

Effort Reporting

Effort Reporting Discussion

Effort Reporting

- **What is Effort Reporting?**
 - The process to plan, distribute, and then certify that payroll costs charged to sponsored projects reasonably represent actual proportions of total effort devoted to those projects;
- **How is Effort Certification Accomplished?**
 - By certifying 100% of all University activities that comprise an individual's institutional base salary from Temple.

Effort Reporting

- **Why do we have effort certification?**

- 1) Required by OMB Circular A-21: *Cost Principles for Educational Institutions*

- Section J) *General Provisions for Selected Items of Cost*
- Sub-Section 10) *Compensation for Personal Services*

http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html

- 2) Temple University Grant & Contract Accounting Policy/Procedure GRPL05, *Effort Reporting Policy*

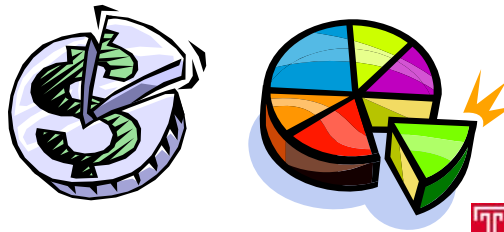
http://www.temple.edu/controller/grant_accounting/pol_proc/pdf/grpl05.pdf



Effort Reporting

- **After-the-fact Effort Certification**

- Charge Salary and Wages Based on Reasonable Estimates of Anticipated Effort
- Certify Effort After-the-fact for all Activities Compensated by the University



Effort Reporting

- **How the process works...**
 1. Committed Effort on Various Projects
 2. Payroll Distribution
 - *Position Requisition Form* (New Hires) or
 - *Expense Distribution Change Form* (Existing Employees)
 3. Certify Actual Effort After-the-Fact
 4. Reallocate Costs Based on Certification
 5. Change Payroll Expense Distributions



Effort Reporting

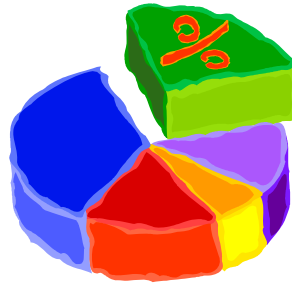
- **Committed Effort**
 - Where do the numbers come from?
 - Budget and/or Budget Justification
 - How do you quantify effort?
 - Consider All Temple Activities
 - Determine Proportions of Anticipated Effort
 - Not Based on a *Standard* 35 or 40-hour Workweek
 - Everyone has a Different Effort Denominator



Effort Reporting

- **Total Effort Comprised of University Activities**

- Research
- Teaching & Service
- Administration
- Clinical



Effort Reporting

- **What is an Allowable Direct Labor Charge on a Sponsored Project?**

- Must directly contribute to the goals and aims of the project by being intimately related to specific aspects of the research activity;
 - Performing Project-Specific Functions
 - Delivering Special Lectures
 - Writing Reports and Articles
 - Participating in Appropriate Seminars
 - Collaborating with Colleagues and Graduate Students
 - Attending Meetings and Conferences

Effort Reporting

- **Unallowable Labor Charges to a Sponsored Project:**
 - Any activity that does NOT directly contribute to the goals and aims of the sponsored project, including but not limited to:
 - Teaching & Service
 - Didactic Teaching, Course Preparation, Department Meetings, Committee Participation, Journal Clubs, and so on
 - Administration
 - Reviewing Sponsored Project Financial Reports, Searching for Funding Opportunities, Proposal Preparation, Continuation Applications, and so on
 - Clinical Activities
 - Not Including Clinical Trials



Effort Reporting

- **Who needs their effort certified?**
 - All Temple faculty, staff, and graduate students with any portion of their total professional effort devoted to sponsored project activities at Temple
- **Who is an appropriate certifier?**
 - The Employee,
 - Principal Investigator, or
 - Responsible Official using suitable means to verify the work was performed



Effort Reporting

- **Who are Appropriate Certifiers?**

- Professorial & Professional Staff
 - Named Employee
 - Principal Investigator or Supervisor
- Technical & Administrative Staff
 - Principal Investigator or Supervisor
 - Responsible Organizational Official with Suitable Means to Verify the Work was Performed as Certified

Effort Reporting

- **Certify 100% of All University Activities**

- Reasonable Percentages
- Acceptable Variances
- Not a Standard 35-hour or 40-hour Workweek



Effort Reporting

- **Certification Timeliness**

- Required for Integrity of Certification
- Late or Uncertified Effort Could Lead to Disallowed Costs



Effort Reporting

- **OMB Circular A-21: After-the-Fact Effort Certification**

- A) Effort Reports (aka PARs) are generated for employees with any portion of their salaries and wages charged to a sponsored project
- B) Generated After-the-fact, meaning based on actual payroll charges as of the end of the certification period

Effort Reporting

- **OMB Circular A-21: After-the-Fact Effort Certification**
 - C) Since Effort Reports consist of activities for which employees are compensated by Temple, actual effort must be certified by appropriate individuals
 - D) Effort Reports represent activity applicable to each sponsored project and to all other activities
 - E) Frequency of Reports
 - F) Use of subsidiary records such as timecards