

**William Paterson University
Office of Sponsored Projects
Effort Reporting Policy and Procedures for Federal- or State-Funded Sponsored Projects**

I. Policy

William Paterson University will establish and maintain an effort certification system in accordance with the provisions of OMB Circular A-21 (2 CFR Part 220). The effort certification system will provide assurance to sponsors that (1) salaries charged to sponsored projects or provided as a cost-shared expense are reasonable in relation to the work performed, and (2) that faculty and staff have met the commitment of effort that is defined within an award contract. The effort certification report will verify that personnel costs charged to a sponsored project or provided as committed cost sharing for a sponsored project are reasonable, allocable, consistently treated, and allowable under the specific sponsored agreement.

II. Procedure

A. Regulatory Requirements

Effort certification reporting is required by federal regulation OMB Circular A-21.J.10, Compensation for Personnel Services to insure that recipient institutions compensate project staff for work completed on funded projects consistently and appropriately. Appendix A.J.10 states:

“Compensation for personal services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. Such amounts include salaries, wages, and fringe benefits ... Charges to sponsored agreements may include reasonable amounts for activities contributing and intimately related to work under the agreements ... Incidental work (that is in excess of normal for the individual), for which supplemental compensation is paid by an institution under institutional policy, need not be included ... provided such work and compensation are separately identified and documented in the financial management system of the institution.”

William Paterson University’s (WP) **plan-confirmation system** insures that the distribution of salaries and wages of professorial and professional staff applicable to sponsored agreements reflects the value of the percentage of effort included in the current contract budget. This process requires (a) that each covered employee certifies the percentage of their effort to support the sponsored project and (b) the project director (aka principal investigator) certifies that it is accurate. The project director’s certification confirms the allocation of the personnel expense. Every Federal Agency’s internal grant management regulations are aligned the requirements of OMB Circular A-21.J.10 to insure that recipient organizations can comply without having several different systems.

The percentage of effort is based on the employee’s estimation of the amount of time he or she worked over the entire award period. The amount of effort reported does not need to be absolutely precise but is meant to be an estimate that is accurate within 5-percentage points above or below the committed effort requirement throughout the entire award period. If an employee anticipates that he/she will work 25% less effort than planned, the project budget must be modified.

B. Covered Employees

Covered Employees are those William Paterson University employees who are full-time faculty, professional and administrative staff engaged in a sponsored project. OMB Circular A-21.J.10 defines how Covered Employees are affected. The key requirements are:

- Charges for work performed during a covered employee’s “base year” will be for an appropriate percentage of that individual’s “institutional base salary.” For faculty and some others the base year will be the 10-month academic year; for professional and administrative staff this will be the 12-month fiscal year.
- Charges for long-term work on a project will not be in addition to the institutional base salary. No overtime or overload can be charged to an award. Individuals affiliated with a project, including serving as a consultant or advisor to the project must do so and be compensated for their time within their institutional base salary even if their regular appointment is in another University department.
- The only time when an employee can be receive compensation above their individual base salary is when their work is (a) across departmental lines or involves a separate operation, (b) the work performed is in addition to her/his regular departmental load, (c) the work is short-term, and (d) the work has been approved in writing by the sponsoring agency. Examples of this include presenting or attending a workshop and a short-term/temporary overtime assignment for administrative support or security staff.
- For 10-month employees, compensation for work in the summer (July and August) will not exceed 1/10th of their institutional base salary for each month worked.
- For 10-month employees, compensation for teaching courses during the summer will not exceed the rate established by the University’s collective bargaining agreements.

A full-time employee’s “institutional base salary” or “IBS” is related to the time required to fulfill their teaching, research/scholarship, service and administrative responsibilities for WP and represents 100% of their effort for the University.

The IBS does not include work done as overload (for faculty and professional staff), overtime (for professional and administrative staff), adjunct assignment, presenting or attending a workshop, and compensation for other “incidental” activities because such work and compensation are separately identified and are separately documented in Banner Finance.

