



Policy Number:	6.016
Originating Office:	Financial Affairs
Responsible Executive:	Vice President for Financial Affairs
Date Issued:	10/26/2011
Date Last Revised:	10/26/2011

Time and Effort Certification

Policy Contents

- I. Reason for this Policy.....1
- II. Statement of Policy1
- III. Definitions.....3
- IV. Procedures3
- V. Related Documents, Forms and Tools.....9

I. REASON FOR THIS POLICY

Effort allocation and certification is required by the federal government and other awarding agencies. It is the responsibility of the University of South Dakota (USD), its departments, and individual employees to ensure compliance with effort reporting requirements, which include the appropriate budgeting, charging, and certification of effort.

II. STATEMENT OF POLICY

Circular A-21 Rules and Procedures

The U.S. Office of Management and Budget (OMB) requires an effort reporting system as governed by Circular A-21. OMB Circular A-21 requires:

- A. Consistency in estimating, accumulating, and reporting costs by educational institutions.
- B. Effort should be budgeted (estimated) in proposals, charged, certified (accumulated), and reported consistently.
- C. Substantiation and documentation of direct and indirect (F&A) payroll costs charged to federal grants and contracts.

Effort Certification Reporting Requirements

USD has established Effort Certification Reporting for all employees funded on a sponsored project. To comply with the requirements, USD has established after the fact Time and Effort Reporting procedures that must show: 1) 100 percent of the effort expended in fulfilling the obligations of the employee's university appointment and 2) the percentage distribution of payroll by fund source to each sponsored project.

- A. The Effort Certification Report listing the major direct personal services cost categories is to be prepared for each individual required to report. The report will also list the employee's total payroll distribution in percentages. The employee will be asked to review the percentage payroll distribution including cost share/match commitments, make any necessary adjustments, and then certify the report. The effort reporting system provides the principal means for certifying that the salaries and wages are consistent with the portion of effort committed to the grants and contracts. If the percentage of distribution is changed appropriate earnings will be adjusted and then certified. Note that a sponsoring agency must approve in writing any change in effort in which key personnel withdraw from a project entirely, are absent for three continuous months, or reduce effort by 25% of the percentage approved in the award. See the training website at <http://mytraining.sdbor.edu>, (for internal use only) for more information regarding effort certification and examples. Individual grants or contracts may have more restrictive requirements and is the PI's responsibility to adhere to these requirements.
- B. Total reported effort, which is the time required to complete all Annualized Base Amount (ABA) University duties, must be reported in terms of 100% regardless of the number of hours spent in any given period. Total effort includes teaching assignments, research or creative activity, clinical practice, and service assignments (including administrative assignments), irrespective of funding source. Thus, all teaching, research, or other assignments must be captured whether they are funded by federal, state, private, or institutional funds. Only hourly students are not certified through the online portal. These are approved and certified when their time sheets are approved by the supervisor.
- C. Salaries for teaching, administration, university service, clinical activity, institutional governance, and proposal preparation must be accounted for in accordance with ABA. Full-time overtime exempt employees, including faculty are expected to work a minimum of 40 hours per week during their contract periods. An average work week is calculated over the reporting period; weekly effort is expected to vary. Please note that USD and the federal government recognize that in an academic setting teaching, research, service, and administration are inextricably intermingled. Therefore, one must rely on estimates in which a degree of tolerance is appropriate. This standard does not put faculty or others on a specific time-clock but applies a standard of reasonable, allocable effort. Request for changes should be made on the Effort Certification for any variances of actual effort expended compared to the percentages listed on the report.

After the adjustment to payroll on the appropriate fund source the effort can be certified.

- D. Salaries, related benefits, and indirect costs should be charged to sponsored projects by determining that percentage of a faculty member's average work month devoted to a project and charging no more than that percentage to a sponsored project. Charging less than this percentage is allowable if specifically approved by the institution. Salary caps, such as the NIH salary cap, may apply to some individuals. Effort that is committed to a sponsor and not reimbursed should be classified as cost sharing.

III. DEFINITIONS

Annualized Base Amount (ABA) - The maximum amount the employee would receive for the designated position if he/she were to work full-time (1.0 FTE) for the full year (12 months). Each employee can have only one ABA on the database at a time. For nine-month employees, ABA is 4/3 of the nine-month salary, for example. Any compensation earned outside the base contract is not included in the ABA.

