Grants Accounting  Effective Date: November 12, 2011
Effort Certification
Reporting Policy

PURPOSE OF POLICY

This policy establishes institutional requirements for reporting payroll distribution activity on sponsored projects. Compensation for personnel services is the largest expense charged to sponsored projects and effort reporting is a required process by the federal government to verify that direct charges for salary to federally sponsored projects are reasonable and reflect actual work performed. The Office of Management and Budget’s (“OMB”) Circular A-21, “Cost Principles for Education Institutions”, Section J.8c(2) “After-the-fact Activity Records” describes the requirements of Morehouse College (“the College”) must follow in ensuring a compliant effort reporting system.

The College’s effort reporting system provides an “after-the-fact” confirmation that the salaries and wages paid to individuals by restricted or grant funds reasonably reflects the actual amount of effort expended on a project. Faculty members and staff who serve as Principal Investigators, Principle Directors, and employees on federally sponsored projects are personally responsible for reviewing, and where appropriate, certifying the effort they and their employees spend on sponsored projects under their direction.

SCOPE OF POLICY

This policy is applicable to all Principle Investigators, Principle Directors, employees and faculty whose salaries are paid in whole or in part under a federal grant.

POLICY STATEMENT

The OMB Circular A-21 entitled, “Cost Principles for Educational Institutions” requires the College to maintain acceptable methods of certifying time worked on sponsored projects. The effort reporting system provides the principle means for certifying that salary and wages charged to federally supported or sponsored projects are consistent with the effort actually spent working on the projects.
The College utilizes after-the-fact effort certifications that are completed on a monthly basis by all individuals paid by restricted or grant funds. Timesheets for part-time and hourly employees who are paid by restricted or grant funds must also be submitted. The Effort Certification Form must be completed and certified by the employee, or in some circumstances, the certification may be made on behalf of the employee by a responsible official who has suitable means of verifying the activities performed by the employee. All staff and faculty members who serve as Principle Investigators or Principle Directors on sponsored projects are personally responsible for certifying the amount of effort that they and their employees spent on sponsored activities. This is necessary to comply with federal regulations and to provide assurance to sponsors that the salary charged to a sponsored agreement is reasonable with respect to the effort. The Supervisor, Manager or Dean of the employee must ensure that the Personnel Action Form for the employee properly reflects a true allocation of his/her salary in proportion to the effort performed on sponsored projects.

Compensation for salary, wages, and benefits may be charged to sponsored project accounts provided that they are reasonable, conform to the College’s established policies, and are consistently applied regardless of the source of funds, and reflect no more than the percentage of time actually devoted to the project (Circular A-21, §J.10).

Effort is defined as the proportion of time spent on any activity expressed as a percentage of the total activity for which an individual is compensated. One hundred (100%) of effort equals the total time compensated.

The monthly effort reports are to be submitted to the Grants Accounting Office no later than fifteen (15) days after the quarter ends. Additionally, effort reports that are not submitted by the deadline may result in grant related funds being frozen until the reports are submitted.

Certified and reviewed reports are placed in project files and are available to external auditors for examination. The Office maintains a perpetual aged review of all reports generated, certified and outstanding. Incidents of non-compliance are reported to the Office of Ethics and Compliance. Principle Investigators, Principle Directors, and employees who are paid under grants or with restricted funds are responsible for understanding and complying with sponsor requirements regarding commitments of effort. Each department has primary responsibility for compliance with this standard.

*An effort certification report is a legal document stating that the certifier confirms the effort on the sponsored project is accurate and appropriate. Therefore, the backdating of effort reports is unallowable.*