Summer salary is also not included because it is outside of the faculty’s 10-month appointment.

Table 1: Institutional Base Salary Components for Faculty, Professional and Administrative Staff

	Faculty IBS Academic Year and other 10-Month Employees (September to June)	Professional Staff (12 months, July to June)	Administrative Staff (12 months, July to June)
Activity to be compensated within the IBS	-Teaching, research/scholarship, service, and administration -Sponsored Project Effort Commitment -Release time provided for research, service or administration	-Administrative responsibilities -Academic responsibilities -Sponsored Project Effort Commitment	-Administrative responsibilities -Sponsored Project Effort Commitment
Activity NOT included within the IBS	-Overload -Overtime -Workshops and incidental activity -Summer Salary	-Overload -Overtime -Workshops and incidental activity -Adjunct assignment	-Overload -Overtime -Workshops and incidental activity -Short-term support -Adjunct assignment

Additional compensation for covered employees is payment for an allowable and approved activity that is outside of an individual’s IBS. As described above, this can only be paid in certain circumstances. Ideally, these

situations should be identified during the development of a proposal so the expense can be approved as part of the proposal. If they are identified after the award has been received then a specific request to the funding agency would be required. Overload is never an allowable project expense because Federal funds may only be used to compensate employees within their IBS. Overtime may be an allowable expense in certain time-limited instances. (See above.)

Training is required for all covered employees. This training will be provided by the Office of Sponsored Programs (OSP). If changes to the policy or procedures are substantial, new training may be required.

Covered employees may not engage in certain activities during their committed time working on a sponsored project. They may not: (1) prepare proposals for funding to any type of sponsor, (2) serve on any University-wide committees or councils (such as the IRB or commencement committees), or (3) serve on college or unit committees or councils that are not directly related to the sponsored project (such as a search committee).

C. Non-Covered Employees

Non-Covered Employees are part-time faculty, administrative support staff, research support staff and undergraduate or graduate student assistants who are engaged in a sponsored project. The limited and exclusive nature of their duties related to a sponsored project enables the use of a "Part Time Employee Timesheet" to be sufficient documentation of their effort to support the project. However, the timesheet cannot represent effort provided to more than one project. The WP Payroll and Employee Benefits office will provide guidance on how to submit a part time timesheet. Special employment-related rules and restrictions may apply for undergraduate and graduate students, so it is beneficial to seek the guidance of Payroll or the OSP before soliciting the help of these students for a sponsored project. See Appendix D for a sample Part-Time Employee Timesheet.