Principal Investigator (PI) – The individual responsible for the development, writing, and conduct of a sponsored award, who also has primary responsibility for the technical and fiscal management of the award.

Time and Effort Reporting (TER) - A requirement for overtime eligible and overtime exempt employees who expend effort on sponsored projects for which reimbursement is claimed from the grantor to certify their time.

Effort Certification Report - A report that any employee funded through a sponsored project must complete to be in compliance with the federal regulations.

System Navigation Access Portal (SNAP)- This secure site provides faculty and staff with world-class Intranet and Internet services. This Portal is the single point of entry to all HR and Finance systems that are implemented centrally, as well as a communications medium to users. It will serve information to all users throughout the state on a state-wide level, as well as a campus-wide level.

IV. PROCEDURES

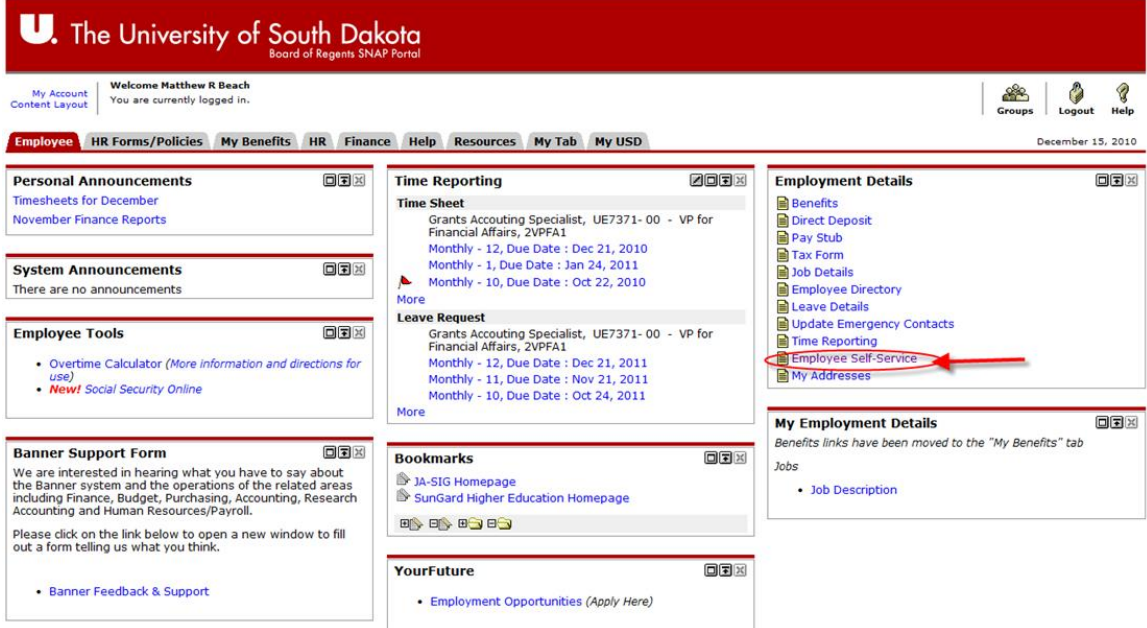
Responsibility for Effort Certification Reporting

A extract is processed a few days after the monthly payroll process is complete. This will pull all time and effort reports into the portal located in SNAP. Grants accounting will send an email at the beginning of each month to notify those that need to certify the reports. Certifiers will have until the end of the month to certify. Grants accounting is responsible for monitoring this

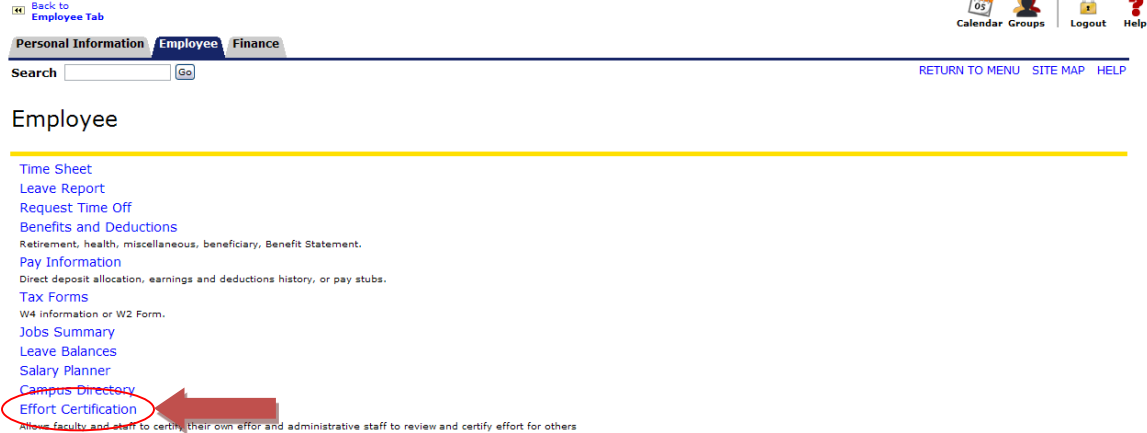
process and notifying the certifiers when report is not completed on time. Certifiers need to be a PI or a responsible official with firsthand knowledge of the work performed by the employee.

