PURPOSE

The University receives significant funding for sponsored projects from federal and state governments, private foundations, organizations, and industry. There must be accurate effort planning and confirmation when these funds are expended for salaries and wages.

Effort certification is required by Federal regulations for all compensation costs charged to federal sponsored awards. In order to be compliant with these regulations, the University is required to have a system in place for certifying the allocation of salaries and wages associated with sponsored projects.

The purpose of effort reporting is to provide a reasonable basis for distributing salary charges among direct activities (e.g., sponsored projects) and non-sponsored activities (such as instruction and administration). OMB Uniform Guidance requires that the University document the distribution of activity to each individual sponsored project, including any cost shared effort (i.e., committed effort that is not directly charged to the award).

STATEMENT OF POLICY

It is the University’s policy to maintain compliance and establish formal procedures for 1) effort commitments for sponsored projects, 2) payroll allocations to sponsored projects, 3) certification of effort to sponsored projects; and 4) to conform to OMB Uniform Guidance (2 CFR 200), section 200.430 Compensation for Personal Services and its predecessor, OMB Circular A-21 (for federally sponsored projects issued prior to December 26, 2014).

In order to comply with this policy, each Faculty Member/PI must confirm that the time that s/he worked on a sponsored project is consistent with the percent effort committed to work in PeopleSoft HR system.

PROCEDURES

For additional Standard Operating Procedures and procedural expectations associated with this Policy, refer to:

Long Island University Standard Operating Procedure- Grant Effort Reporting (SOP LIU F-B-1011)

DEFINITIONS

Actual effort: is the actual effort expended on a sponsored project; usually expressed as a percentage of total effort.

Effort certification statement: is the form generated by the Sponsored Projects Financial Operations
that displays actual payroll allocations for institutional base salary earned during the effort certification period. • Effort commitment is the proportion of effort proposed by faculty or staff to carry out their role on a sponsored project. This can be expressed as a percentage or in person months. The terms “effort commitment” and “committed effort” are interchangeable.

GMO: Grants Management Office

Institutional Base Salary (IBS): defined as the annual compensation paid by the University for an individual’s appointment, whether that individual’s time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the University. Supplements for administrative duties outside of an ordinary faculty appointment are excluded from IBS.

OSP: Office of Sponsored Projects

OMB: Office of Management and Budget; federal office overseeing policy, budget management and regulatory objectives for the President of the United States.

Payroll allocation: the process of updating an individual’s payroll distribution in the PeopleSoft HR system in order for payroll charges and corresponding fringe benefits to be charged to sponsored projects in proportions to anticipated effort expected to be expended.

Payroll reallocation: the process of updating an individual’s payroll distribution in the PeopleSoft HR system in order for payroll charges to reflect actual effort certified within a reasonable degree of accuracy.

PeopleSoft HR: the University’s enterprise system of record to record payroll distributions.

Pl: Principal Investigator of a sponsored project; responsible for overseeing and certifying the effort of all individuals working on his/her grant(s).

POLICY TYPE: FINANCE