

# Project Effort Confirmation

SPA-11-026

## About This Policy

**Effective Dates:**

01-30-2020

**Last Updated:**

03-09-2020

**Responsible University Administrator:**

Associate Vice President for Research

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## Scope

This policy applies to any portion of [Institutional Base Salaries](#) ("IBS") paid in full or in part on federal and federal pass-through sponsored research awards.

## Policy Statement

1. To meet the federal documentation requirements identified in 2 CFR part 200.430 (Compensation - personal services), Indiana University requires [project directors](#) of federal and federal pass-through awards to annually review and confirm the percent of effort for each individual charged to their awards. The percent of effort is based on the proportion of [Institutional Base Salary](#) allocated to the project. Project directors are required to confirm that the percent of effort and associated IBS compensation allocated reasonably reflects employee efforts on the project.
2. The requirements of this policy are in addition to those set forth in [SPA-11-003](#), which requires project directors and departmental fiscal officers (or delegates) to conduct regular reviews of all expenditures allocated to federal and federal pass-through awards and to ensure appropriate and timely corrections via cost transfers.

## Reason For Policy

The purpose of this policy is to provide direction with respect to documentation of compensation on federal and federal pass-through awards in accordance with [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200.430 Compensation - personal services](#).

## Procedure

1.
  - a. Project statements are issued annually based on calendar year as detailed on the [ORA website](#).
  - b. For each federal or federal pass-through sponsored award, project statements record each employee's IBS allocated on the respective award. The primary project director has the responsibility for confirming that the proportion of IBS allocated to the award reasonably corresponds to the employee's effort.
  - c. If a project director is unavailable to confirm project statement(s), the unit shall work with ORA to assign an alternate to confirm.
  - d. Project statements shall be issued annually based on calendar year. ORA will send an email notification to the primary project director that the annual project statement is available for review, and the primary project director must review and approve the project statement within 31 days of the ORA notification. Extensions are allowed on an exception basis and may be granted only with prior ORA approval.

## 2. Cost Transfers

All cost transfers on federal (including federal pass-through) cost reimbursable grants and contracts must adhere to IU Policy [SPA-11-003, Cost Transfers on Cost Reimbursable Grants and Contracts](#).

## 3. Retroactive Payroll Adjustments

Retroactive pay adjustments and payroll cancellations that will change the percentage of IBS allocated to federal or federal pass-through sponsored research awards require prior approval by ORA.

## 4. Approved Practice Plan Effort

For [Approved Practice Plans](#), IU School of Medicine faculty may include the fixed component of practice plan salaries as part of their IBS allocated to awards, in addition to the portion of IBS paid directly by IU. In such cases, the percent of effort on the project statement shall apply equally to both sources of compensation allocated to the award.

## Definitions

**Approved Practice Plans:** Those practice plans approved by Indiana University to recover salary costs related to research conducted under the auspices of Indiana University.

**Project Statements:** Project Statements are issued annually recording employee IBS allocation to the respective award.

**Institutional Base Salary (IBS):** The base annual salary received for a payroll appointment. At Indiana University this is defined as base pay applicable to an appointment. This includes, if appropriate, compensation from both Indiana University and an Approved Practice Plan. IBS does not include overload or supplemental payments.

**Project Director:** The primary principal investigator listed in the Kuali Coeus system for the overall award.

## Sanctions

Failure to adhere to the principles and processes in this policy may result in the disallowance of award costs.

Any retroactive pay adjustments for employees affecting payroll that do not receive prior approval and post to sponsored research accounts may be deemed unallowable and moved to the department continuation account.

## Related Information

[2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

[Office of Research Administration \(ORA\) Website](#)

[SPA-11-003, Cost Transfers on Cost Reimbursable Grants and Contracts](#)