Access Effort Certification System

After logging into SNAP, Access the Employee tab which should look similar to this:

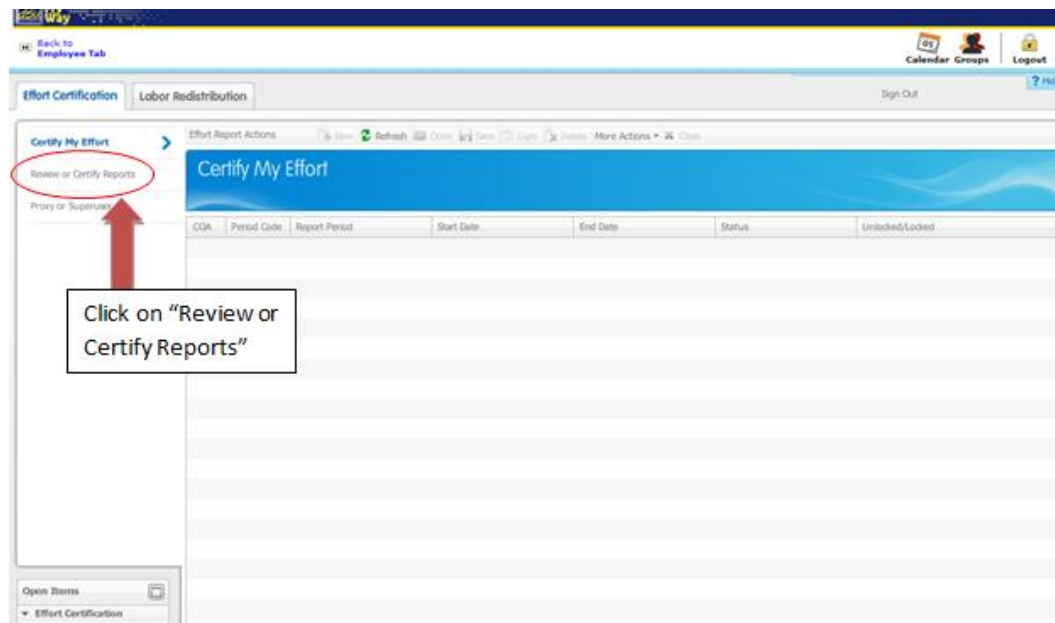


Under the Employment Details box, click on Employee Self-Service link. Click on Effort Certification link to enter the portal.



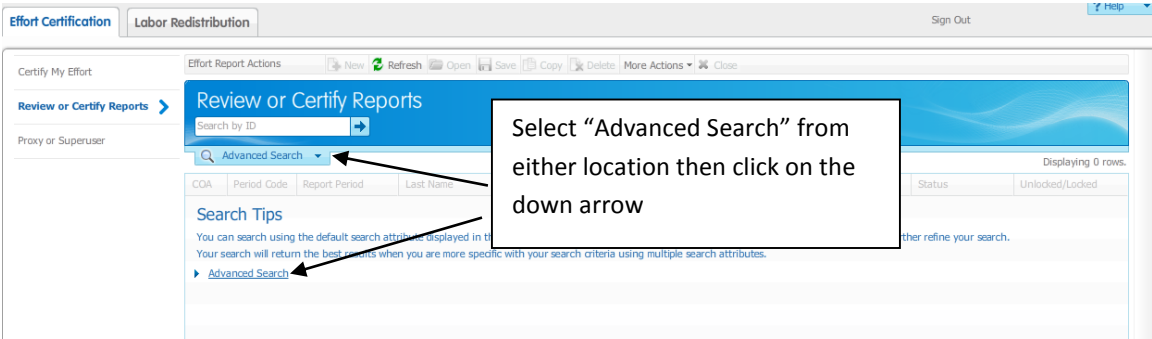
Reviewing or Certifying an Employee's Report