D. Effort Reporting and Certification Process

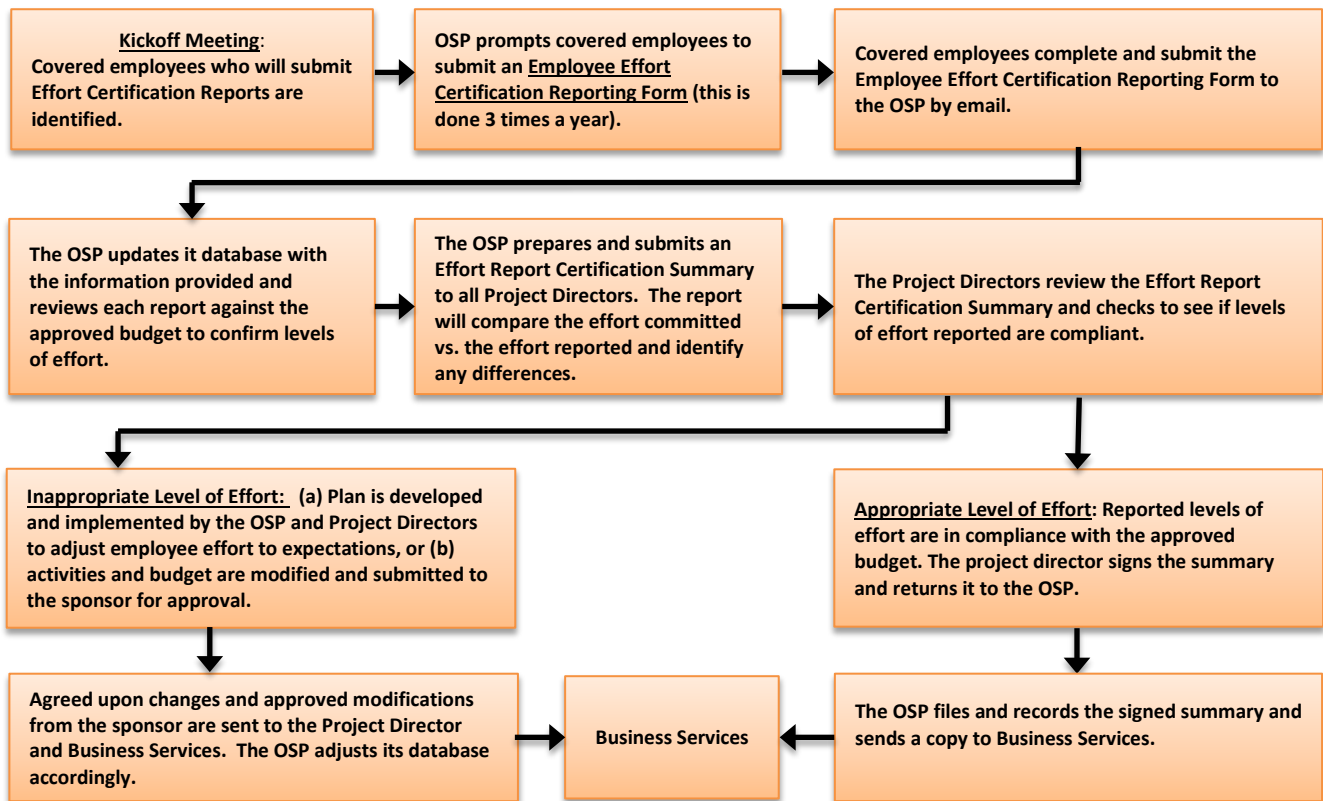
OMB Circular A-21-requires that the actual effort performed by an employee be compared to the estimated effort that is included in the current award contract. The OSP has created an Effort Reporting Certification System which will be used by covered employees and project directors to certify their effort for a sponsored project. WP's process requires that each covered employee certifies the percentage of effort applied to all sources of their compensation and for project directors to certify that this is accurate and an appropriate expense. To enable this:

1. Covered employees will complete and submit an **Employee Effort Certification Reporting Form** to the OSP.
2. The OSP updates its database with the information provided and reviews each report against the approved budget to confirm levels of effort.
3. The OSP then prepares and submits an **Effort Report Certification Summary** to all Project Directors for review and approval. The report will compare the effort committed vs. the effort reported and identify any differences. The Project Directors will review the Effort Report Certification Summary for each covered employee and check to see if levels of effort reported are compliant with the current contract. If the levels of effort reported are compliant the project directors will sign off on the report. Any significant discrepancies from the committed effort percentage (5% or greater) must be reported to the OSP and a plan will be developed to enable the employee to adjust their time to meet the committed requirement. If an adjustment cannot be accomplished, then the sponsor must be notified and a budget adjustment must be submitted for approval before the end of the budget period and for future budget periods as soon as possible.
4. The OSP will maintain a database to track compliance, maintain forms and summaries in project files, assist in obtaining budget modifications as needed, and forward approved Effort Report Certification Summaries to Business Services.

Employee Effort Certification Reporting Form must be completed and submitted to the OSP 3-times each year, and are due by the 15th of the month following the end of the Fall, Spring or Summer I/II Semesters (i.e.: January 15 for Fall, June 15 for Spring, and September 15 for Summer I/II). Covered employees will receive an email with information related to their projects from the OSP to assist in preparing their report. The OSP will update its database using each employee’s submitted effort certification report. See Appendix A for a sample Effort Certification Report.

