Policy on Time and Effort Reporting

Purpose

To comply with 2 CFR Part 200 (Uniform Administrative Requirements) and other sponsor requirements for certifying that effort expended on a project is commensurate with the salary charged against the sponsored project.

Definitions

Cost Share: is where some or all effort an individual expends on a specific sponsored research project is not funded by the project sponsor but is mandated by the sponsor or where the individual has clearly committed to uncompensated effort to the project in the application.

Effort Reporting: the proportion of personnel time spent on any institutional activity expressed as a percentage of the total institutional activities of the employee. Effort reporting is a process required by the federal government to verify that salary and wages charged to sponsored projects are reasonable and reflect actual work performed.

Institutional Base Salary: An individual’s institutional base salary is the annual compensation that the applicant organization pays for an individual’s appointment, whether that individual’s time is spent on research, teaching, patient care, or other activities. At the University of Oklahoma Health Sciences Center the following items are excluded from effort reporting: bonus pay, clinical professional practice plan payments, overload compensation, compensation received from sources other than the University, such as compensation from the VA, or outside consulting work permitted by the University.

Salary Cap: is a limitation placed on the salary rate that can be charged to a federal grant. The salary cap applies to all federal grants and cooperatives agreement except those awarded by the Food and Drug Administration and the Indian Health Services. The cap also applies to the federal flow through awards as well as other sponsors that have imposed salary caps in their announcement or agreement.

Policy

1. The University utilizes an after-the-fact project based effort reporting system to account for the effort of employees working on sponsored programs.
2. Salary expenditures are based on the individual’s institutional base salary.
3. Effort forms are required to be completed for all sponsored projects regardless of the sponsor.
4. Time and effort reports are run on a semiannual basis.
5. The principal investigator must certify the effort report form. No other signature will be accepted except in rare instances (i.e. illness or termination) when a PI is unavailable. In these instances the time and effort report may be signed by a Chair or Dean.

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6. Effort and payroll distributions are not the same thing. The effort reporting process is a method for certifying charges made to sponsored awards and for certifying that the effort expended is at least equal to the salary paid. Payroll distributions are used initially as a proxy for effort distributions and serve as a convenient reminder about activities on which the individual worked. Therefore, the payroll-based effort report form should be adjusted to report effort distributions that are different than the shown payroll distributions. Appropriate salary cost transfers must be submitted in concert with the changed effort report form.

7. The effort form must take into account all effort included in the institutional base salary. Even where the number of hours of effort the individual expends each week substantially exceeds the “normal” workweek of 32 or 40 hours, effort percentages must be based on total effort, not hours.

8. Effort distributions should be reasonable estimates of activities, recognizing that research, instruction, and clinical activity are often inextricably intertwined and estimates will be necessary in most cases. Time and effort reports should not be certified unless the time and effort is appropriate.

9. Principal Investigators cannot commit 100% effort to sponsored programs. Faculty are commonly preparing proposals and have other University duties that would require a portion of their effort.

10. Certain sponsors impose a limit or “cap” on the annual rate of salary reimbursement. Nevertheless, investigators must still devote the full committed effort as proposed and awarded without regard to the salary reimbursement limitation.

11. Required and promised cost share must be reported in the PeopleSoft system. This is performed by submitting an ePaf with a non-sponsored chartfield that includes the corresponding project number for the award that the effort is being cost shared for. (i.e. MISCD COM220 00012 00000 C1234567)

12. If an effort report form is not generated due to the lack of any directly charged payroll activity, the Manual Time and Effort Form must be completed, certified, and submitted with the salary cost transfer.

13. Grants and Contracts Accounting is responsible for the initiation of the effort report forms and the monitoring of all effort reporting activity.

14. Principal investigators are required to sign, date, and return the time and effort report forms within 60 business days of availability of the forms.

15. Department Chairs are responsible and accountable for the timely completion of effort reports by their faculty and staff.

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