The PI or the responsible official will be required to review or certify an employee's report. In the left-hand navigation, click on the "Review or Certify Reports"

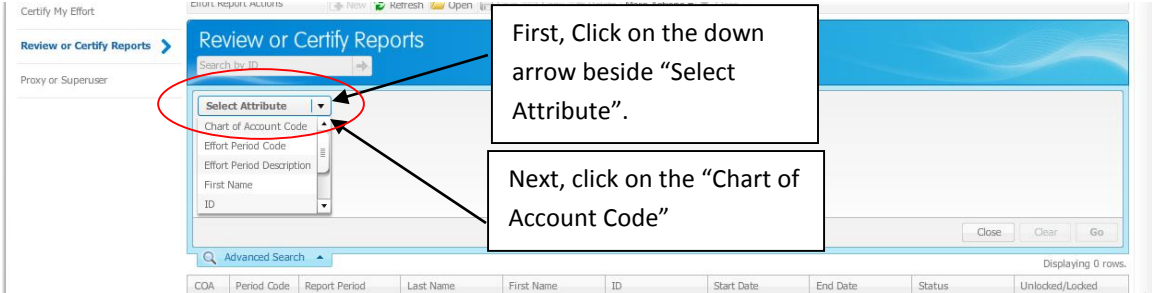


Enter a new screen titled "Review or Certify Reports". There are several options to search for the reports needing certification. Such as searching by ID number (This ID is located in our Banner Software. It is an Id given to all employees.), Effort Reporting period or Name.

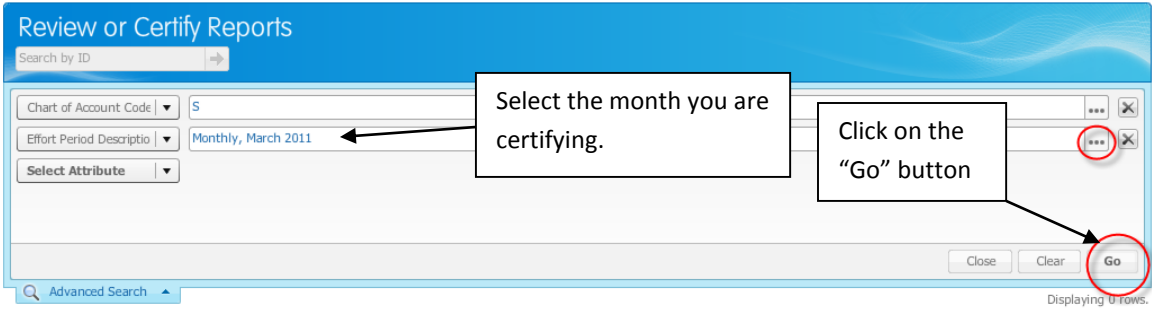
- 1. Under "Review or Certify Reports", select the "Advanced Search" link:



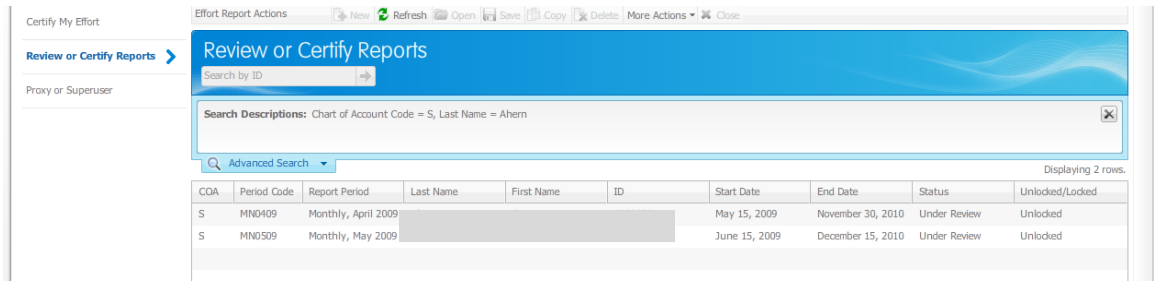
- 2. This will open a new subsection with a drop down menu titled "Select Attribute". Click on the down arrow beside Select Attribute and choose "Chart of Account Code":



