Effort Certification Under Uniform Guidance
SPA-11-004

About This Policy

Effective Dates:
03-01-2011

Last Updated:
02-01-2018

Responsible University Administrator:
Associate Vice President for Research

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Scope

This policy applies to Indiana University employees, including approved practice plan employees, paid all or in part from federally funded accounts in order to confirm that the payroll allocation of their institutional base salary reasonably reflects their actual activity.

Policy Statement

It is the policy of Indiana University that all employees paid from federally funded sponsored program accounts confirm their effort and related salary allocation by means of effort certification. Effort certification documents shall be issued at standard intervals and must be reviewed, corrected (if applicable) and approved within 60 days after issuance. Effort certification documents include all employment activities for which the individual is earning their institutional base salary.

Reason For Policy

The purpose of this policy is to provide direction with respect to documentation of personnel expenses on federal and federal pass through awards at Indiana University in order to accurately reflect the work performed on those awards in accordance with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Procedure

For each employee paid from federal or federal pass through awards, effort certification documents are routed for approval in the Indiana University financial system. The individuals in the document routing have the responsibility for verifying that the effort provided by the employee on the various projects corresponds to the pay distribution across those projects.

Effort certification documents may only be certified by persons who can personally verify the activity of the individual on the effort certification document. Individuals capable of verifying the effort would include the employee, the Principal Investigator, or a responsible official using suitable means of verification that the work was performed.
Individuals in the document routing may approve the effort certification document only if they can personally verify, (i.e. have first-hand knowledge of) the activity of the employee.

If they cannot personally verify the activity of the employee, they may do one of the following:

1. Ad-hoc route the document to another Indiana University financial system user who can verify the individual’s activity.

2. Attach an e-mail or other electronic document from an individual who can verify the individual’s activity and can confirm the effort distribution onto the Notes and Attachments panel of the effort certification document.
   
   • Individuals providing e-mails or other electronic documents confirming the employee’s effort must reference the effort certification document numbers and the account numbers for which they are confirming effort.
   
   • Multiple notes and attachments are permitted on the effort certification documents, so this method may be preferable for individuals who have worked for multiple Principal Investigators or who have worked in multiple units.

3. Some departments or units track employee effort through timesheets signed by the employee that record not only hours worked but also the specific projects or activities of the individual. In such cases, the timesheets may serve as sufficient documentation to approve the effort certification document.

Effort certification documents shall be reviewed, corrected (if applicable) and approved within 60 days of issuance by ORA.

For Indiana University effort certification documents still unapproved at 60 days past issuance, all salaries (effort) posted to federally sponsored projects appearing in the effort certification document(s) in question will be removed to a non-sponsored account unless an exception to the certification and approval deadline has been granted by ORA.

The exception process is as follows:

1. Exceptions to the effort certification and electronic document approval deadline may be granted by ORA for certain extenuating circumstances preventing appropriate review and approval.

2. Requests for exception must be formally communicated to ORA via e-mail at least five days before the certification deadline. E-mails may be sent to ORA_ACE@indiana.edu.

3. Upon approval of the request by ORA a defined extension period will be communicated to the requestor. A maximum of two certification extensions may be granted, each in 14-day increments.

Delinquent effort certification documents pose a significant audit risk for the university. Repeated exception requests indicate poor internal controls and will be heavily scrutinized by ORA. Ongoing problems will be elevated to departmental senior administration.

Retroactive Payroll Adjustments / Payroll Corrections

Retroactive pay adjustments for employees that will increase payroll on federal or federal pass through sponsored research accounts after effort certification documents are generated require prior approval by ORA. Any retroactive pay adjustments for employees increasing payroll that do not receive prior approval and post to sponsored research accounts after effort certification documents are generated may be deemed unallowable and removed to a non-sponsored account.

Approved Practice Plan Effort

Those Indiana University departments authorized to recover approved practice plan employee salary costs through sponsored research accounts are responsible for approved practice plan effort certification and must follow the guidelines established in this policy.

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.

Effort certification documents: Personnel activity reports that are issued periodically by ORA for each individual paid or cost-shared on a sponsored research account. Effort certification documents are based on the individual’s salary and wage distribution by account/project and are routed to the fiscal officer, account delegate, or effort certification delegate of record for each account on the document.

Suitable Means of Verification: At Indiana University “suitable means of verification” includes any documentation, including e-mail documentation, sent directly from the employee, supervisor or Principal Investigator of a specific sponsored project (account) listed on the effort certification document stating exactly the effort period, document number, account number(s), and applicable percentage effort allocation(s).

Institutional Base Salary: The 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.

Sanctions

Failure to certify and approve effort certification documents within communicated timeframes and deadlines may result in removal of effort from any federally sponsored project included in the effort certification document to a non-sponsored account, or in the case of recovered approved practice plan compensation, the effort would be moved to a non-sponsored account.

Inaccurate or misrepresented effort certifications pose a significant audit risk to the university and will result in removal of the effort in question from the project.

History

Replaces:

- III-100: “A21 Effort Reports”
- Important Notice 03-3 “A21 Effort Reports”
- SPA-11-004 – “Effort Certification under OMB-A21”

Previous Versions:

Effective Dates:

03/01/2011 - 03/31/2016
03/31/2016 - 02/01/2018

Related Information

2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
Office of Research Administration Effort Certification website