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PURPOSE OF GUIDELINES

The University of Maine System (UMS) receives significant funding for sponsored projects from federal and state agencies, private and non-profit foundations, organizations, and industries. Proper effort certification verifies charges to sponsored projects for salary and wages reasonably reflect actual work performed.

These guidelines explain administrative requirements and financial procedures for maintaining compliance with federal government and other regulations regarding effort certification. Failure to follow these guidelines could have serious consequences, including disallowed costs, which would require reimbursement to the sponsor from unrestricted departmental funds; increased federal oversight, monitoring, and audit; and loss of future federal funding. Government actions may include debarment from government funding and civil and/or criminal sanctions under the False Claims Act.

POLICY

The UMS requires certification of effort for any employee whose salary or wage is charged to a sponsored award, whether as a direct cost funded by the sponsor or as cost sharing funded by the University. Effort certification shall be managed and accounted for in accordance with the requirements set forth in the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) located in 2 CFR Part 200, Subpart E, §200.430 Compensation – personal services.

Individuals who deliberately falsify, or knowingly allow falsified certification reports to be processed, may be subject to disciplinary action including, but not limited to, suspension from participation in sponsored agreements and suspension or termination from employment.

WHO IS RESPONSIBLE

Responsibility for following effort certification guidelines is a coordinated effort among the University Services Accounting Department, campus Sponsored Programs or other designated personnel, principal investigators or project managers, their department chairs or other direct supervisors, and unit-level fiscal personnel with general guidance and oversight of the colleges, schools and divisions. See the section of this document titled, ‘Responsibilities and Procedures’ for detailed responsibilities.
RESPONSIBILITIES AND PROCEDURES

A. Documenting Effort Certification

Documentation of effort certification varies by the following groups of employees:

1. Faculty, professional employees, classified employees, and graduate students:

   Effort certification for this group of employees is documented through the employee’s signature on a Time and Effort Report, certifying that the distribution of activity presented in the Report represents a reasonable estimate of the work performed during the period stated on the Report. If the employee is unavailable to certify the effort, the applicable principal investigator or other responsible official, with first-hand knowledge of the work performed and suitable means of verification, may provide such certification. When a principal investigator or other responsible official verifies effort on behalf of an employee, they shall document on the Report what prevented the employee from certifying and what action was taken to verify the work was performed.

   If the distribution of activity listed in the Report is not a reasonable estimate, the employee, principal investigator, or other responsible official changes the percentages so they are reasonable in relation to the work performed. In the event the percentages in the Report are revised, the changes are subsequently reflected in the payroll system through the processing of a retroactive distribution adjustment.

   Time and Effort Reports are produced three times each year covering the academic year (AY) pay periods of September 1 through December 31 (fall), and January 1 through May 31 (spring), as well as the summer pay period of June 1 through August 31 (summer).

2. Undergraduate student employees:

   Rather than submit Time and Effort Reports, undergraduate student employees certify time worked each day by using time clocks or time cards that provide after-the-fact payroll documentation for payroll and payroll charges.

3. Muskie School of Public Service employees at the University of Southern Maine:

   Non-faculty employees working for this unit certify their effort daily, bi-weekly or monthly when they certify after-the-fact documentation for payroll and payroll charges. Muskie faculty, who do not participate in this process, complete Time and Effort Reports as outlined in #1 above.
B. Responsibilities

1. University of Maine System Administration:
   - Provide guidance through administrative practice letters
   - Identify data in payroll records to be displayed on certification forms
   - Generate and distribute Time and Effort Reports to Sponsored Programs Offices, or other responsible department, for campuses not covered by a memo of understanding with the University of Maine or University of Southern Maine OSP
   - Coordinate compliance monitoring through periodic internal and external audits

2. Sponsored Programs Office, or other responsible campus department:
   - Provide general coordination and guidance, in conjunction with the University Services Accounting Department, to employees involved in the effort certification process
   - Spot-check Time and Effort Reports and notify the University Services Accounting Department if there appears to be an issue with the data included in the Time and Effort Report.
   - Distribute Time and Effort Reports to individual employees, departments, or organizational units for review and signature
   - Collect and account for signed Time and Effort Reports
   - Maintain original Time and Effort Reports

3. Employee, Principal Investigator, or Other Responsible Official:
   - Review Time and Effort Reports to verify accuracy of the data extracted from the payroll distribution system
   - Confirm effort recorded on the Time and Effort Report is a reasonable estimate of the work performed
   - If the effort allocation is a reasonable estimate, sign the Time and Effort Report confirming the distribution of activity
   - If the effort allocation is not a reasonable estimate of the work performed:
     - revise the effort percentage on the form, and, sign the revised form
     - report the revision to the department that administered the employee’s primary appointment so the department processes a retroactive distribution adjustment to make the required adjustment in the payroll system
   - Return the signed/certified Time and Effort Report in a timely manner to the department from which it was received. Departments that distributed forms are responsible for returning forms to the Sponsored Programs Office, or other responsible department, by the appropriate due date.
DEFINITIONS AND TERMS

Academic Year: For effort reporting purposes, an academic year is the period of a faculty member’s appointment. Faculty are generally appointed for either 9 or 12 months.

