

# OVERVIEW FOR FACULTY ON EFFORT CERTIFICATION

## INTRO

Welcome to the Office of Sponsored Programs' overview for faculty regarding Time and Effort Certification.

## OBJECTIVES OF THE OVERVIEW

The objectives of this overview are to:

- Highlight the requirements of effort certification,
- Review the policy of the University in response to these federal requirements and
- Clarify your responsibilities in the certification process.
- Through an increased awareness by all involved in the process comes our ability to collectively minimize the financial risks to you, your department and the University.

## REQUIREMENTS OF TIME & EFFORT CERTIFICATION

Federal regulations require the recipients of extramural funds to 'maintain an accurate payroll distribution system allowing for the periodic certification of University effort devoted to specific activities, both sponsored and non-sponsored. The University of Virginia uses the after the fact confirmation method. As the certifier, you are required to document within each specific reporting period all of your "University Effort" devoted to the following activities: research, instruction, public service, including any cost shared commitments of effort you made on sponsored activities in proposals, non-sponsored research, administration, teaching and clinical activities supported by the Health Services Foundation.

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For the purpose of effort certification, "University effort" totals 100% and is not determined by the number of hours you worked in a week or during the certification period. This includes effort commitments as proposed and awarded, both paid by the sponsor or cost shared by the University from other funds. **(For more examples of activities included in University effort, see Appendix A to University policy #27 on Time and Effort Certification).**

In light of 100% University Effort, the purpose of effort certification is...not to confirm HOW you were paid, based on a budget or the initial direction of your payroll, but rather to confirm if the allocation of your payroll among activities is commensurate with how you spent your time in performing those activities.

What constitutes a reasonable allocation of your time across activities is often difficult to assess. Therefore, the federal guidance that governs effort certification, 2.CFR.200.430, recognizes the principle of reasonableness or tolerance when it states that,

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"in an academic setting, teaching, research, service, 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." Additional guidance on the appropriate degree of tolerance can be found in the policy on Time and Effort Certification.

## UVA POLICY ON EFFORT CERTIFICATION

Salaries & wages supported from externally sponsored programs represent the majority of all sponsor costs for which the University seeks reimbursement. Therefore, as faculty members and certifiers in the process, you are responsible for understanding the policy and related procedures related to time and effort certification as well as exercising due diligence to ensure the following: your commitments of effort are accurately reflected on the report; complying with sponsor requirements regarding any significant reductions in effort commitments on sponsored activities; directing corrections to payroll expenses due to changes in effort; certifying periodic after the fact effort reports in a complete and timely manner; responding to the inquiries of reviewers; and lastly, documenting 100% of university effort, your own as well as those under your direction.

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Incidental work and *de minimis* activities, over and above or separate from normal activities assigned to a faculty member, need not be included as part of one's 100% university effort. In general, these activities are not related to sponsored activities and are not regular in their occurrence.

Periodic effort reports must be certified by a responsible person having firsthand knowledge of the work performed or by using a suitable means of verification of the work performed toward specific sponsored activities. Normally, this certification is performed by the employee or Principal Investigator for whom the effort report was generated. In the event that the employee or Principal Investigator is unable to certify the effort report, a surrogate using a suitable means of verification of the work performed may certify.

If authorized certifiers fail to comply with the policy and related procedures, the University, as the primary award recipient with oversight accountability to the sponsors, may inactivate or place 'on hold' existing projects in the financial system. In addition, payroll expenses not documented by a certified effort report may be removed from the affected sponsored programs and placed on non-sponsored accounts.

### **OTHER POSITIONS WITH RESPONSIBILITIES IN THE CERTIFICATION PROCESS**

In summary, sponsoring agencies continue to scrutinize the effort reporting practices of institutions, some of which have recently experienced large cost disallowances. Considering this, all employees involved in the review and certification of effort, including administrative staff in an advisory role and Department Chairs in an oversight role, share the responsibility for understanding the principles, policy and procedures related to accurate and timely effort certification, as well as the proper method of reviewing, completing and certifying effort. For immediate assistance or for any questions you have regarding the effort reporting process, please contact your effort reporting coordinator or your departmental or School research office. Additional questions may be directed to the Director of Outreach Education and Compliance in the Office of Sponsored Programs who is responsible for establishing and communicating the University practices related to time and effort certification.

Thank you for taking the time to listen to the presentation. Additional materials are in development to further assist you with your responsibilities in the time and effort certification process.