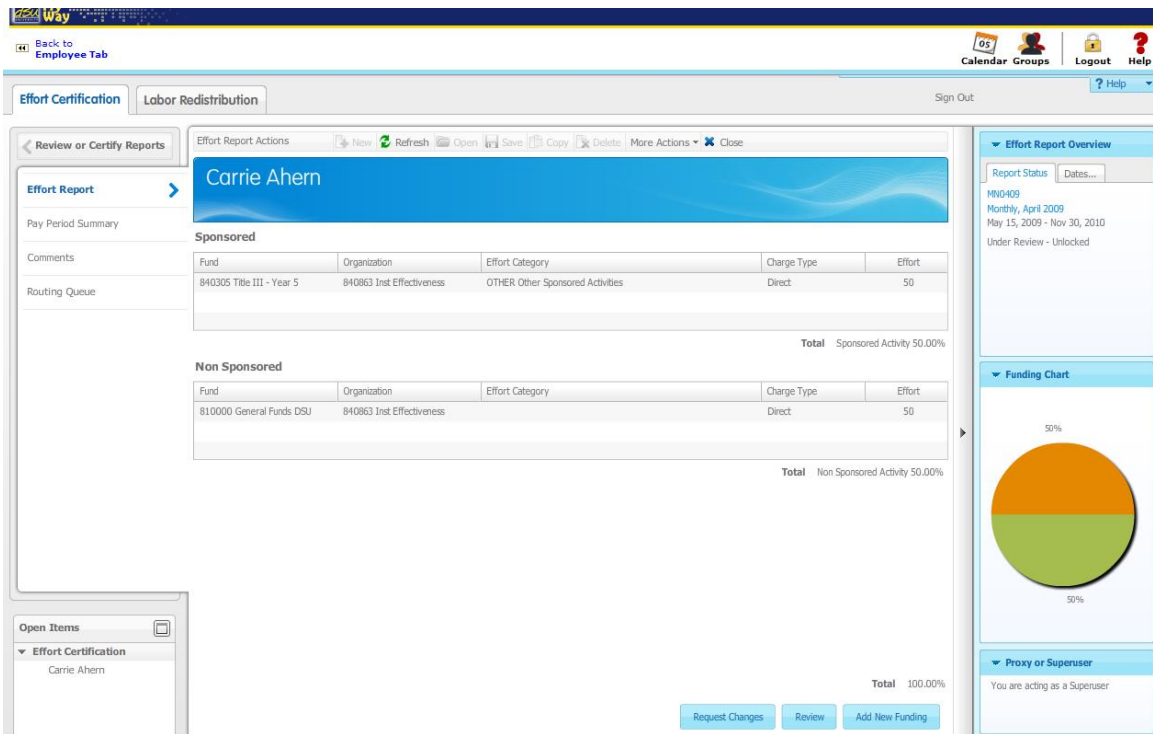
- 3. After selecting the Chart of Account Code, a new line will appear. Enter the letter 'S' in the Chart of Account Code box. The second attribute to select is Effort Period Description. This is the month of certification.. After selecting the Effort Period Description attribute on the right side of the rectangular box there is a square box with three periods, click on this box. From the window that appears click on the month to certify then click on the select button. Searching for a specific employee, search by Name or A ID number instead of selecting Effort Period Description.



- 4. After entering all the attributes, click on the "Go" button at the bottom right.
- 5. There should be a list of one or more effort reports for review or certification. (see below).



