



Effort Certification

Discussion topics for this module

- Why is it important to certify effort?
- Different types of Effort Certification required
- UG – (Is effort certification really a requirement?)
- UT Fiscal Policy (FI0215)
- UT Fiscal Policy (FI0207)
- Who's required to certify?
- How is it established for someone to be required?
- Should effort be verified based on budget?
- Different methods of certification and how we certify with each

Salary and Wages

- For most sponsored projects, **salaries and wages** typically comprise approximately 2/3 of the direct costs charged to sponsored projects.
- Therefore, it is important to verify that salary and wage charges are appropriate.

2 Types of Effort Certification Required

- **Effort Certification** – For all 9 or 12 month appointments

As of May 1, 2018

- **Additional Pay Certification**

What are the policies and requirements for Effort Certification

- Uniform Guidance (UG)
- UT Fiscal Policies for:
 - Sponsored Projects - Effort Certification
 - Sponsored Projects – Salary Policy

FI0215 – Effort Certification

- **Objective:** To ensure compliance with federal requirements as specified in OMB Uniform Guidance §200.430 (i) Standards for Documentation of Personnel Expenses. This policy provides guidance for documenting personnel expenses through the university's process of effort certification on sponsored grants and contracts.
- **Definitions 1.** Effort certification is the process of verifying that appropriate salary and wage expenses were charged to sponsored grants and contracts. Effort certification documents the proportion of work time devoted to sponsored projects, teaching, and other activities expressed as a percentage of total work time. Effort certification also provides evidence of committed effort expended on sponsored projects that may or may not have been charged to the sponsor.

Uniform Guidance (UG)

- When UG was established, the terms activity/effort reports were removed.
- If this is the case, does this mean we are no longer required to certify effort? (NO!)

Uniform Guidance

Section 200.430 Compensation – Personal Services

- (h) Institutions of higher education (IHEs).

(1) (i) IHE's must also have a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

- (C) The IHE system of internal controls includes processes to review after-the-fact interim charges to a Federal award based on budget estimates.

Uniform Guidance

Section 200.430 Compensation – Personal Services

- (h) Institutions of higher education (IHEs).

Requires IHE's to have written policies in place for allowing Extra Service Pay on Sponsored Projects.

UG Condition

- As a condition to receive federal funding, institutions must maintain an **accurate system** for reporting the percentage of time (i.e., effort) that employees devote to federally sponsored projects.

First-Hand Accountability

- The best option for ensuring we have an **accurate system** in place to support cost for salary and wages is through first-hand, after-the-fact, effort verification.
- UG and UT Policy allows for first-hand accountability to be accomplished with either effort verification by the person themselves or by a direct supervisor.

Who's required to certify?

- FI0215 – In accordance with policy:
- Every monthly paid employee who has committed work on a sponsored grant or contract, whether paid or unpaid, must certify his/her effort. Biweekly paid employees document their work performance through reporting on their time sheets.
- All committed sponsored effort must be certified regardless of whether the costs were charged to a sponsored project.
- For persons who are required to certify, all effort should be certified, whether spent on research, teaching, public service, or other activities. The total effort certified on the IRIS effort certification screen must total 100 percent.
- Federal guidelines recognize that the activities that constitute effort are often difficult to separate. Effort certification must often rely on a reasonable estimate of effort, and when estimating, a degree of tolerance is appropriate

Capacity Funds

- Most UTIA faculty members are *paid through or used as match on* capacity funds, in E (unrestricted) or R (restricted) accounts. This is separate from budgeted faculty salary on sponsored programs accounts.
- Capacity funds are also known as “formula funding” and include, for example Hatch, McIntire-Stennis, and Smith-Lever funds.
- This Federal funding does require effort reporting.

Consequences

- All employees involved in certifying effort must understand that *severe penalties and funding disallowances* could result from inaccurate, incomplete, or untimely effort reporting.

Set-up for certification

- At the time a project is awarded and an account is released to the department, a payroll distribution change in PA20 should be established for each person working on a project.
- This should happen whether they are paid or unpaid on the project, if they devote effort.
- This set up is what allows for the system to know effort needs to be certified.

Budget vs Effort

- Effort should not be certified based on budget allowability.
- Effort should stand alone as the true amount of work expended on a project.
- There is no equation for calculating effort percentages, as it is a best estimate based on first-hand accountability.

Methods for Certifying Effort and Additional Pay

IRIS Web Platforms

- <https://irisweb.tennessee.edu/irj/portal/ECR>

IRIS ZECR

- Departmental personnel can certify directly through IRIS
- Support documentation verifying first-hand certification must be obtained prior to certifying. All documentation must be retained based on UT's Records Retention Policy [FI0120](#) and the award agreement audit clause.

What serves as acceptable support documentation?

- An e-mail
- Written correspondence signed by PI/employee
- A hardcopy of current cost distribution w/approval signature
- A form developed by the department that allows for an approval signature
- Note: Any documentation kept or used to verify effort should match what is entered. (All support, including calendars, class/advising schedules, etc. are subject to audit.)

Deadlines for monitoring Effort Compliance

Jan. 30, Fall Semester

May 30, Spring Semester

Aug. 30, Summer Months

Regardless of dates, **if a project is ending**, all effort must be certified **within 30 days** of the grant or contract end date.

Self-Reporting

On the 20th of each month, UT submits a report to State Audit listing the number of non-compliance instances with effort certifications.

This report will now include any non-compliance instances with additional pay.

Note: Please run an uncertified effort report on the 18th and 19th to ensure there are no surprise effort issues!

Questions/concerns that have come up!

During Audits:

- Trip costs posted to projects without any effort to support them have been concerns in the past.
- When certifying, you are certifying 100%. If you travel for a project, you are working on the project whether you are getting paid or not.
- Large amounts of salary costs being moved to or off sponsored projects near the end. (Result of effort resets or late certifications)
- Technical/progress reports not supporting effort/salary costs charged.
- Effort/Salary costs appearing to be allocated based on budget instead of work expended.
- Effort/Salary costs appear to be allocated equally amongst all PI projects.

Questions/concerns that have come up!

Departmental and PI:

- **Can 9 month PI's get paid additional pay in the summer, when proposed, for work performed during academic periods?**

Answer: "No." Anytime additional pay is received there must be actual work performed during the time period identified for when payment is being requested.

- **What happens when PI's are out of town and can't certify timely.**

Answer: Certification requirements are once a semester. There should be very few times when planning ahead isn't an option. The IRIS web portal is available, also email verification to staff.

In cases where there is an extenuating circumstance, a supervisor can certify on behalf of the individual.

Questions/concerns that have come up!

Departmental and PI cont.:

- **When a PI has a GRA or a Post Doc working on a project, but the person is paid with internal funds, do they need to certify effort?**

Answer: Yes, this should be set up in the distribution, so the effort can be tracked. Keep in mind, any effort that is listed in the proposal/budget agreement is committed effort and has to be recorded even at no cost.

- **When individuals go in to certify their effort, if they don't see all of the projects listed, what should they do?**

Answer: They should contact their departmental staff and request for the distribution to be updated to include all projects; otherwise, they can manually enter them. The key here is to only certify the correct amount of effort. If effort is entered when all accounts aren't listed, then the effort entered isn't correct.

Any Questions?



Questions are the path to learning