Effort Report Certification Summaries must be reviewed, signed and returned to the OSP within 30 days of their receipt, and will be maintained with other records related to the project by the Project Directors and the OSP. The 30 day receipt requirement applies to cases when the effort reported and the effort committed are in compliance with the approved budget. In cases of non-compliance a plan of action will be devised as stated above. When the signed Effort Report Certification summaries are received back by the OSP, the OSP will forward copies of the report to Business Services.

Table 2: Effort Reporting Flowchart



Additional Compensation memos:

In cases where additional compensation is needed for the covered employee (see section **Additional compensation for covered employees**) the following steps must be taken: (1)the employee and Project Director create and sign the memo, (2) the Project Director forwards it to the Dean or Assistant Vice President for the College or Unit for review and signature (3) the Dean or Assistant Vice President sends the signed memo to the Associate Provost for final review and signature. The Associate Provost will forward it to Payroll for processing. See Appendix C for the Additional Compensation Memo.

E. Hiring, Assigning or Re-Assigning Project Employees to a Sponsored Project and Payroll

In order to create a position, hire a new employee, assign or re-assign a current employee to a new function, department or funding source you must follow the policies and processes established and managed by Human Resources and Employment Equity and Diversity.

For employees who will be compensated from multiple sources, the Human Resources Action Form (HRAF) should indicate all the sources of their compensation and the percentage of effort that will be paid from each source. For example, if the employee will be paid 50% from a sponsored project and 50% from their department, the HRAF would indicate the project name, FOP and 50% for the funded project AND the department name, FOP and 50% for the department. Additional sources would be handled in the same way. No employee's cumulative percentage of effort may exceed 100% of their institutional base salary.

The WP Payroll and Benefits Office will inform employees about how they will be paid. Faculty are required to insure that their Faculty Load Modules (FLM) accurately represents their involvement in a sponsored project. Other employees complete and submit bi-weekly timesheets that are certified by an appropriate supervisor and submitted to Payroll and Benefits as required and directed. Different forms and processes are used for full-time and part-time employees.

F. Records Retention

Project Directors must retain copies of all the following relating to their sponsored project: (a) all HRAFs and PCFs, (b) all FLMS, (c) all part-time timesheets, (d) all Employee Effort Certification Reporting Form, and signed Effort Report Certification Summaries (e) all Additional Compensation Memos. These must be kept for a period of not less than seven (7) years following the end-date of the award.

All covered employees are expected to maintain sufficient documentation (records, documents) in their personal files to substantiate the information provided on the Employee Effort Certification Reporting Form. If a covered employee is engaged in other work activities they must also maintain records or documents that differentiate these activities from that of a sponsored project. Project Directors should work with project staff to devise a system or identify the records that will be used. These records must be maintained for a period of not less than seven (7) years following the end-date of the award.

If an employee leaves the University after the award period begins but before the record retention date is reached, Project Director's should obtain a copy of the employee's effort documentation.

G. Adjusting Levels of Effort

If the level of effort reported by a covered employee on their Employee Effort Certification Reporting Form is less than their budgeted commitment, and their level of effort cannot be adjusted during the remainder of the award period, then the Project Director and the OSP will develop and submit a modification request to the sponsor as soon as possible before the end of the award period. The request may include both (1) a programmatic modification to recognize the employees reduced activity and propose additional or alternative activities to support the award and (2) a budget modification to re-allocate the surplus funds from this specific personnel line to the correct budget line for the additional or alternative activity. This change could move the covered employee's responsibilities to a different employee or to support programmatic activities.

If it is anticipated that a covered employee will provide reduced effort in a future award period, the sponsor should be notified and appropriate programmatic and budget adjustments must be made between 30 and 90 days prior to the end of the current award period. Advice should be solicited from the sponsor's program officer prior to submitting information to the sponsor. This may be needed for a planned leave-of-absence, sabbatical, or a change in personnel because of changes to the project.