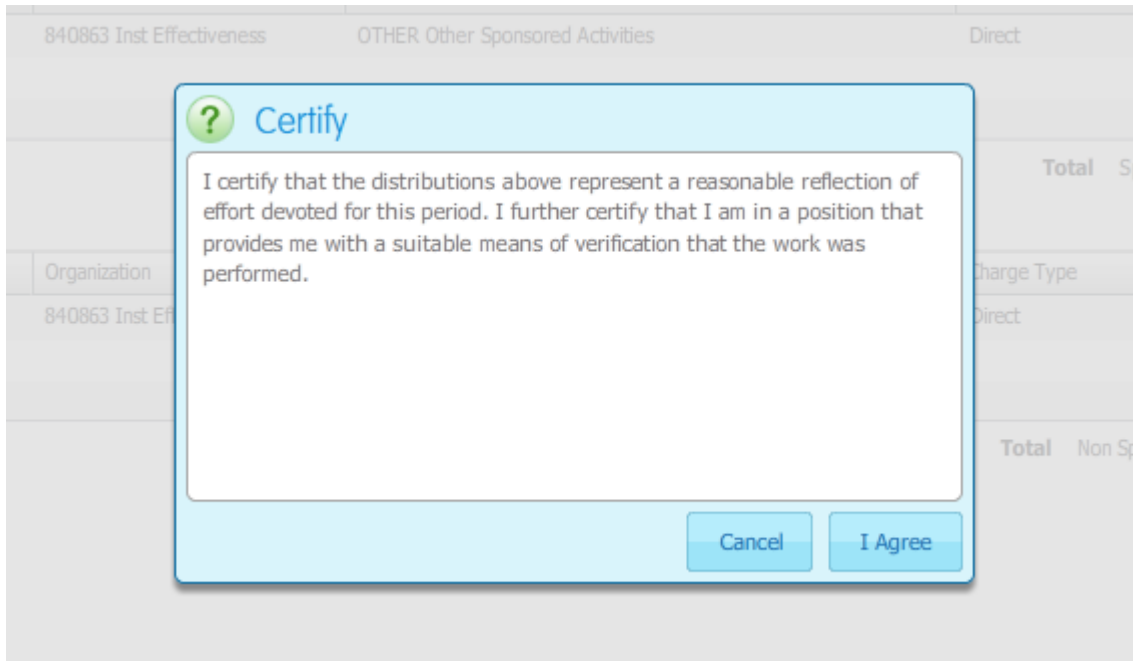
If the percent allocations and the “Effort Category” descriptions, are correct certify effort as instructed below. **However, if the percent allocations and “Effort Category” descriptions are incorrect, please see the section on Requesting Changes.**



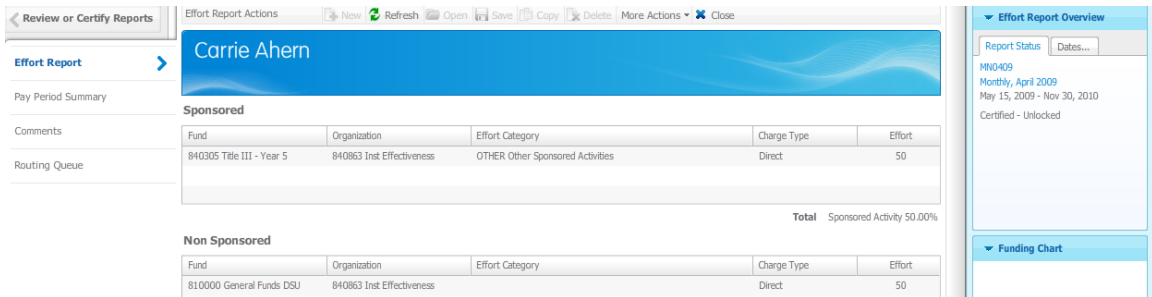
1. Return from the Pay Period Summary screen to the “Effort Report” screen by clicking on the link in the left-hand navigation.
2. To confirm review and approval of your effort, click on the “Review” button at the bottom of the page. Some may not have a “Review” button, but may already have the “Certify” button.
3. Once the “Review” button is clicked the option will change to “Certify”. Click “Certify”.



4. After clicking on “Certify”, a message similar to the box below will appear. Clicking on the “I Agree” button acknowledges the effort reported is correct.



5. After clicking on “I Agree” note the information panel on the right labeled “Effort Report Overview has now changed.” Report Status is now “Certified – Unlocked”. It will remain as such until the post review period has past, then it will read Certified – Locked”



NOTE: Do **NOT** choose the “review” button if you have not reviewed your effort as stated in Steps 4 and 5 or if you do not agree with the percent allocations or effort categories.

Requesting Changes

If a report is incorrect, please follow these instructions:

1. To request changes, do not click on the “Request Changes” button at the bottom of the Effort Reporting Screen.

2. Follow the normal process to complete a PHARED(see PHARED policy and procedure). Indicate percentages, effort categories, and/or other categories that are incorrect and provide the corrections. When recalculating the percent effort (if it is incorrect)*, make sure the combined effort equals 100%.

V. RELATED DOCUMENTS, FORMS AND TOOLS

South Dakota Board of Regents Policy 5:24 – Effort Certification Policy
<https://www.sdbor.edu/policy/documents/5-24.pdf>