

Subject: Compensated Effort Procedure	Category: Sponsored Program Administration	Approval: Effective Date: 07/06/2020
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PURPOSE

It is the policy of the California State University (CSU) that each campus shall develop and maintain policies and/or internal controls for ensuring compliance with applicable regulations governing employee compensation under federally-funded projects. This procedure determines the manner and extent to which California State University, Stanislaus (University) ensures the accurate accounting of employee compensation for personal services rendered under federally-funded agreements and complies with Integrated CSU Administrative Manual (ICSUAM) Sponsored Programs (SP) policy number 11003.06.

DEFINITIONS

For definitions, refer to ICSUAM SP Policy 11001.01 SP Policy Definitions.

OVERVIEW

Effort reporting is the method used to confirm to sponsors that the effort spent on a sponsored project reasonably reflects the salary and wages charged to that agreement. An effort report is an after-the-fact reporting of activities for which the employee was compensated by the institution for work performed on a sponsored program. The Code of Federal Regulations (2 CFR 200) Compensation – personal services, Section 430, requires that each campus conducting research, instruction, and/or other sponsored work under grants, and other agreements funded by the Federal Government have internal controls in place for the accurate accounting of employee compensation for personal services rendered under federally-funded agreements. The Office of Management and Budget (OMB), the guidance behind 2 CFR 200, recognizes that in an academic setting, teaching, research, and services and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate. This procedure describes the process the University follows to ensure the consistency and accuracy of identifying and capturing after-the-fact effort on federally-funded awards. All University departments and organizations conducting research, instruction, and/or other sponsored work under federally-funded agreements are required to comply with this procedure.

PROCEDURE

Sponsored projects at the University are funded by federal, state and local agencies as well as private foundations and organizations. After-the-fact certification reports are required for any

employee with effort charged or cost-shared to a federally-funded project. Even though the time and effort being certified is for payroll charged to federal awards, reports include all compensated effort regardless of funding source. Actual effort will inevitably vary from pay period to pay period, however, the amount charged to sponsored projects should reflect the average of time worked throughout the reporting period. Effort certification is the endorsement by an employee (or another knowledgeable party with suitable means of verification) that the labor charges incurred and reported in the effort report reasonably reflect the effort expended during the specified time period.

I. Responsibility

- A. Post Award will be responsible for gathering and entering the appropriate information into the time and effort reports to ensure amounts and percentages recorded agree with the campus financial ledgers. These effort certification reports will be produced twice each fiscal year for the following periods:
 - July through December
 - January through June
- B. All employees with effort devoted to a sponsored project (paid directly or as a cost-match) will be required to certify their effort reports for the six-month period in which they performed that effort.
 1. Professorial
 - a. Faculty will certify time and effort every six months.
 2. Staff and students
 - a. Salaried staff will certify time and effort every six months.
 - b. Graduate students who do not complete a monthly timesheet will certify time and effort every six months.
 - c. Hourly staff and students who complete a monthly timesheet will not be required to certify as the authorized timesheet will be used as the effort document of record.

II. Certification of Effort

- A. Each time and effort report will indicate the distribution of the employee's total period compensation across all University functions, including work on sponsored and non-sponsored projects, instruction, administration, committee work, etc.
- B. Federally-funded sponsored projects will be itemized and all other categories (e.g. teaching, administration, etc.) grouped as "Other University Functions" for the purposes of time and effort reporting.
 1. In-kind cost sharing are contributions wherein the value can be readily determined, verified, documented, and justified but where no actual cash is transacted in securing the service comprising the contribution. Percentage of effort must be quantified.

- C. Employees with dual appointments in a given time period will certify time and effort based on each individual appointment.
- D. All certification reports will account for 100 percent of time and effort.
 - 1. For a faculty member appointed 100 percent as academic-year instructional faculty and working 25 percent additional employment on a sponsored project, effort will be converted to a full-time equivalent of 100 percent; effort reflected on the report will be 80 percent instruction and 20 percent additional employment.
 - 2. A part-time faculty member appointed 25 percent as a lecturer and 25 percent on a sponsored project will reflect effort of 50 percent for instruction and 50 percent additional employment for a total of 100 percent.
 - 3. Voluntary uncommitted effort **should not be documented, tracked, or certified.** This is effort above and beyond that which is identified and specifically quantified in the project proposal or award documents (donated effort). The total amount of effort reported must always add up to 100 percent, regardless of the time assigned to the appointment.
- E. All individuals will certify their own time and effort reports and then forward to the Principal Investigator (PI) for signature. The PI certifies the time and effort for all faculty, staff, and students working on sponsored projects under his or her supervision. Certification reports for the PI's time and effort must also be signed by the PI's Dean or supervisor.
- F. If an employee is not available to sign, the PI or responsible official with direct knowledge of that employee's effort may sign in their stead.
- G. The signature on the time and effort report is an endorsement by the employee that, to the best of their knowledge, the salary charges accurately reflect the effort distribution across all activities.

III. Adjustments to Effort During Certification

- A. If payroll distribution reflected on a time and effort report does not accurately reflect how an employee's time was spent, the employee must correctly indicate actual time and effort on the form prior to signing.
- B. Post Award will adjust salary charges accordingly where the certified time and effort differs from the payroll distribution. A difference of 5 percent or more of an employee's total effort over the award period could warrant an adjustment and subsequent revision of the time and effort report.
- C. Salary charged to a sponsored project must never exceed the amount of actual time and effort devoted to a project.

- D. If a change in time and effort indicated on the certification report requires approval by the sponsor based on terms and conditions of the award agreement, Post Award will contact the PI.

IV. Certification Review

- A. Once a time and effort report form has been signed and certified, no further changes will be allowed.
- B. Employees will be required to certify and submit time and effort reports within a specified time period. Post Award will monitor outstanding certification reports and follow-up as needed.
- C. The University may impose corrective action such as suspension of sponsored project accounts in the event of consistent failure to certify and submit time and effort reports.
- D. Post Award will provide a secondary review of completed and submitted time and effort reports. Completed certification reports will be retained for a period of least three years after the end of the project or as required by the sponsor agency.

RESOURCES AND REFERENCE MATERIALS

- [2 CFR 200](#), Subpart E §200.430 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: Compensation – personal services
- [COGR Management Practices Document](#)
- [ICSUAM 11003.06 – Sponsored Programs Compensated Effort Policy](#)
- [CSU Additional Employment Policy HR 2002-05](#)
- [CSU Collective Bargaining Agreement](#), Unit 3 – Article 20 and Article 36
- [OMB Clarification Memo M-01-06](#) from January 5, 2001. “Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Memo