H. Consequences for Failing to Certify Effort

Failure to comply with this policy and procedure by certifying effort correctly and in a timely manner could jeopardize all of WP's awards. To protect the interests of WP and ensure compliance with Federal policies, any covered employee who fails to fulfill their effort certification responsibilities will be subject to the following disciplinary actions until training and/or corrective measures are completed:

- May not submit a grant proposal or other application for a sponsored project, including sub-awards
- May not be a director or principal investigator of a sponsored project
- May not be a co-director or co-principal investigator of a sponsored project
- May not work as a covered employee on a sponsored project
- May not process documents, such as but not limited to material transfer agreements or memoranda of understanding, that support their teaching, research and scholarship, service and administrative responsibilities



Effort Report Certification Summary

Last Name [REDACTED] First Name [REDACTED]
 Supervisor [REDACTED] Department [REDACTED]
 Semester **Spring** Year **2013**

Project Title	Effort Committed	Effort Reported	Over/Under Commitment	% Change
<input type="checkbox"/> [REDACTED]	25%	23%	-2%	-9%
<input type="checkbox"/> [REDACTED]	50%	56%	6%	12%
<input type="checkbox"/> [REDACTED]	25%	21%	-4%	-14%
TOTALS		100%	100%	

I certify that I have reasonable knowledge of the activities performed by the employee and that the effort recorded for my specific project(s) represents a reasonable estimate of the actual effort provided by the employee for the time listed.

PI/PD Signature: _____

Date: _____

PI/PD Name: _____

Project(s): _____

William Paterson University

Additional Compensation Memorandum

Date: _____

From: _____

To: _____

RE: Compensation to be paid to: _____

Recipient's 855-number: _____

Provide a description, the date(s) and other details as needed of the activities for which employee will be compensated.

PROJECT TITLE: _____

FUND: _____ ORGANIZATION: _____ PROGRAM: _____

AMOUNT TO BE PAID: _____

1. Employee Certification: I certify that this is a true and accurate record of my time and activities.

Printed Name	Signature	Date
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2. Supervisor or Project Director Certification and Approval for Payment

I certify that the time and effort required to complete these activities by the person named above were undertaken and completed separately and apart from their regular duties as an employee of William Paterson University as well as separately from any other funded project. Documentation of this activity is on file and available for inspection. **I approve payment as indicated.**

Name, Title	Signature	Date
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3. Dean/AVP: I approve payment as indicated.

Name, Title	Signature	Date
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4. Provost's Office: I approve payment as indicated.


Name, Title	Signature	Date
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Instructions: (1) The employee who performs the work prepares this memorandum, signs and forwards to supervisor. (2) The Supervisor or Project Director reviews, signs and forwards to the Dean for the College or AVP for the unit. (3) The Dean or AVP reviews, signs and forwards it to the Associate Provost. (4) The Associate Provost reviews, signs and forwards it to Payroll.

Documentation: Appropriate records documenting that the task or activity was undertaken and completed must be maintained by the Supervisor or Project Director.

Appendix D: Part-Time Employee Timesheet:

Use Current Version on Payroll and Employee Benefits Webpage



Employee's Name: _____

Employee's Banner Id #: _____

Employee's Position Control Number: _____

Budget FOAP: F _____ O _____ A _____ P _____

Pay Period Start Date: _____ Pay Period End Date: _____

Part Time Employee Timesheet										
Day of Week	Date	Time In	Time Out	Time In	Time Out	Time In	Time Out	Time In	Time Out	Total Hours
Saturday										
Sunday										
Monday										
Tuesday										
Wednesday										
Thursday										
Friday										
Total Hours - Week 1										
Saturday										
Sunday										
Monday										
Tuesday										
Wednesday										
Thursday										
Friday										
Total Hours - Week 2										
Total Hours to be Paid for the Pay Period										

Employee Certification: I certify that this is a true and accurate report of my attendance for this pay period.

Employee's Signature

Date

Supervisor's Certification: I have reviewed this timesheet and certify that is a true and accurate record of this employee's hours worked during this pay period.

Supervisor's Signature