.*

Effort Certification Period	Effort Reports Issued	Due Date for Completed Effort Reports
Q1 - 7/1 through 9/30	11/15	12/1
Q2 - 10/1 through 12/31	2/15	3/1
Q3 - 1/1 through 3/31	5/1	6/1
Q4 - 4/1 through 6/30	8/15	9/1

Resources for Effort Certification

Payroll detail is available in Lawson and in WebFocus reports. Department administrators may generate WebFocus reports to review salary charges with PI/faculty members to ensure the posting of salary distribution updates are correct. Effort certification statements are only accessible after the issued date listed above. It's vital for PIs/faculty member and department administrators to routinely monitor effort commitments, salary charges, and cost sharing on all sponsored accounts.

Please refer to the following document published on SPA's website:

- SPA Cost Transfer Policy

The pre review and post review functions are key to the accurate completion of effort statements.

- The process starts with the pre reviewer reviewing the Effort Statement.
- Upon the pre reviewer's release, an email notifying the certifier that the statement(s) is available will be generated.
- The certifier may either certify the statement or notify the department administrator (pre reviewer) with a problem or question.
- Once certified, an email is generated notifying the post reviewer of the certified statement.
- The post reviewer reviews the effort statement is correctly certified.
- After review by the post reviewer, if no changes are required, the post reviewer releases the statement.
- If changes are required the department administrator is responsible for initiating those changes.

Recertification of Effort Certification Statements

HSD Finance must be notified if a salary adjustment or journal entry is posted to a sponsored award after the effort certification statement has been completed in the system.

Failure to Comply

Failure to follow the provisions of this effort certification policy and procedures may place the University and those involved at considerable operational risk. Severe penalties, cost disallowance, and reduced or terminated funding could result from inaccurate, incomplete, or untimely effort certifications. If effort reports are not completed and returned in a timely fashion, actions may be taken to involve the chairperson and Dean to issue resolution.

1. Effort certification must occur before the two week grace period ends
2. A list of past due effort statements may be shared with the department head / chairperson
3. The Dean will be notified of any remaining outstanding effort statements if no response is received

Veteran Affairs (VA) Appointments (SSOM Only)

The NIH Grants Policy Statement provides guidance related to faculty members with joint appointments at the VA. This guidance can be found at the hyperlink listed below.

[NIH Grants Policy Statement 17.3 VA-University Affiliations](#)

The hyperlink contains the following:

Investigators with joint appointments at a VAMC (VA hospital) and an affiliated university must have an MOU that specifies the title of the investigator's appointment, the responsibilities (at both the university and the VAMC) of the proposed investigator, and the percentage of effort available for research. The MOU must be signed by the appropriate officials of the grantee and the VAMC, and must be updated with each significant change of the investigator's responsibilities or distribution of effort and, without a significant change, not less than annually. The joint VA/university appointment of the investigator constitutes 100 percent of his or her total professional responsibilities. However, NIH will recognize such a joint appointment only when a university and an affiliated VA hospital are the parties involved.

A grant application from a university may request the university's share of an investigator's salary in proportion to the effort devoted to the research project. The institutional base salary as contained in the individual's university appointment determines the base for computing that request.

The signature of the Administrative Officer of the submitting university on an application to NIH that includes such an arrangement certifies that:

- The individual whose salary is included in the application serves under a joint appointment documented in a formal MOU between the university and the VA

- There is no possibility of dual compensation for the same work or of an actual or apparent conflict of interest.

VA salary should be excluded from institutional base salary in grant and contract proposals and when calculating 100% salary for the effort report, so that there is no possibility of dual compensation for the same work.

Faculty with joint VA/Loyola appointments are not allowed to submit a proposal for grant funding without a current MOU in place. A copy of the most recent MOU must be submitted to ORS at the time of proposal submission and with each non-competing renewal application. The faculty member's home department is responsible for maintaining a copy of the current MOU, which must updated at least annually.