Certification: The assertion by a responsible official that the salaries charged to a sponsored project as direct charges or cost sharing reasonably reflect the effort expended and work performed during the reporting period.

Cost Sharing: Project costs that are not borne by the sponsor. Cost sharing of effort is the provision of faculty and/or staff time and related fringe benefits that were committed and provided in support of a project but are paid for by other sources of funding.

Responsible Official: A person such as the dean, principal investigator, or director who has first-hand knowledge of an employee’s activities and/or is able to certify the employee’s effort using suitable means of verification that the work was performed. It is not permissible for a departmental support person, such as a secretary, administrative assistant, program assistant, office manager, or financial manager to certify an employee’s effort.

Suitable Means of Verification: Acceptable ways for a principal investigator or other responsible official to validate his or her claim that an employee performed work for the projects listed and during periods indicated on the employee’s Time and Effort Report. For example, the principal investigator or other responsible official may confirm and document effort with supervisors, or others having first-hand knowledge of the employee’s activities. Examples of documentation include copies of calendar appointments, dated email exchanges, signed and dated reports, dated notes, dated phone messages, or other documentation that indicates the employee worked during the period covered by the Time and Effort Report and the percentages on the report are a reasonable estimate of the employee’s effort.

Time and Effort Report: The form reviewed by a University of Maine System employee, a principal investigator, or other responsible official on which the reviewer confirms the distribution of activity listed on the form represents a reasonable estimate of the work performed by the employee listed on the form, during the period stated on the form.
FREQUENTLY ASKED QUESTIONS

1. Which employees are required to certify effort?

   All employees paid in whole, or in part, through grants and contracts projects are required to certify effort. Faculty, professional employees, classified employees, and graduate students do so on the Time and Effort Reports produced three times each year. Undergraduate students and Muskie School of Public Service non-faculty employees do so daily, bi-weekly, or monthly when they report their time. Please see the above section, ‘Documenting Effort Certification’.

2. Are subrecipients required to certify effort?

   No.

3. What if an employee is not available to certify the Time and Effort Report?

   If an employee cannot sign the form, it may be signed by the applicable principal investigator or other responsible official with first-hand knowledge of the work performed and suitable means of verification. It is not permissible for a departmental support person, such as a secretary, administrative assistant, program assistant, or office manager, to certify an employee’s effort.

4. How do I account for my effort if I am employed less than full time (1 FTE)?

   An employee’s effort is always reflected as 100%. If an individual has a .5 FTE appointment of which .3 is dedicated to Grant A and .2 is dedicated to Grant B, 100% of the person’s effort as a half-time employee is dedicated to Grants A and B with 60% effort on Grant A and 40% effort on Grant B.

5. What if I only work 10 hours a week?

   Your 10-hour work-week constitutes 100% of your effort. Assign percentages to the amount of effort dedicated to each activity.

6. What if I work more than 40 hours a week?

   Your effort is 100% regardless of the hours you work. For example, if you work equally on two grants and put in 60 hours a week, you assign 50% effort to Grant A and 50% effort to Grant B.
7. Does effort certification include effort funded by direct cost sharing?

Yes. Effort funded by direct cost sharing is reflected in funds 04 and/or 24 on the Time and Effort Report.

8. If I am working on a “pre-award spending” project, do I have to certify effort?

Yes, effort must be certified for the reporting period during which the work was performed.

- Payroll charged to a “pre-award spending” project will be reflected on the Time and Effort Report. Revise the percentages if they are not a reasonable estimate of your effort. In this case, you treat pre-award spending projects no differently from other projects.

- If you expended effort on a pre-award project, but payroll for that effort is charged to an Education and General (E&G) department or to another project, add a line on the report for the pre-award spending project and adjust the percentages to reflect your effort. When you submit your revised report, a retroactive distribution adjustment made in the payroll system will move the costs accordingly.

- In the event a pre-award project is subsequently NOT approved by the sponsor, at the time of non-approval, salary costs will be removed from the project and charged to the employee’s E&G department.

9. Will a new Time and Effort Report be printed that shows the corrections made by an employee?

No, a Time and Effort Report that reflects the changes a certifier notes on the original form is not produced. The form with the changes manually noted by the certifier is to be retained on file by the Sponsored Programs Office for possible subsequent review by auditors.

10. What are some effort reporting “red flag” issues for auditors?

They include manually adjusted certified reports that show effort that is not a reasonable estimate of the equivalent salary and wages charged to the Federally funded project, multiple certification revisions resulting from cost transfers, and late or missing certifications.
University of Maine System

ADMINISTRATIVE PRACTICE LETTER

SUBJECT: EFFORT CERTIFICATION

RELATED DOCUMENTS

APL VIII-C Direct Charging of Expenses
APL VIII-K Cost Transfers

HISTORY OF POLICY

Prior Version: Effective 07/02/2010
Current Version: Effective 12/26/2014 (Modifies policy terms and references and adds language to comply with requirements in OMB Uniform Guidance)

APPROVED

Signature on file in the Office of Finance and Administration

Vice Chancellor for Finance and Administration